



KEEPING PEOPLE AND INFORMATION CONNECTED.®

Executive Brief Series

An Executive Guide:

Driving Value and Delivering Results with Managed Services

Overview

In virtually every sector—from healthcare and financial services to manufacturing and government—there’s a steady drumbeat to deliver better results with fewer resources. With the potential to increase efficiency, power new business/service models and enhance agility, technology is the one of the most popular—and effective—means of doing more with less.

Indeed, IT is no longer just a “support” function. Today, IT is expected to drive innovation, revenue and results. But effectively leveraging technology is seldom easy. For IT executives, >

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the pace of internal and external change is grueling—with new technologies and business opportunities continually emerging. But by the time an IT infrastructure has been adapted or expanded, such opportunities are often missed. In fact, for many firms, just addressing day-to-day support requirements strains limited in-house IT resources.

While traditional outsourcing has proven to be the right solution for some organizations, others want to enjoy cost efficiencies and service level guarantees—without handing over the “keys to the kingdom.”

Managed IT services allow you to do just that. These services enable you to enjoy the business advantages of outsourcing—including predictable costs, reliable service and the ability to redeploy IT resources to more strategic initiatives. However, with managed IT services, you remain in control of your applications and data. These services simply offload key IT management responsibilities in a wide range of areas, such as security, network, storage and replication, to a trusted partner.

How can you use managed IT services to drive value and deliver results—including greater flexibility, enhanced agility and increased cost-effectiveness?

Using the right approach and identifying the right partner are the keys to success with these services. In this executive brief, SunGard has compiled helpful information to consider as you explore managed IT services for your organization.

Managed services vs. outsourcing and hosting

“Managed services” isn’t just a new name for outsourcing or hosting. Outsourcing involves the transfer of part or all of an IT environment—including physical technology assets and human resources. Unlike outsourcing, managed services allow an organization to maintain the required level of control over systems, applications and data. And unlike most hosting solutions, managed services are platform-independent. These services can support enterprise-class and traditional servers, as well as storage and network devices. With managed services, you can enjoy a single point of contact and accountability for providing required levels of availability—without sacrificing control over your IT environment.

Assessing Your Current State

Is IT enabling your business—or holding it back? Only you can clearly articulate your organization's short- and long-term strategic goals. But chances are, organizational objectives include strengthening competitive advantage, increasing revenue, improving risk management and enhancing efficiency and productivity. And you're probably looking to IT to help address those and other strategic goals. Thus, it's more important than ever that IT align with the business.

As you consider the potential advantages of managed services in meeting strategic goals, assess your current state in each of the following areas:

Use of best practices and leading technologies.

Does your IT team employ industry best practices in managing technology infrastructure and processes? Are you completely confident in the consistency of day-to-day management and monitoring activities? Is your organization able to quickly and cost-effectively implement new technologies? In what ways could you enhance your operational responsiveness and agility?

Upfront technology costs. Do you find your IT team is limited in its ability to rapidly design and roll out new systems and applications? Are you continually struggling to work within capital constraints? How could you benefit from access to next-generation technology—without having to make a large initial investment?

IT cash flow predictability. How effective and accurate is your IT budget planning process? What kind of "surprises" have you encountered recently? What advantage could you gain through a predictable monthly rate for basic IT support functions?

Time to implementation. Is your IT function able to meet your organization's requirements for speed? How could you benefit from accelerated timelines for system/application design and rollout?

IT staff utilization. Even the most skilled and talented IT staffs are often overburdened. How are your IT staff members currently spending the majority of their time? Are they being consumed by day-to-day "chores"—or are they focusing on initiatives that support your core mission and strategic goals?

The chief advantages of managed services

- Leverage the strength of experienced technical and consulting staff
- Reduce or eliminate the need to recruit, train and retain qualified experts
- Offload all stages of the IT lifecycle—from provisioning, installation and testing to ongoing maintenance and problem resolution
- Gain access to around-the-clock support from seasoned helpdesk and technical services teams
- Refocus in-house resources on other strategic initiatives

Selecting a Service Provider

How will you know if a third-party provider is right for you?

If you've determined that your organization can and should benefit from the increased cost-effectiveness, flexibility and agility of managed services, your next step is selecting a provider. Best practices show that managed services providers should offer:

- Purpose-built hosting facility and infrastructure
- Enterprise-wide solutions
- Systems integration experience in Unix, Linux, Solaris, and Windows
- Proven implementation capabilities
- High availability-centric, process-driven operations methodology
- Effective service level approach
- Extensive range of bundled service capabilities
- Strong financials and corporate stability
- Disciplined, standards-based approach to service delivery

Evaluating customer portals

A Web-based portal is an important part of managed services delivery. But not all portals are created equal.

As you evaluate managed service providers, take a close look at their portal capabilities. A top-notch portal delivers:

- Real-time, around-the-clock monitoring and support. A portal should include software tools, intellectual capital and information about your hardware and/or high availability architecture. It should also give you continuous access to important data, such as infrastructure performance and account information.
- Issue tracking from initiation through resolution. A portal should empower you to initiate and track issues through resolution.
- Capabilities for customization. A portal should allow you to create customized pages—facilitating fast, easy viewing of critical information.
- A high level of security. Portals should have full firewall functionality to help protect the security and privacy of your data.
- Seamless installation and ease of use. From initial setup through ongoing access, a portal should be simple and easy to use.

Evaluating service and satisfaction

Static and “canned” monthly reports are simply not effective in influencing ongoing attention to service quality. Look for a provider with a more dynamic,

client-centric approach to service delivery and management.

In a crowded marketplace, many managed services providers use service level guarantees as their “differentiation.” Unfortunately, most of the performance measurements in place today are technology-centric and have failed to address the real issue: customer

satisfaction. Technology measurements—such as application response times and system availability—provide quantifiable infrastructure performance data. But such measures fail to ensure that your business needs are being met.

With that in mind, look for a provider whose service level approach addresses customer satisfaction and service accountability. In fact, the entire service delivery mechanism should be tailored to your business needs. From the initial qualification stage through implementation and ongoing operations, your IT-related business requirements and service expectations should be carefully addressed.

To that end, a provider should include a heavily-weighted “bottom line” customer satisfaction score in addition to standard availability, infrastructure performance and personnel responsiveness measurements. A provider should also measure and report service performance in real time—and automatically apply remedies if performance drops below a pre-defined level.

Monitoring Results

How can you measure the value of managed services?

As the title of this executive brief suggests, the name of the game is driving value and delivering results. When it comes to managed services, there are several ways that you can monitor outcomes. These services should measurably contribute to:

- **Productivity and revenue.** Managed services should help drive productivity improvements and increase the efficiency of business processes. Perhaps even more importantly, managed services should facilitate the creation of new channels and products—creating a measurable impact on revenue and profit.
- **Customer awareness and satisfaction.** By using managed services, you can improve your customer service capabilities—helping sharpen competitive advantage.
- **Reduction in operational overhead.** Managing multiple vendors and systems can be costly. A managed services provider demonstrates value by reducing that burden and minimizing your overall spending. In addition, managed services should enable you to increase employee efficiency and effectiveness—while improving production capacity and productivity.
- **Improved access to knowledge and processes.** A managed services provider should offer industry-leading knowledge and experience, thereby providing you access to IT management best practices. Over time, those practices can have a significant impact on the effectiveness and cost-efficiency of your IT processes. And better processes result in improved product and service design—helping ensure the delivery of enhanced products and services.

- **Brand value.** Utilizing your assets more effectively—and creating new intellectual assets where gaps exist—ultimately helps you increase brand value and awareness.
- **Reduced TCO.** Last—but far from least—is the bottom-line issue of TCO. For some organizations, using managed services can lead to a significant reduction in TCO of up to 25 percent.*

* 25 percent figure based on IDC White Paper, “Ensuring Information Availability: Aligning Customer Needs with an Optimal Investment Strategy.” Actual savings may vary depending on services selected.

Conclusion

In today’s environment of fierce competition and rapid change, virtually any organization can benefit from the power of managed services. And that’s true even for organizations with robust IT teams. After all, what’s the best use of skilled and talented technical resources: performing break-fix tasks or designing and developing strategic solutions?

If and when you move forward with managed services, be sure to clearly identify your goals. Define the areas where a service provider can provide optimal support—then choose your provider carefully. Look for a true partner who understands not just your IT concerns, but the business drivers behind them—and who will support you with enterprise-wide solutions comprised of industry-leading infrastructure, technology, technical skills and best practices. And, during the delivery of services, keep a watchful eye on the value your organization is realizing.

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SunGard Services

SunGard Availability Services offers scalable and flexible managed services offerings.

Based on your requirements, you can turn over as much—or as little—of your IT responsibility to SunGard's technical and engineering specialists as you wish. You can also use the hardware and software platforms of your choice. SunGard's **AdvancedHostingSM Services** include data center space and power infrastructure—as well as OS Management Services and Support Services to provide a more secure hosting solution.

Through **Application Services**, SunGard helps address your application management needs—from deployment to technical operations and support. Offerings include Managed SAP Service, Managed Oracle E-Business Suite, Managed Citrix, Managed Database Services and System Utility Services.

Messaging and Collaboration solutions—including Managed Exchange Services, Hosted Exchange, Email Availability Service (EAS) and Archiving Service for Messaging—help to alleviate the burden of managing and monitoring these mission-critical applications. SunGard's services can also help you address compliance vis-à-vis electronic records management.

All of SunGard's Managed Services leverage our industry-leading SunGard Global Network. In addition, we offer a suite of **Network Services**—including Internet Access Services, Wide-Area Network Services, Local-Area Network Services and Load Balancing Services.

Managed Security Services provide a proactive, cost-effective means of addressing ever-present threats

to your network, systems and data. Services include Managed Vulnerability Protection, Managed Firewall and VPN, Intrusion Protection and Identity and Access Management.

SunGard's **Storage Services** are designed to support needs for file sharing, primary storage, compliance management and information backup and recovery, as well as high availability requirements. Incorporating best-in-class technologies, these services include Vaulting, Data Backup and SAN Services.

Leveraging best-in-class tools and SunGard's ironclad infrastructure, **Replication Services** for servers or storage devices provide a cost-effective means of dramatically reducing downtime and data loss.

Finally, SunGard's **Managed Services Portal** is a value-added offering available to all Managed Services customers. Based on the specific service you subscribe to, the Web-based portal gives you access to important data, such as infrastructure performance, problem and change activity, account information and more. It's also the vehicle for delivering data from SunGard's **Monitoring Services**. (With these services, you can take action to resolve service-impacting issues before they affect your business. With **Basic** and **Advanced** options, this service includes tracking of databases, operating systems and Web sites—as well as notification of potential capacity and performance problems.) SunGard's Managed Services can also be delivered remotely, into your facility or a location of your choice via Remote Managed IT Services.

About SunGard Availability Services

SunGard Availability Services provides disaster recovery services, managed IT services, information availability consulting services and business continuity management software to more than 10,000 customers in North America and Europe. With four million square feet of datacenter and operations space, SunGard assists IT organizations across virtually all industry and government sectors prepare for and recover from emergencies by helping them minimize their computer downtime and optimize their uptime. We help organizations ensure their people and customers have uninterrupted access to the information systems they need in order to do business.

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