



# **SMB GUIDE TO IN-HOUSE IT vs. MSP vs. IT CONSULTANTS**

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# MODERN IN-HOUSE IT

## – MANAGING MORE WITH LESS

Cloud services, end-user support, hardware, network and server management, business continuity, compliance, and cybersecurity – the list goes on. Each segment of information technology must be managed effectively and often by a team of experts.

The modern IT department needs to manage more with fewer resources. For example, to remain competitive in today's digital landscape, an IT team must be able to efficiently tackle each of these areas that now fall under their responsibility:

### EVOLUTION OF IN-HOUSE IT RESPONSIBILITIES

- Manage, Support, and Educate End-Users
- Hardware, Network, and Server Management
- Remote Monitoring and Management
- Infrastructure Planning and Project Management
- Cybersecurity - Defend and Respond to
- Cybersecurity Threats
- SIEM (Security Information and Event Management)
- Leverage Cloud-Based Solutions
- Manage Telecommunications and VoIP
- Leverage cloud-based solutions including hybrid, private, and public clouds
- Manage Telephones and VoIP Quality of Service
- Adhere to Regulatory Compliance
- Software and Data Integrations
- Workflow Automation
- Business Continuity, Data Backups, and Disaster Recovery
- Database Management
- Data Analytics
- Vendor Management

For business executives, the decision to hire in-house, contract out IT to a Managed Service Provider (MSP), or a freelance consultant requires careful consideration. Unfortunately, there is not a one-size-fits-all answer. Every company is unique and as must choose what's best for their unique needs.

Hiring a full-time, dedicated IT employee can be cost-prohibitive for small and mid-sized businesses, so most turn to MSPs to manage their IT. However, there are pros and cons to doing this. The more you know before heading down this path, the better you will be prepared to mitigate any problems.

Before deciding whether to build out your internal IT department, outsource to an MSP, or work with individual IT consultants, a business must first assess their IT requirements to make an educated decision.

## WHY?

- You'll gain a snapshot of your current technology landscape
- An internal IT discovery will highlight any infrastructure gaps, including aging or inefficient tech
- It will help you identify where your technology or processes may be impeding productivity
- It reveals areas of inefficiencies and unnecessary duplication of hardware
- With a thorough assessment, you'll be able to create a coherent IT plan that aligns with your forecasted growth and future infrastructure needs
- It allows you to better optimize your technology budget
- It helps you recognize which assets are reaching their end of life and plan for obsolescence of the technology you have



# ASSESSING YOUR IT REQUIREMENTS

Assessing Your IT Requirements is imperative to establishing a budget and determining if the pricing of a managed services provider fits your needs. Some questions you'll need to answer and document are:

- How many employees do I need to support right now? One year from now?
- How many workstations need to be supported?
- How many servers do I have? Virtual machines?
- How often do we experience downtime, internet connectivity issues, dropped calls, and hardware failure? (Ask end-users and speak with IT)
- What cloud services are my business using?
- Is each component of my network well documented?
- Do we currently have an IT playbook (also called a "runbook") that documents each system, process, and related troubleshooting procedures?
- What collaboration tools are our team using? Are they effective?
- Are my employees frustrated with the hardware, software, or technology resources provided? How often, on average, does an employee have to get support from IT? (Consult with IT but speak with employees – it's often best if someone other than management presents this question to get the most honest feedback)
- How many IT support tickets do we receive each day, week, or month?
- Are we using any outdated hardware, software, or devices older than five years
- If we suffered a ransomware attack or natural disaster with major data loss, could we effectively recover all the data affected promptly? How long would it take? (Minutes, hours, days?)
- How many employees work remotely?
- How often are my systems targeted by cyberattacks?
- Do we have active threat detection, antivirus, and security incident response solutions in place to protect sensitive data, employees, and critical infrastructure?
- Is anyone currently on staff capable of handling an IT crisis

Answering these questions can give you a better idea of your strengths, weaknesses, and where your business needs to allocate IT to improve or maintain operational excellence.

# ESTABLISHING YOUR IT BUDGET

While some business decision-makers view IT as a necessary cost of doing business, smart leaders recognize that investing in the right technology improves their operational effectiveness – the ability to meet internal demands and deliver exceptional services to customers.



Market leaders leverage technology to increase employee productivity, improve security, build a strong and attractive company culture, as well as leverage data analytics to make better data-driven decisions.

Does your mindset about IT allow your business to leverage technology as a competitive advantage?

An effective IT budgeting process promotes accountability and establishes spending guidelines for IT purchases. Alternatively, a poor IT budgeting process can cause businesses to invest in technology that adds layers of complexity (see our 2021 IT Survival Guide – Managing IT Complexity), or results in a lack of investment in technology that might be critical to operations. Unintentionally, it may create an infrastructure that is siloed and contributes to overall inefficient processes.

A poor IT budget can create a disconnect between the IT department and other business units leading to failed technology implementations and purchases that may not align with business objectives. Elements of an ineffective IT budgeting process include lack of communication between the budgeting office and the IT department, incomplete integration of the budgeting process with the company's strategic plan and goals, and a nonexistent or ineffective IT governance structure.

# \$7,569

**AVERAGE IT SPEND  
for each user per year.**

(According to Computer Economics' 30th Annual IT Spending and Staffing Benchmark for 2019/2020)

Every department has a budget that specifies the allocation of resources required to meet internal and external demands of the business. If you're not sure where to start or haven't ran a full review of your IT budget, we've created a simplified **IT budget spreadsheet with calculations** to help you compare last year's spend versus this year's, and the percentage spend each type of expense amounts to compared to your total IT spend.

# IN-HOUSE IT BUILDING OR ENHANCING YOUR INTERNAL TEAM

While most businesses with less than 150 employees typically do not need dedicated on-site staff, some businesses may require an in-house IT department. Developing an internal IT team does come with some benefits. With the right background and continued training, your team can build up in-depth, specialized knowledge of your company's IT technology stack and systems.

**We've done the heavy lifting for you. Over the next couple of pages, we'll present the key benefits and disadvantages of building an in-house IT department.**

“

Information technology and business are becoming inextricably interwoven. I don't think anybody can talk meaningfully about one without talking about the other

**BILL GATES**

”



The general rule of thumb is if you have more than 150 employees, it may make sense to have at least an IT manager. This would be a single individual that would be in your office managing the day-to-day. In this case, you may wish to leverage the services and support of a managed IT service company.



# BENEFITS OF BUILDING AN INTERNAL IT DEPARTMENT

## ON-SITE AVAILABILITY

Many businesses like having an in-house IT support person (or team) because it gives them continual, on-site access to IT support when they need it. Of course, unless your IT department has three separate shifts, 24/7 support is not likely.

## DEEP BUSINESS KNOWLEDGE

With the right background and continued training, your team can build up in-depth, specialized knowledge of your company's IT technology stack and systems. An in-house person will usually be able to respond to personalities and understand your company culture. Depending upon the number of clients an MSP has and how many technicians operate the help desk, outsourced techs may not have an opportunity to memorize every supported person's name, voice, and personality type.

## MAINTAIN TOTAL CONTROL

When IT operations are in-house, employees maintain all data, devices, line-of-business applications, hardware, and security. With this control comes the responsibility of responding to breaches and system failures, troubleshooting performance bottlenecks, and addressing requests from senior leadership.

## IN-HOUSE DATA MANAGEMENT & COMPLIANCE

Especially in highly-regulated industries, an in-house IT team can offer complete control over sensitive data without concern of third-party compromises.



# DISADVANTAGES OF BUILDING AN INTERNAL IT TEAM

## HIRING AND RECRUITING

Hiring and recruiting IT talent can be extremely complex and it takes a lot of skills, patience, time, and money to find the right person to fill an IT position. At the same time, the United States is experiencing a tech talent shortage thanks to a low unemployment rate and increasing demands for quality IT professionals. If you're just starting to build a team, you may find it even more difficult to accurately test and disqualify candidates, which could lead to a bad hire that only increases the overall cost of finding the right candidate.

## ONBOARDING COSTS

According to an MIT Sloan School of Management study, the time for new hires to achieve full productivity can range from eight weeks for clerical jobs to 20 weeks for professionals to more than 26 weeks for executives. The lost productivity resulting from the learning curve for new hires and transfers can range between 1% and 2.5% of total business revenue.

## ONGOING PROFESSIONAL DEVELOPMENT, TRAINING, AND CERTIFICATION COSTS

Your organization will need to train and certify these employees to ensure they stay up on new trends and processes.

## HIGHER PERSONNEL COSTS

Hiring someone in-house involves more than just a salary. You must also consider health insurance, 401(k), vacation time, overtime, hiring costs, training, development, and more. These costs add up. Considering the skillset required, desired experience, and IT talent shortages, organizations will need to offer competitive wages and benefit packages to attract and retain the right talent. According to GlassDoor, as reported across 17,065 salaries, the average IT Manager makes \$107,314 per year. On the low end, you are still looking at \$74,000 to hire a decent candidate. This \$74k is significantly more than what it would cost to hire an MSP like Next Perimeter.

## JACK OF ALL TRADES, MASTER OF NONE

A technician may be perfectly adequate to handle basic help desk queries, printer issues, and desktop support. Issues surface when responsible for more advanced tasks like spam filtering, cybersecurity, backup and disaster recovery, firewall management, network or infrastructure upgrades, systems integrations, etc. It's rare to find a single tech who has mastered all the systems required to run a business efficiently.

# DISADVANTAGES OF BUILDING AN INTERNAL IT TEAM

## LOWER OPERATIONAL MATURITY

Do you already have a ticketing system that facilitates communication with IT, change management, reporting, asset tracking, and more? What about hardware and security event monitoring systems? Perhaps these things aren't important now but as you grow, a single IT hire can quickly be overwhelmed in maintaining these systems.

## TURNOVER

What happens when your in-house IT person holds all of the knowledge of your IT department's processes, procedures, and technological nuances, but moves on to the next stage of their career? Not only will you need to hire a replacement, but you also must replace the established IT intelligence specific to your business. With an MSP, you don't run that risk.

## REDUNDANCY IS EXPENSIVE

What happens when your new hire gets sick or goes on vacation? Even with the perfect hire, you will still be in a tricky situation when there's an IT issue and they're not around. The only 'IT guy' at an SMB rarely has an opportunity to take a vacation which can lead to burnout and contention, forcing businesses to hire backup personnel to prevent downtime and turnover.

## ADEQUATE WORKSPACE, EQUIPMENT, AND TECHNOLOGY BUDGET

While IT professionals might be called 'wizards' on occasion, we're not magicians. IT professionals need a secure office space with enough room for a workbench, desk, and a considerable budget to accomplish critical business objectives and achieve long-term success. Also, while the 8Gb RAM Intel i5 workstation may work for the front desk receptionist, most IT professionals will require a more advanced computer with enough RAM to run a multitude of programs simultaneously. IT is often multitasking between 10s of tickets and strategic initiatives.

## HOW SECURE IS YOUR CYBERSECURITY POSTURE

As mentioned above, the vast majority of SMBs do not have the budget or resources to hire a credentialed cybersecurity expert. According to CyberSeek, an initiative funded by the National Initiative for Cybersecurity Education (NICE), the United States faced a shortfall of almost 314,000 cybersecurity professionals as of January 2019. So not only is there a massive shortage of qualified cybersecurity professionals but as of Nov 7, 2019, the average annual pay in the United States is \$100,475, with Application Security Engineers pushing the salary limit to \$210,000 or more per year.

# WORKING WITH A MANAGED SERVICE PROVIDER (MSP)

Every modern business must ensure its employees have secure access to the critical infrastructure and applications that drive the business. When systems go down or you experience a data breach, employees are unproductive, sales stop, customer deliverables are stalled, downtime costs soar, and your business is exposed to data loss and reputational damage.

# 53%

**OF SMALL AND  
MEDIUM-SIZED  
BUSINESSES**

***currently use a Managed  
IT Service Provider.***

(CompTIA IT Industry Outlook 2019)

It's for this reason that small and mid-sized businesses (SMBs) are taking the modern approach to IT support. MSPs enable organizations to use the latest technologies and access the many specialists required to support the array of systems at a fraction of the cost required to facilitate the same function in-house. Instead of building an internal IT team or paying for expertise on a time and material (T&M) basis, MSPs allow you to outsource all or part of your IT support for a fixed monthly fee, with guaranteed service levels.

# PROACTIVE IT SUPPORT VS. BREAK/FIX SERVICES

MSPs proactively plan, monitor, manage, and optimize on-premises and cloud-based systems including servers, laptops, operating systems, applications, databases, mobile devices, networks, routers, firewalls, and antivirus software following agreed-upon performance standards as contained in a service level agreement (SLA).

In stark contrast, break/fix services occur when an IT support company provides reactive services and charges a fee for only the services rendered at that time.

Break/fix support companies do not plan, monitor, manage, or optimize any systems, solutions, or hardware – there is zero preventative maintenance provided.

While some companies might use these services under the presumption that they are saving money by only paying for help when an issue arises, more often than not, the hidden costs of downtime, reduced employee productivity, and potential for security breaches end up costing the business far more than a managed service contract.

**Is working with an MSP right for your business?** Let's look at the advantages and disadvantages of partnering with a managed IT services company!



# ADVANTAGES OF WORKING WITH AN MSP

## ABILITY TO FOCUS ON YOUR CORE BUSINESS OBJECTIVES

Think about the time and resources required to recruit, train, and onboard a single employee. One of the big benefits of using managed services is that it frees up time that could be better spent on other pressing or strategic business objectives of your company.

## IMPROVE QUALITY & STRATEGIC ALIGNMENT

Did you know that MSPs only make a profit when you don't have problems? Their proactive approach ensures strategic alignment is there from the onset. Businesses with less than 200 employees rarely require in-house IT Staff. Even the most demanding companies can leverage an office manager or assistant to provide "plug and play" level functionality to key execs.

## 24/7 AVAILABILITY

Although in-house IT services are always available on-site, MSPs offer 24/7 service — you just have to give them a call. Most MSPs will give you a "minimum response time." That's the maximum number of minutes you'll have to wait if you need their services any time of the day or night, 24/7. It's generally around 10 minutes to an hour at most.

## STRATEGIC SOLUTIONS DESIGNED FOR SMBS

Whether you have a new CRM to implement, need wireless for an event space, or are exploring digital transformation, a managed services plan includes expert assistance specifically built around your size and needs. Your virtual CIO will ensure systems communicate and technology scales with your growth.

## ACCESS TO SPECIALISTS WITHOUT ADDED COSTS

An MSP provides you with a fully-equipped team that has already been trained in a vast array of hardware, industry-specific business applications, Office 365, Azure, remote monitoring and management, cybersecurity, SIEM, cloud solutions, compliance, business continuity, and more. When a problem surfaces that is beyond the experience of the front lines, a proper escalation policy allows for a specialist to take over and solve an issue the first time around. Whether it's a firewall, VPN, spam, cloud, or server issue, the SMB that partners with a best-in-class MSP knows that their problem will be resolved each time efficiently.

# ADVANTAGES OF WORKING WITH AN MSP

## SCALABILITY

From the get-go, businesses can choose their level of service when it comes to MSPs. If you're small and just starting, you can choose a service level that matches your budgets and needs. As your business grows, an MSP allows you to scale up to higher levels of service. This way, you only pay for the level of service required to support your needs at any given time. A common scenario is post-acquisition, if you need to add 100 workstations, plus 10 new servers, that's no problem – MSPs can scale up or down as needed.

## UNLIMITED & PROACTIVE SUPPORT

Most IT problems that SMBs face are preventable. Take for instance a failing hard drive that shows signs of dying months before failure – the symptoms are often hidden in the event log files. Human intervention is key, and having the systems to address these issues properly, as they occur, is how you prevent unnecessary downtime and unlock tech nirvana.

## HIGHER RETENTION RATES

At Next Perimeter, we haven't found the need to fire or let go of one of our IT staff members in nearly 4 years, nor have any of the techs decided to leave. Our turnover rate is so low because our company culture makes us one of the best places to work and our hiring standards are so stringent that we retain our rockstars.

## SLAS WITH GUARANTEED UPTIME AND QUALITY OF SERVICE

MSPs live and die by their ability to respond quickly and provide excellent customer experiences. Every MSP will have contractual Service Level Agreements (SLAs) that guarantee fast responses, high-quality services, and guaranteed uptimes.

## SINGLE POINT OF CONTACT

Far too often, situations surface due to a lack of coherence between departments and proper IT processes. These are tackled by having a single point of contact for IT-related inquiries and vendor management. Are you having an internet outage and you can't stand calling Spectrum? The MSP will know as soon as connectivity is down and work directly with your Internet Service Provider (ISP) to get your team back online fast.

# ADVANTAGES OF WORKING WITH AN MSP

## TRANSITION CAPEX TO OPEX

Many businesses are working with MSPs to transition CAPEX to OPEX by taking advantage of Hardware as a Service (HaaS) and Cloud Solutions instead of building out in-house datacenters. So, what is HaaS? Let's say you need to purchase a new server for \$9,000. Instead of paying upfront for the server and worrying about a depreciating asset over the next few years, the MSP can purchase the server for you and spread out the payments over a timeline that allows you to write off the entire value as an operating expense. Another way businesses can move CAPEX to OPEX is by utilizing cloud solutions (software, infrastructure, and platform as a service) that allow you to leverage the power and flexibility of cloud computing for your workload or server needs instead of purchasing capital hardware assets. This means that OPEX can be subtracted from revenue when calculating the profit/loss of the organization, and since most companies are taxed on the profit they make, any expenses you deduct will influence your tax bill.

## BROADER SKILL BASE

MSPs specialize in IT services — it's their bread and butter. As a result, they have a vested interest in staying up-to-date with the most advanced IT service practices available at any given time. They are continually learning, training, and expanding their knowledge and capabilities.

## ACCESS TO A VIRTUAL CIO

With an MSP, your business gains access to a virtual Chief Information Officer. A vCIO consults with your stakeholders regarding security, management, and proactive planning aspects of an organization's infrastructure or technology. With quarterly or annual reviews, a vCIO serves as an advisor that helps guide your IT department, develop best practices, and design an information technology roadmap specific to your growth or unique business infrastructure needs.

## BUSINESS CONTINUITY

It's not a matter of if, but when a business will need to recover data their precious data. Between hardware failure, ransomware, theft, natural disasters, and human error - every business will eventually experience a data loss event. Without a data backup and disaster recovery solution in place, this could bring your operations to a screeching halt, or put you out of business. 7 out of 10 SMBs that experience a major data loss go out of business within a year. (DTI/Price Waterhouse Coopers)



# DISADVANTAGES OF WORKING WITH AN MSP

## LIMITED ON-SITE AVAILABILITY

The biggest disadvantage of MSPs is that they're outsourced. That is, they're located remotely, and as a result, they're not instantly on-site when you need them. Virtually every MSP sets clear expectations for their SLAs regarding on-site response times for critical emergencies. Urgent, high, normal, and low priority - the response times can vary. For example, if a server goes down and the MSP cannot resolve the issue remotely, a quality MSP would dispatch an engineer immediately. However, depending upon the distance, it may take up to an hour for the engineer to arrive. Thankfully, in our experience, over 95% of the support tickets we receive can be resolved remotely. But distance, travel time, and the availability of technicians for dispatch are items that any business should ask about when investigating whether working with an MSP is right for your needs.

## CHEAP AND INEFFECTIVE OUTSOURCING

If a business is using outdated equipment such as servers, firewalls, access points, and software (e.g. Windows 7); a reliable IT services provider will recommend or require the business to upgrade and purchase new infrastructure to meet their service standards. While this can lead to higher upfront investment, more often than not, the business sees long-term benefits that boost productivity and greater efficiencies, paving the way for future growth and success.

## SUPPORTABILITY UPGRADES

There are three types of businesses that contact us - those who have been burnt by a poor-quality MSP, companies that have never worked with an MSP, and companies that moved their IT in-house but realized it was too expensive or didn't experience the same level of service. The MSP industry is no different than other industries, in the sense that there are great service providers and poor service providers. This is one reason we've created a checklist of key questions businesses need to ask Managed Service Providers when selecting an MSP.

## If Things Are Running Smooth – What Are We Paying You For?

It's not uncommon for business owners to question the value of managed services if they have little to no issues - you might entertain questions such as "do I really need their services?" Proactive and preventative maintenance is how MSPs stay profitable. The best MSPs are those that ensure you experience zero downtime and the least amount of friction possible.

## DIVERSITY OF SERVICE DELIVERY OPTIONS CAN SEEM COMPLEX AND CONFUSING

If you're a manager or CEO without an IT background, the available service offerings can seem confusing. The best MSPs will always make sure they answer every question you have. After walking away from a meeting with an MSP, you should feel confident that you understand the benefits and disadvantages of the services offered.

# CONSULTING

MSPs proactively plan, monitor, manage, and optimize on-premises and cloud-based systems including servers, laptops, operating systems, applications, databases, mobile devices, networks, routers, firewalls, and antivirus software following agreed-upon performance standards as contained in a service level agreement (SLA).

In stark contrast, break/fix services occur when an IT support company provides reactive services and charges a fee for only the services rendered at that time.

Break/fix support companies do not plan, monitor, manage, or optimize any systems, solutions, or hardware – there is zero preventative maintenance provided.

While some companies might use these services under the presumption that they are saving money by only paying for help when an issue arises, more often than not, the hidden costs of downtime, reduced employee productivity, and potential for security breaches end up costing the business far more than a managed service contract.



# IT CONSULTANTS VS. MSPS – WHAT'S THE DIFFERENCE?

While the services provided by IT consultants and MSPs do overlap, the key difference between IT consultants and MSPs is that IT consultants operate using a break/fix approach in one or a handful of specialized technologies. Consultants also do not have robust monitoring, management, and proactive solutions, nor the number of specialists on hand to support a business's entire infrastructure.

Most, if not all, MSPs offer IT consulting services, but individual IT consultants do not offer Managed IT Services. What consultants offer are tactical and strategic solutions to their clients' specific technology challenges at hand. Whereas, an MSP offers businesses a complete turn-key solution for all their IT infrastructure needs, virtual CIO strategic planning for long-term goals, and proactive management across every aspect of IT.

Depending upon the number of employees supported, IT complexity, and your specific requirements, individual IT consultants may be a better fit for your business. Let's review the advantages and disadvantages of working with consultants below so your team can make an educated decision.



# BENEFITS OF WORKING WITH CONSULTANTS

In many cases, consultants specialize in one technology, system, migration, or service. For example, an ERP consultant will have deep experience in deploying or migrating a business to Sage or a new ERP platform.

## DEFINED PROJECT COST

Unless there is scope creep during the project, the price outlined in your quote is the price your business will pay for the services.

## EASE OF TERMINATION

If a consultant is not living up to your expectations, it's usually easier to terminate the business relationship with a consultant versus that of an employee.

## SAVE MONEY ON BENEFITS

Businesses do not have to pay employee taxes, benefits, training, vacation, or sick leave which can save your business money depending on the cost of the project.

## FLEXIBLE RELATIONSHIP

Pay for the services you need, only when you need them. In many cases, consultants are happy to return for additional projects.

## FRESH SET OF EYES

Your internal IT staff may know the business the best, but a fresh pair of eyes can offer diverse and new perspectives that could lead to additional insights or opportunities.



# DISADVANTAGES OF WORK ONLY WITH CONSULTANTS

## LACKING VARIED EXPERTISE

While consultants are great in their specialty, by the nature of specialization and limited resources, a consultant will not be an expert in every technology or system required to support the IT infrastructure of a business. In many cases, consultants specialize in one technology, system, migration, or service. For example, an ERP consultant might be able to deploy/migrate a business to Sage or a new ERP platform; however, they would most likely not be able to design and implement a cost-optimized, efficient, hybrid-cloud environment.

## LACKING PROACTIVE SUPPORT

As mentioned, consultants focus on completing the task at hand in a break/fix manner. You're hiring them for a specific task or set of problems. When the project is over, that's it. Consultants take a break/fix approach - fix a problem or finish a project, then move on. The long-term success of your business is not a consultant's priority, nor do they provide continued support unless paid to do so, which can extrapolate costs over time. With an MSP, you would receive the same or better quality of service, with unlimited and proactive support.

## LIMITED AVAILABILITY

A consultant usually serves multiple clients at the same time, which means they may not always be available when you need them.

## UNCERTAINTY

Unless there are contractual guarantees, SLAs, and other assurances that the project will be successful; there's very little guarantee that the consultant will be able to finish the project, within scope and on time. You can minimize the risk by looking at their portfolio and past accomplishments.

## DOCUMENTATION

The quality of documentation, or playbook, provided by a consultant may or may not meet your expectations.



# COST COMPARISON

Now that we understand the pros and cons of building an in-house IT department, partnering with a Managed Service Provider, and working with IT consultants; let's consider pricing.

Joshua is the CEO of a marketing agency, LiquidApple. With a DIY attitude, he's managed to cover the basics like setting up Office 365, a filing sharing server, configuring a firewall, and integrating a few business applications using Zapier. More complex items were outsourced to a local IT consultant at \$150 per hour. Now at 50 employees, it's time to decide between bringing on a full-time IT manager, partnering with a local Managed IT Service Provider, or continue working with IT consultants.



The average salary for an IT Manager:

**PayScale:** \$53,300 - \$132,000 per year

**Glassdoor:** \$74,200 - \$142,000 per year

**ZipRecruiter:** \$54,000 - \$124,000 per year

## HIRING AN IN-HOUSE IT MANAGER

At a relative minimum, the total compensation and added costs for a full-time IT Manager may look something like the below table. For this exercise, let's avoid the bottom of the barrel and select a reasonable competitive salary at \$65,000.



Based on the figures, the total compensation to hire one IT Manager would amount to **\$73,512 per year for one hire.**

# COST ANALYSIS OF WORKING WITH AN MSP

When researching whether or not working with an MSP is a perfect fit for your business, the first step any MSP will take is to complete an IT Assessment. An IT assessment is a review of a company's environment and technology systems, which allows an MSP to provide a personalized proposal with recommendations, in plain English that everyone can understand.

For this exercise, we've calculated the Managed Service Plan using our top-tier services. In many cases, a business would pay less than in this example.

Let's find out how much LiquidApple would save working with **Next Perimeter**.

An IT assessment generally only takes **30 minutes**.  
Here are the key systems of LiquidApple's IT environment:



COMPUTERS /  
LAPTOPS

53



VOIP PHONES  
LINES

50



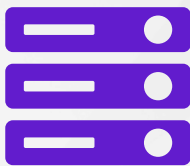
CONFERENCE  
PHONE LINES

7



VIRTUAL  
SERVERS

1



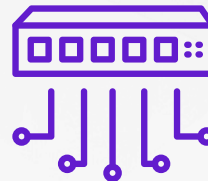
SERVERS

2



FIREWALL

1



SWITCHES

5



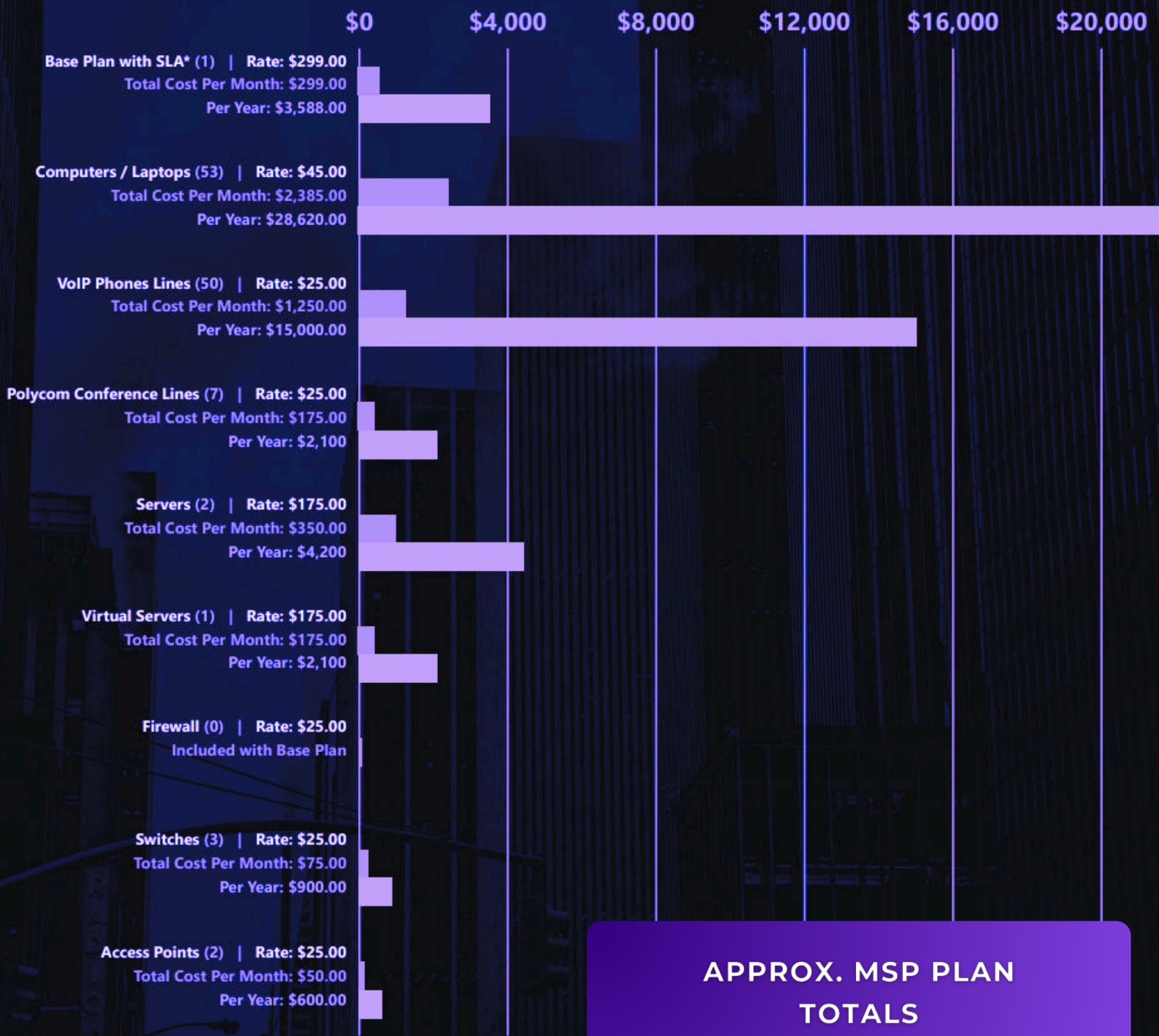
ACCESS POINTS

3



OFFICE 365  
BUSINESS PREMIUM

50



In this example, LiquidApple would **save \$16,404 per year** by partnering with Next Perimeter, while receiving all the aforementioned benefits including 24/7 monitoring and access to a team of specialists that can support every aspect of LiquidApple's infrastructure.

**APPROX. MSP PLAN  
TOTALS**

**TOTAL COST PER MONTH:**  
**\$4,759**

**PER YEAR:**  
**\$57,108**



# COST ANALYSIS OF AN IT CONSULTANT

Calculating the costs associated with an IT consultant is difficult because any issues that required a custom project (e.g. hardware, network, or infrastructure upgrade) would require a project contract that would likely be more expensive. Working with an IT consultant, a business would be able to use 490.08 hours if the consultant charged \$150/hr for their services. However, consultants do not provide full-service proactive IT support which means LiquidApple would need to hire an internal staff member to manage the day-to-day activities and end-user support. Also, IT consultants typically charge on a minimum time basis, meaning that if the consultant needs to come out to complete a simple job that only requires 15-minutes of actual work, the consultant will typically charge for an hour.

Finally, an IT consultant will not have the expertise to support every aspect of a business's infrastructure. If your company required assistance in remediating any cybersecurity vulnerabilities, you can expect to be charged a severe premium for an expert to assist with this.

## IN THIS SCENARIO, LIQUIDAPPLE'S HAS THREE OPTIONS:

- Hire an experienced IT manager that can cover most of the mission-critical IT needs, while outsourcing to an IT consultant or MSP on an as-needed basis.
- Partner with a full-service MSP that can support every aspect of LiquidApple's infrastructure, end-user support, business continuity, and strategic planning.
- Hire a low-level and cheaper technician that can manage basic end-user support and outsource to a consultant or MSP for more complex projects or issues.

When it comes to the top IT challenges in the 2020s, keeping IT infrastructure up to date will continue to be the top pain point. Businesses expect to face bigger challenges related to security best practices and managing a mix of on-premises infrastructure and cloud-based services.

# FINAL THOUGHTS

The in-house versus MSP versus IT consultants riddle is a tough one to solve, but don't worry, your competitors are just as challenged as you are when it comes to the continuous operation of their IT infrastructure.

The good news is that none of the options outlined are mutually exclusive. You can choose to have an in-house IT team and outsource a segment of your IT needs. With co-managed IT services, your team can leverage the operational excellence and deep expertise of an MSP when your help desk volume becomes too great or your business needs assistance with systems and technology that may lay outside your internal team's areas of expertise.

While working with an MSP like Next Perimeter consistently provides cost-savings with superior services, outsourcing your IT support may not be the best fit for your organization.

If you're struggling to decide on the optimal route for your business, contact Next Perimeter – we'll provide a free IT Assessment to review your current infrastructure, needs, pain points, and challenges while providing your team with comprehensive recommendations. If your business doesn't need an MSP, we'll let you know right away. First and foremost, our goal is to provide an unbiased assessment of your information technology systems and educate your team on the most strategic achieve your IT goals.

What's important is that business decision-makers make a well-informed decision before investing in building out their IT department, or partnering with an MSP. Every MSP offers different services and subscription plans, which means that you must carefully evaluate each MSP's ability to perform. This means that in addition to assessing an MSP's technical expertise, service offerings, and price, you need to assess other characteristics if you want to be sure that the MSP you choose will meet your standards of performance, security, governance, and customer service.



To assist your team, we've created a list of essential questions when evaluating an MSP as your strategic partner.



# TOP QUESTIONS TO ASK

## WHEN EVALUATING AN MSP AS YOUR STRATEGIC PARTNER

### EXPERIENCE

- How many managed services customers do you have in total?
- How many customers do you have that are our size?
- How many people are on your service delivery team?
- What is your "sweet spot" for customer size?
- How many endpoints do you manage?

### VALUE

- How do you help customers save money and lower IT costs?
- In what situations will you advise customers to purchase technology that you don't sell?
- How do you help customers plan for the future?
- How do you help customers identify and mitigate vulnerabilities before problems occur?

### SERVICE OFFERINGS

- What services are included in your managed services offerings?
- What technologies do you support?
- Do you offer any IT compliance services?
- What SLAs do you offer for incident response, and what is your SLA compliance rate?
- Do you incorporate security into your managed services offerings?
- What security services do you offer?
- What cloud platforms do you support?

# TOP QUESTIONS TO ASK

## WHEN EVALUATING AN MSP AS YOUR STRATEGIC PARTNER

### CUSTOMER SATISFACTION

- How do you measure customer satisfaction?
- What is your annual managed services customer churn rate?
- What is your customer satisfaction performance for the past 12 months?

### OPERATIONAL EXCELLENCE

- What metrics and reports do you share with customers to demonstrate the status of their environment and incident response effectiveness?
- What's different or unique about your systems management approach?
- Are your support tools integrated into a single dashboard?
- What is the number of daily incidents resolved automatically by proprietary automation?
- How do you audit patch status and remediate vulnerabilities?
- How do you measure and report the success rates for backups?
- What is the first-call resolution rate for calls to the help desk?
- Is your organization SOC 2-certified?
- How do you ensure that technicians are knowledgeable about customer environments?
- How do you ensure knowledge is not lost when staff leaves?
- Do you adopt ITIL or similar excellent practices around IT service delivery?
- How many backups are successfully performed daily?
- How do you know they are successful?

# WHAT SETS US APART?

## It All Starts in the Cloud

Your .com is what ties your business to the web, allowing you to get your email and collaborate online. Whether you're using Google Workspace or Microsoft 365, Next Perimeter has you covered. Your team can leverage our certified experts for matters concerning your email deliverability, DNS records, licensing concierge, and more.

## Your Team and Workstations are Fully Covered

When your team logs into your corporate environment today, what types of protections exist? Next Perimeter, by default, deploys endpoint security and hardware monitoring to every workstation that we manage, ensuring productivity is at an all-time high. Your team will enjoy unlimited round-the-clock support for everyday issues ranging from authentication to hiccups with their equipment.

## Battle-Tested SOPs

Whether we will handle all of your IT, or collaborate with an internal team, our procedures have been perfected against millions of business scenarios. Our system has been trained to adapt to each customer as their organizations evolve.

## Future-Proofed for Compliance

We know you want your cybersecurity to be reliable, predictable, functional, and cost-effective - that's why we've simplified cyber so it's back-of-mind. By signing up for Essentials, you've created a predictable path toward future compliance needs as our agents can fulfill virtually all requirements they might ask for with simple per-user/device pricing.

# Let's Work Together



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## About Us

As a leader in cloud-first cybersecurity and IT support, Next Perimeter protects businesses from modern threats, whether in the office or remote. Our Zero Trust architecture and SaaS posture management deliver a secure, optimized endpoint experience without the need for servers or office space.

Our SASE network as a service replaces traditional VPNs with an always-on, secure connection, ensuring high-speed, reliable network security across the globe. Specializing in holistic threat detection and response, we safeguard your digital assets with cutting-edge AI-powered solutions.