

Return on Investment

A comprehensive case study comparing self-managed, IT support on T&M and Rescott Managed Services

This document is a comparative study of different methods you can employ to manage your IT infrastructure. For the purpose of comparison, we look at three different options in which you can manage your IT infrastructure- manage it yourself (Self-managed), manage through an IT support vendor charging you on a "Time and Material" basis or you can rely on **Rescott Managed Services**. The document discusses various facts related to achievable hard dollar savings and soft ROI benefits for each option. For illustration purpose, we will present a case study of a typical small or medium business having 40 user desktops, three servers (one Mail server, one Database server and one File/print server), one firewall, one router, two switches and one network printer. Below you will find a detailed analysis of the options available to you:

Self-managed

Consider a case in which you decide to manage your IT network by hiring your own full-time staff which comprise a decent network or IT administrator. It will cost you between \$40,000 and \$60,000 depending on your location and the local labor rates. For this illustration, we will fix this cost at an average of \$45,000. Additional costs for staff including benefits, sick and vacation leaves plus 7.5% payroll tax is about \$12,975. Furthermore, you will need to purchase IT management system and required hardware; we assume its one-time cost \$10,000. You staff training on the management software would cost you \$2,500 more. In sum, you end up spending \$60,475 annually and about \$10,000 as one time expense.

IT support on Time & Material basis

Suppose you decide on a third-party vendor to manage your IT infrastructure on a Time & Material basis. They would charge you approximately \$120 per hour with an average call time of 1.5 hr per call and \$25 towards travel charges. Assuming one call logged per server per month, a total of eight calls for workstations per month and an additional two calls per month to attend to problems related to Firewall, Switches and Network Printers. You end up spending @\$2,665 per month or @\$31,980 annually on this option. In this model, on an average 40% of the IT issues are managed by the vendor, the balance being handled by end users themselves.

RESCOTT MANAGED SERVICES

Rescott Managed Services service would include proactive monitoring your Servers and manages your Mail Sever and Database Server. It carries out preventive maintenance on your Desktop along with maintaining Network devices for optimal performance. End-users can call on toll-free number to inform us their day-to-day operational issues, which would be attended by our expert help desk staff. We charge for our Standard services @\$39 per month per Desktop, @\$139 per month per Server, @\$125 per month for Network devices. Estimate 1 onsite call (onsite is included in our Premium Plans) per month for an average of 1.5 hours for issues not resolvable by our help desk and proactive management team, aggregating our total annual charges to \$27,684.

Pricing / Models	Self-managed		T&M IT support		Rescott Managed Services	
	Annual	One-time	Annual	One-time	Annual	One-time
IT Staff	\$45,000	\$0	\$0	\$0	\$0	\$0
Staff Benefits	\$12,975	\$0	\$0	\$0	\$0	\$0
IT Management System	\$0	\$10,000	\$0	\$0	\$0	\$0
Staff Training	\$2500	\$0	\$0	\$0	\$0	\$0
Managed Services cost	\$0	\$0	\$31,980	\$0	\$27,684	\$750
Total with Supervisor	\$60,475	\$10,000	\$31,980	\$0	\$27,684	\$750

These numbers do not include the "soft-costs" of employee downtime. 93% of our help-desk calls are resolved in 22 minutes or less. How long does it take for your T&M consultant or dedicated employee to resolve your issues?

Soft ROI factors	Self-managed	T&M IT support	Rescott Managed Services
Average time to response	Immediate	2-4 hours depending on time to travel to site	Immediate through NOC
Percentage of IT problems Addressed	100%, All problems are attended to by the in-house team	40%, End users try to fix some issues by referring to their colleagues to avoid the cost of calling for IT help. They sometimes live with the problem till the next IT tech visit.	100%, Using a toll free number end users report a problem. With remote control techniques, Rescott resolves 93% of issues instantly.
Loss of productivity per yr Per employee (hours) Total (hours) Estimated Dollar Cost	25 hours 1000 hours \$35,000	50 hours 2000 hours \$70,000	10 hours 400 hours \$14,000
Type of Support	Reactive for 8 hours	Reactive to down situations	Proactive monitoring on 24x7 basis, toll free number for help desk, onsite available when necessary (Indianapolis)

Lost of productivity is computed @ \$35 per hour per employee

The table given below presents the comparison of advantages and disadvantages of **Rescott Managed Services**, Time and Material IT support management and Self-managed IT support management. It shows the benefits you get when you opt **Rescott Managed Services** to manage you IT infrastructure and how it worth going for.

Managed by:	Advantages	Disadvantages
RESCOTT MANAGED SERVICES	<ul style="list-style-type: none"> Proactive management of IT infrastructure 24 x 7 monitoring by group of experts Remote Management reduces mean time to repair Comprehensive management related to Desktops, Servers, Networks and Email protection Reporting portal - access to wealth of information related to inventory, availability and performance. Enterprise Class IT management platform using Industry best practices. Predictable monthly billing SLA based On-Site support available when necessary. 	<ul style="list-style-type: none"> Dependency on third party Slightly Higher cost than some alternative options Most work performed off-site so customer does not see the tech/engineer
Time and Material IT Support	<ul style="list-style-type: none"> Classical Model Friendly vendors Eliminates headache of hiring staff, training and system maintenance 	<ul style="list-style-type: none"> Reactive management No 24x7 monitoring Pay as you use (unpredictable bills) Billing on systems "Down" Lack of expert group support Delay in attending to problems due to physical travel to-site Dependency on third party
Self-managed	<ul style="list-style-type: none"> Complete control on the IT management process Choice of management tools 	<ul style="list-style-type: none"> IT mgmt not a core business activity Retaining IT experts may be difficult High cost of training manpower

