

# Managed Services: An Effective Way To Change Your Business Model

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The consistent advancements in technology are something that we are witnessing on a daily basis, and the trend will continue into the future.



Hence, it's time to part ways from the break/fix IT model and take a proactive approach to business. For most companies, regardless of scale, the path to reinvention is only possible through managed services.

Before COVID-19 hit the globe, a large group of companies was seriously considering migrating towards a managed services operating model, but now more than 90 percent of companies are leaning towards MSPs to transform their business model. In addition, the managed services market share was \$ 242.9 Billion in 2021 and is projected to reach \$ 262 Billion in 2022 with a CAGR of 7.8%, clearly indicating companies are serious about using MSP as the driving force to build their successful business model.

## A brief note on Managed Services



### Why Managed Services?

Managed services are primarily about outsourcing day-to-day business operations to a separate third-party entity with expertise, skilled professionals, competence, and the right software and hardware stack for a specific vertical. When companies partner with Managed Service Providers, they get 24/7 access to a dedicated IT team that will ensure business operations aren't interrupted at any point in time. While most IT-related tasks can be outsourced, the standard managed services offered are managed cloud services, managed software services, managed network services, etc.

There will be a Service Level Agreement when you partner with a managed service provider to ensure they handle your operations with utmost care and professionalism like their own. The SLA policy includes two well-distinguished phases: negotiating a contract & monitoring its completion in real-time.

Managed services help client companies boost productivity and reduce downtime in every business operation. These MSPs follow ITIL (Information Technology Infrastructure Library) Framework to ensure the best practices are followed, and services align with the client company's business goals.

### **How does Managed Services change your business model?**

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### Impact of MSPs in transforming Businesses

Managed Services brings the following changes and transforms your business model from reactive to proactive mold.

**Keeping an open mind:** Throughout the Covid-19 peak periods, we have observed that enterprises that are ready to do new things have managed to stay afloat in the volatile market. Even after reaching the new normal, this fresh mindset will be critical for businesses to succeed. Companies, big or small that are ready to enable managed services to take responsibility for handling critical business operations will not only become more efficient but can think about innovation and other aspects without worrying about day-to-day technical issues.

**Using insights to drive innovation:** Successful transformation of business models through MSP will allow companies to make faster and more informed decisions that drive smarter innovation. MSPs can offer deep industry expertise along with accurate data that can assist in making intelligent strategic shifts.

**Reshaping spending:** When enterprises outsource major tasks like finance, tax, risk & compliance to managed services, they can prevent significant initial investment and fixed capital costs and use services in an on-demand and flexible manner. Managed services go beyond BPO (Business Process Outsourcing) to cash in providers' domain expertise & technology investments to optimize key functions and make them more effective. This enables companies to enjoy immediate cost savings while reshaping their future spending strategies.

**Improving agility:** After COVID-19's disruption, businesses have understood the importance of adapting to change, especially in the areas of supply chains and infrastructure. To incorporate this agility into day-to-day operations, companies will be required to refocus on building new ecosystems by partnering with expert-managed service providers.

**Accelerating digital transformation:** The majority of companies were already boosting their business operations through digital tools & capabilities, but the COVID-19 impact has created an urgency for accelerating this shift everywhere. Managed services offer solutions that are ready to use. These solutions include fast and affordable access to technologies like AI, automation, trusted intelligence, and technical expertise. The best thing about these managed services is that there are no significant upfront costs, and skills in play are at expert level; hence chances of failure are very less.

## Conclusion

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Managed service providers bring many benefits to the table and can transform your business model quickly. Firstly, MSPs remove the need for hiring skilled professionals every time there is a surge in the workload, which can significantly increase spending. Secondly, MSPs are already experts in their respective fields and hence will bring instant results, making them ideal partners during transformation. Therefore, managed services are the most effective way to change your business model and stay competitive in this evolving market.

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