IT Insource versus Outsource What to Retain or Off-Load? January 20, 2017

Maury Weinstein President 410-771-5544 x 4319 <u>mweinste@syssrc.com</u>

Celebrating 35 years under continuous ownership in Baltimore



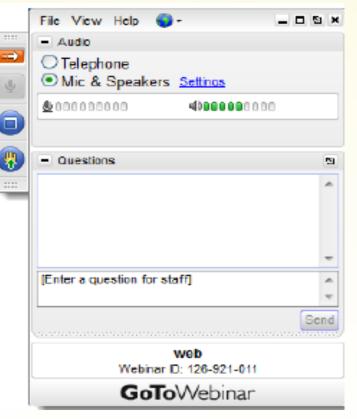
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system source

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Our Management Seminar Series

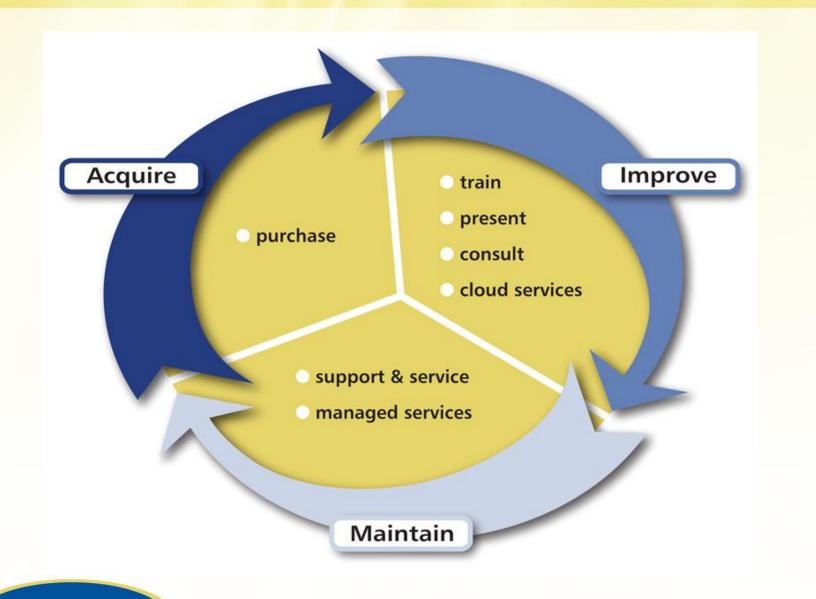
- Learning from our 145,000 Completed IT Support Tickets and 13,750 Satisfaction Surveys
- Security Lessons from Verizon's Analysis of 79,790 Security Incidents
- Reducing Your IT Costs
- Evaluating Managed IT Services
- Cloud Strategy
- Building a Cost Effective and Crisis Free IT Team



Agenda

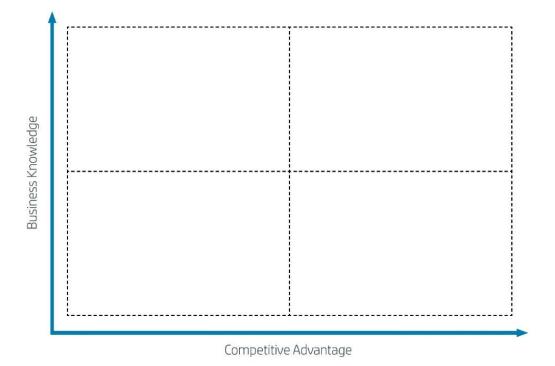
- Run, Grow, Transform Responsibilities
- Run Choices
- IT Maturity Model





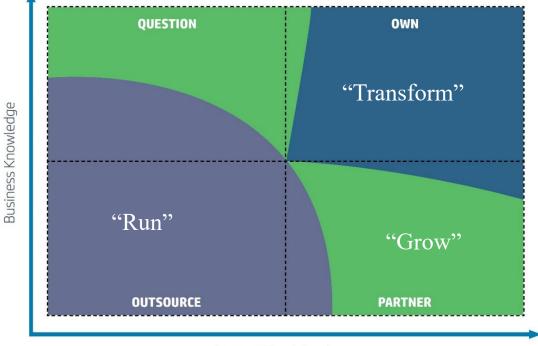
system source

Run, Grow and Transform: Assigning Responsibilities



system source

Outsource "Run" To "Grow" & "Transform"



Competitive Advantage



"Run" Choices

- Which alternative gives best price/performance including:
 - Cost
 - Quality
 - Risk



"Run" Metrics for Support Services

- IT Responsiveness
- Cost Index
- IT Support Performance
- Systems Performance



Outsource vs Insource - Costs

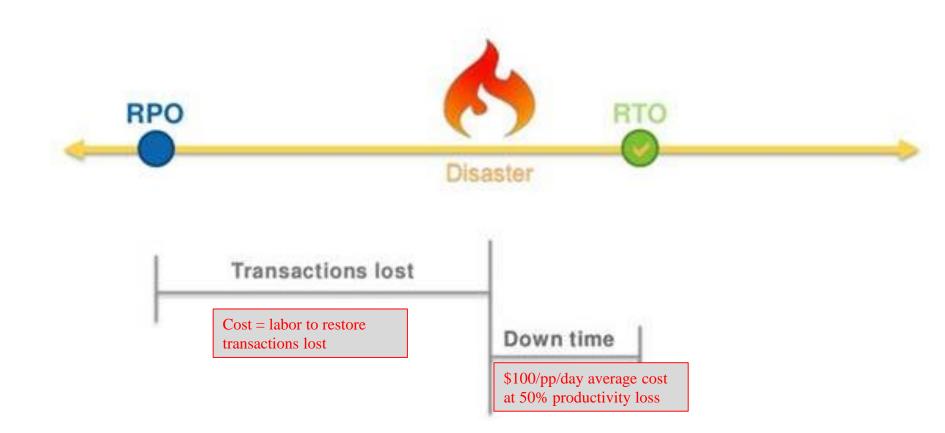
Α		В	С	D	
Options	Interna	IT salaries	Outsourcing fees	Overall IT expense (B+C)	
Option 1: System Source - Let Us Manage IT			\$ 12,768	\$ 12,768	
Option 2: Manage Internally (includes software)	\$	17,973		\$ 17,973	
Annual savings for System Source Managed IT Services				\$ 62,457	
Assumptions					
CIO 8+ years	\$	10,876			
Network Engineer 8+ years	\$	7,113			
Help Desk Specialist 1-3 years	\$	3 <i>,</i> 553			
Help Desk Specialist 4-7 year	\$	4,844			
Help Desk Specialist 8+ years	\$	5,104			
Insource startup costs (2 months)	\$	26,842			
Software tool costs per computer	\$	7.48			
Number of workstations		161			
Number of servers		7			
Number of locations		1			
salary load		27%			
All fees shown monthly					
Salaries are TAE from survey					
3 year amortization on startup costs		\$100	/ma /day area	and downting	
Includes only salaries for Network Engineer and Help Desk 8+ years		\$100/pp/day average downtime cost at 50% productivity loss			

Outsource vs Insource – Risk Reduction

- Machines missing 10+ patches
- Failover and Load Balancing Services
- SQL Server Service Packs
- Install Dell OpenManage for vSphere
- [core-1.servers.xxxx] System log generated Warning
- Update Add/Move/Change checklist
- Document iLO or DRAC
- Power Interruption on 6/24
- AD Security Scans



Recovery Time and Point Objectives for Lower Downtime Costs



	5		,	
Recovery Scenario:	Recovery Point Objective (RPO)	Recovery Time Objective (RTO) Short (hours)	RTO - Medium (less than 1 day)	RTO - Long (multiple days)
Single Server	to last backup	Virtual Machine backed up locally with Veeam Backup Exec to disk for VMDK	Backup Exec to disk for physical servers	Tape backup Cloud backup
	to last replication interval	Virtual Machine with vSphere Replication Veeam Replication SAN snapshot Zerto Replication to AWS	NA	NA
Multiple Servers	to last backup	NA	Backed up locally with Veeam Backup Exec to disk for VMDK	Backup Exec to disk for physical servers Tape backup Cloud Backup
	to last replication interval		Ze, o to Aws 5100/pp/day average	A Cloud Backup
Individual Item	to last backup	Virtual Machine bucked up with	lowntime cost at 50% productivity loss NA	Tape backup Cloud backup

Implementing Recovery Time & Point Objectives

Performance Reporting

Metwork	Health	Score	
Patch Score OS Score Disk Score	99%	* 1/3 * 1/3 * 1/3	97%

Client A

SonicWall CDP / Acronis

system source

SonicWall CDP M-F Full Backup (xxxFILE1) M-F Full Backup (xDC1) CDP-MIB/CDP-RESTON xxxFILE01 xxxDC1

S	S	S	S	S	S	S
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Proactivity Drives Risk Reduction

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system source Kas	aseya <u>SYSSRC Wiki</u> 😢 mweinstein • 🚱 Logoff	
	🛛 C Refiresh Endpoint Info 🔶 Run Command	
ch Navigation × 😑 (
Agent	↓ ↓ 9 of 10 > > 10 v Selected: 1 Viewing: 801-900 of 994	
Agent Procedures	System Name Organization A Role Prot Infection S Install St Content Last Successful Scan Managed By Client Software Version	
Audit	JOANNE-PC SYSTEM SOURCE Endpoint Enabled. Vinstalled Out-of-date. 3/28/2014 10:10 AM (EL SSAPP 12.1.4013.4013	
Backup	CRMSQL-08 SYSTEM SOURCE Endpoint Enabled. Out-of-date. 3/21/2014 10:38 AM (EL SSAPP 12.1.3001.165	
	ANDERSON81 SYSTEM SOURCE Endpoint Enabled. Out-of-date. 10/8/2013 12:00 PM (EL SSAPP 12/	
Data Backup	SROBINSON-NEW SYSTEM SOURCE Endpoint Enabled. Out-of-date. 3/28/2014 9:55 PM (ED' SSAPP 12	:h
Desktop Management	AVCONFERENCE SYSTEM SOURCE Endpoint Enabled. So installed Out-of-date, 3/28/2014 6:19 PM (ED'SSAPP 12	
Discovery	Computer ha Computer ha Computer ha Computer ha	S 2
Info Center		00
Mobile	MWEINSTEIN-HP SYSTEM SOURCE Endpoint Enabled. Installed Out-of-date. 3/28/2014 6-19 PM (ED' SSAPP 12 EXCHCH10 SYSTEM SOURCE Endpoint Enabled. Installed Out-of-date. 3/28/2014 6-12 PM (ED' SSAPP 12	
Monitor		
Patch Management	ELIEENTOPPING SYSTEM SOURCE Endpoint Enabled.	
Policy Management	CORPBACKUP SYSTEM SOURCE Endpoint Enabled.	
	SKLEINWIN7-PC SYSTEM SOURCE Endpoint Enabled.	
Remote Control	SSXEN2 SYSTEM SOURCE Endpoint Enabled. 🤣 Installed Out-of-date, 3/28/2014 6/25 PM (ED' SSAPP.	
Security	DC12 SYSTEM SOURCE Endpoint Enabled. 📀 Installed Out-of-date. 3/28/2014 6:24 PM 00000000000000000000000000000000000	
Symantec Endpoint Protection	HREBSTOCK-HP SYSTEM SOURCE Endpoint Enabled, 🤣 Installed Out-of-date, 3/28/2014 TED SSAPP 12.1.4013.4013	
Overview	SXAPP SYSTEM SOURCE Server Enabled, 🤣 Installed Out-of-date- ar2014 6-12 PM (ED: SSAPP 12.1.4013.4013	
Operations Servers	SYSSRCSQL SYSTEM SOURCE Endpoint Enabled. So Installed and Adde. 3/28/2014 6-26 PM (ED: SSAPP 12.1.2015.2015	
Clients	DCVM1 SYSTEM SOURCE Endpoint Enabled. 🤣 Article Out-of-date. 3/29/2014 12:02 AM (EL SSAPP 12.1.2015/2015	
Configuration	JBENNETT2013 SYSTEM SOURCE Endpoint Enabled, 🤣 Installed Out-of-date, 3/28/2014 6-10 PM (ED' SSAPP 12.1.4013.4013	
System	EXECSECRETAR' SYSTEM SOURCE Endpoint Disabled 📀 Installed Out-of-date. 9/10/2013 10.26 AM (EE SSAPP 12.1.2015.2015	
Ticketing	BOBOFFICE-NEW SYSTEM SOURCE Endpoint Enabled, 🤣 Installed Out-of-date, 3/29/2014 12:06 AM (EE SSAPP 12.1.2015.2015	
Manage Tickets	SYSSRCCRM-08 SYSTEM SOURCE Endpoint Enabled. 🤣 Installed Out-of-date. 3/21/2014 10:39 AM (EL SSAPP 12.1.3001.165	
View Summary Create/View	CRRZOZ WINZ SYSTEM SOURCE Endmoint Enabled. 🔗 Installed Out-of-date, 3/28/2014 11:26 PM (FE SSAPP 12.1.4013.4013	
Delete/Archive Migrate Tickets	Endpoint Info Organization Info Endpoint Log Audit Log	
Configure Ticketing	Endpoint Summary	
Time Tracking	Details about the individual endpoint.	

Prioritize Security Purchases

Critical Security Controls (SANS Institute)		Accommodation [72]	Administrative [<u>56</u>]	Construction [23]	Education [61]	Entertainment [71]	Finance [52]	Healthcare [62]	Information [51]	Management [55]	Manufacturing [31,32,33]	Mining [21]	Other [<u>81</u>]	Professional [54]	Public [92]	Real Estate [53]	Retail [<u>44, 45]</u>	Trade [42]	Transportation [48,49]	Utilities [22]
Software Inventory	<u>2.4</u>																			
	<u>3.1</u>																			
Standard Configs	<u>3.2</u>																			
	<u>3.8</u>																			
	<u>5.1</u>																			
Malware Defenses	5.2																			
	<u>5.6</u>																			
	<u>6.4</u>																			
Secure Development	<u>6.7</u>																			
	<u>6.11</u>																			

Outsource vs Insource - Quality



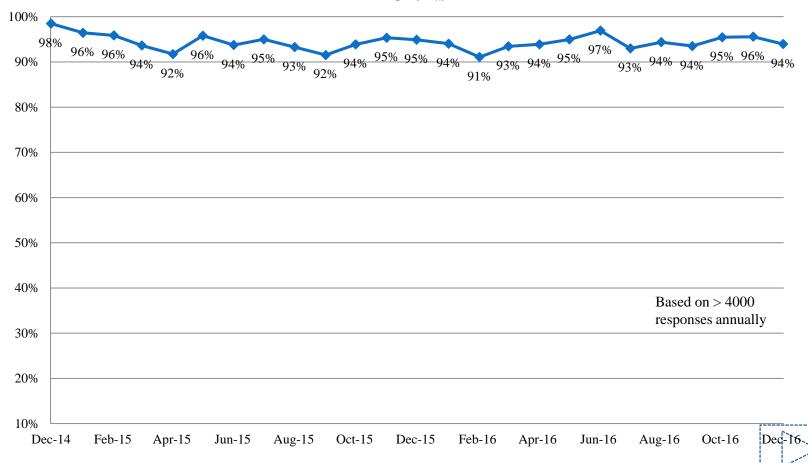
Client Satisfaction Results

"I rate Jackie a 5 on this one. She always makes me feel like she's waiting for me to call just so she can do something for me. Extremely fast and competent."

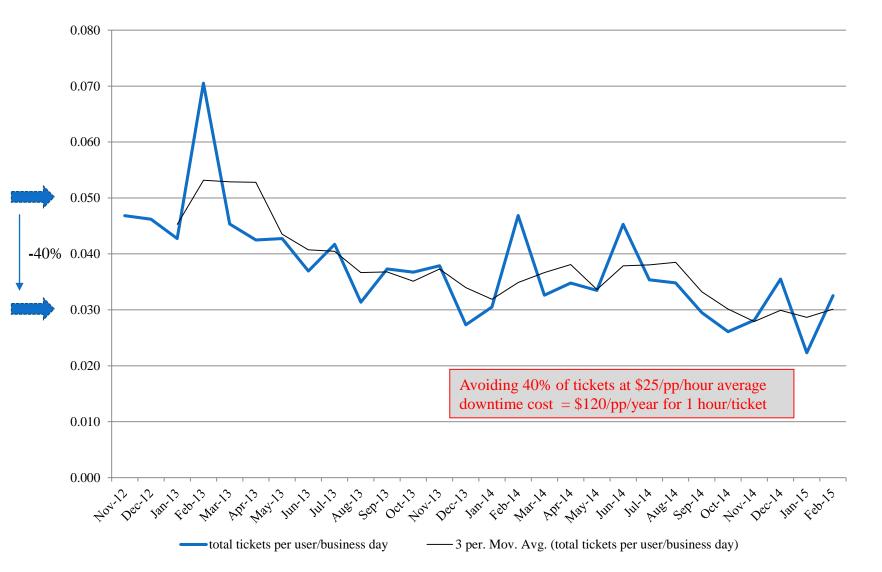


Customer Satisfaction Results

System Source Managed Service Satisfaction Scores All Clients



Goal: Increasing User Productivity Ticket Count Per User/Per Business Day



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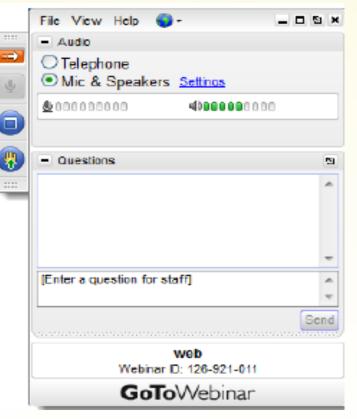
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IT Maturity Model

Gartner levels 1-3 for Infrastructure & Operations:

- Survival Little focus on IT infrastructure and operations
- Awareness Critical to the business; beginning with people, process and tools to gain control
- Committed Moving to a <u>managed</u> IT support and improved project management to increase satisfaction



IT Maturity Model

Gartner levels 4-6 for Infrastructure & Operations:

- Proactive Gaining efficiencies and service quality through standardization, policy and proactive processes such as change management.
- Service-Aligned Managing IT like a business; customer-focused; proven, competitive and trusted IT service provider
- Business Partnership Trusted partner to the business for increasing the competitiveness of business processes



IT Maturity Model

	Survival	Awareness	Committed	Proactive	Service Aligned	Business Partnership		
People	No focus on IT infrastructure or operations	Technology- centric organization for IT infrastructure and operations	Technology- centric organization; <u>investment in</u> IT service desk	Process- centric organization	Customer and business focused IT service and delivery organization	Business optimization and entrepreneurial culture		
	No formal process for IT infrastructure and operations	Ad hoc but aware processes are necessary	Defined processes for IT service, support and project management	Repeatable and automated; <u>focus on IT</u> <u>service</u> <u>delivery</u> <u>processes</u>	Integrated, automated; focus on service and business management processes	Dynamic optimization of IT services; implement processes fostering innovation		
Tools	No formal strategy or execution on investments	Basic management tools; no formal hardware and software standards	IT support and project management tools; desktop hardware and software standards; begin infrastructure rationalization	Formal infrastructure standards and policies; management tools <u>:</u> virtualized infrastructure	Formal IT management process/tools architecture, <u>shared services</u> , aggregated capacity management	Proactively promoting <u>new</u> <u>technologies to</u> <u>impact business</u>		
Support Method	Reactive – Time & Materials		neduled Hours Affordable IT)	Managed Services				





Phone Lines Now Open!

(please 'mute' if you are not speaking! Thanks!

Thanks for Participating in Today's Webinar!

A brief email survey on today's webinar will be sent at 2pm today. We'd greatly appreciate your feedback!

