

A Cost-Benefit Analysis Of Managed IT Services For Small Businesses

The main challenge that small businesses face is that of a limited budget. Every spending decision is always a balancing act for them, and a cost benefit analysis is done for every expenditure. Those offering higher returns always get the priority over the others. Often, they feel that hiring a managed IT service provider is a luxury, and is therefore avoidable.

Who are these managed service providers?

Every business needs technology for running and growing its business. The managed IT service providers offer on-site as well as cloud-based services which can provide their client companies the access to cutting edge technology. They take the headache of maintaining technological infrastructure away from the small business, by maintaining the hardware and software on their behalf. They also back up their client's data on remote servers and provide timely restoration services for something go wrong.

Should a small business hire a Managed IT service provider?

There is no denying the fact that hiring a provider comes at a cost. However, there are some indisputable benefits that they provide which make the expenditure worthwhile. They also offer significant cost benefits and some areas. Let us discuss these one by one.

- **The costs are known**

The terms of the contract with the service provider will specify how much needs to be paid to them. The small business can budget for this, and there are no surprises at the later stage. On the other hand, when IT is managed internally by them, any major problem can blow up the budget and dent their profitability significantly. So, they need to look at hiring a managed service provider as a form of insurance against any technological disasters.

- **Access to technology:**

Technology is an enabler. With the world rapidly progressing, any company using outdated technology will not remain competitive for a long. However, technology comes at a cost. It is highly likely that the technological resources that the business is using presently will have to be upgraded sometime soon. This will entail a big expenditure. Managed service providers host cloud-based technology which is offered to clients on a pay per use or a monthly fee basis. The benefit of using this service is that the expenditure on upgradation of the technology is borne by the service provider. Thus, by subscribing to this service, the small business is insulated from technology obsolescence and costs of frequent upgradations.

- **Access to experts:**

Another major benefit is that the small business does not need to hire in-house personnel to maintain their IT infrastructure. The managed IT service provider would have a team of experts, which will take care of any problems that might arise. Thus, the expenditure on the salary and training of the staff, and the other expenses on maintaining an internal IT department is saved.

Due to these remarkable benefits, every small business needs to think seriously about hiring a service provider. The various cost savings mentioned here can often easily offset the cost of hiring one, and make the investment worthwhile.