



Scaling Your Service Provider Business

Getting the “Three Ps” Right to Realize Breakthrough Growth



Part of the Nimsoft MSP All Star Series

This white paper is part of the Nimsoft MSP All Star Series, an ongoing series of resources developed specifically for the service provider practitioner. The series draws on the insights of successful, expert service provider practitioners, true all-stars in their fields. Based on the experiences and successes of these service provider leaders, these resources offer a wealth of practical—and proven—strategies that can fuel long-term success.

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Executive Summary

While some service providers have enjoyed dramatic growth in recent years, many more have not. What's made the difference? In short, three things: people, process, and products. Read this white paper and get proven strategies and approaches for getting all three right. Based on the lessons of veteran service provider executives, this paper offers specific guidelines service providers can implement to boost their chances for success.

Introduction

In recent years, many service providers have seen their revenues stagnating or declining. During that same time, others have been able to achieve sustained growth, even in the midst of a harsh global economy. What's made the difference?

Like any other organization, a successful service provider business is built on the "three Ps"—having the right people, establishing processes that enable people to optimize their potential, and leveraging the products that support those processes and people with the utmost efficiency.

These three areas are equally critical; fall short in one area and the business will suffer. What approaches have some of the most successful service providers used in each of these areas? In the pages that follow, we offer a wide range of practical insights into everything from hiring to ITIL. Further, these insights are drawn from the seasoned executives who have established successful service provider businesses, organizations that have the people, processes, and products that enabled them to thrive.

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People

Having the right people is critical—quite simply people are the service provider's business. They're on the front lines with prospects, customers, vendors, and partners. Given that, there's no doubt that having the right people is a critical determinant to a service provider's success and growth. In the following sections, we'll look at some key strategies for finding and keeping the right employees.

Finding the Right People: Know What You are Looking For

To start with, you need to recruit people who are exceptional. Service provider team members need to be diligent, responsible, creative problem solvers, and show grace under pressure. You also need to hire people who believe in your process and business model, and that can commit to and take accountability for supporting these processes. You also need people who are technical experts so they understand the client's environments and needs.

Understand and know what you are looking for when you go out to recruit. When recruiting, hiring managers may say, "I'm looking for a senior networking and monitoring tool specialist." While those may be the practical skills required, the reality is that you also need soft skills. You need someone that is a good team player. You need someone that can work well with clients. You need someone that is calm under stress. Those are the types of things that you really have to understand when you are recruiting.

Hiring the Right Technical Staff

Many service providers had their origins in a break/fix, or value added reseller (VAR) type of business, and it's important to understand how the nature of this transition creates a fundamental change in terms of the mindset and skills required of the technical people on the team.

For example, consider two types of engineers:

- Engineer A, someone who is somewhat cavalier about daily maintenance and procedures, but when there's an outage in the middle of the night, has the skills and expertise to fix the issue within an hour, without fail.
- Engineer B, a person focused on continuous improvement, someone that develops automation and processes that help improve uptime, efficiency, etc.

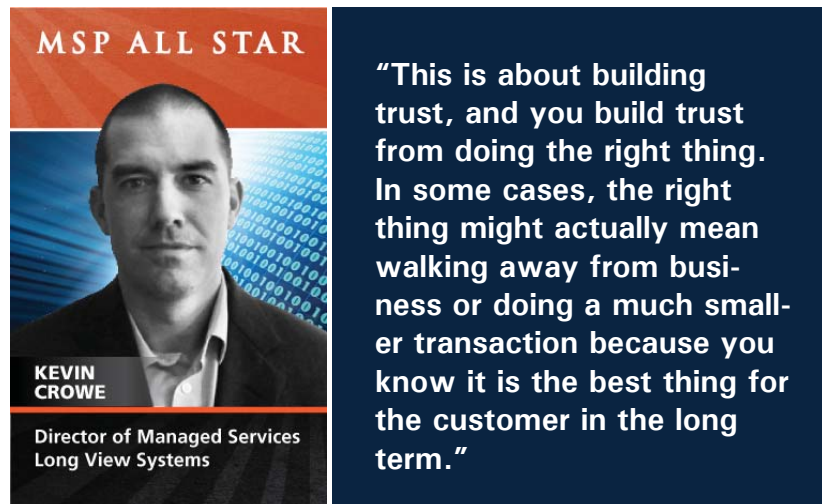
While both engineers can be invaluable, it is important to understand the differences and how they can affect an organization. Engineer A is the star of a break/fix organization, engineer B is the one that can prove instrumental in a service provider's long-term success. While engineer A is the type of person that can get a lot of attention and accolades, that individual's approach can be detrimental to an organization's bottom line. Simply put, engineer B is the type of person that can help a service provider scale.

Both from a hiring and from a staff management standpoint, it is important to have the right mix of technical staff, and to ultimately reward the behaviors that strengthen the business. Assign people clear ownership for the processes or systems that matter, and reward them for the benefits of the behavior and efforts that contribute to success.

Hiring the Right Sales People

Similarly, making the transition from VAR to building a successful service provider business has fundamental implications for the sales organization. Ultimately, it takes a different kind of sales person. A sales person at a VAR can be successful by having a transactional approach: quickly defining specs, selling product, and moving on to the next deal. For a service provider to succeed, a different kind of salesperson is required.

"To be successful, sales people at service providers need to be more consultative and more patient," offered Kevin Crowe, Director of Managed Services, Long View Systems. "This is not about a transaction—it's about a relationship. This is about building trust, and you build trust from doing the right thing. In some cases, the right thing might actually mean walking away from business or doing a much smaller transaction because you know it is the best thing for the customer in the long term. The sales people we've found to be successful understand this dynamic."



In addition, sales reps need to have the expertise to understand the client's technical environment, their challenges and opportunities, and knowledgeably guide them toward the optimal systems and services for their business. Successful sales reps need to really listen to the prospective customer, understand their requirements, and be committed to helping them find a solution.

Finding the Right People: Recruiting Tactics

Happy Employees: The Best Recruiters

When it comes to attracting and retaining the right employees, happy employees can have a multiplier effect—representing the best way to attract qualified new talent. In this regard, it's important to view employees like clients: they need to be willing to act as a reference for your business. Whether when out at lunch, on vacation, on the train, etc., they need to be

telling positive stories about your business, its culture, and its prospects. With so many MSP employees embracing social networking, this positive, employee-generated buzz can be even more powerful in terms of its reach and impact.

“I can’t emphasize enough that a big part of what’s made our recruiting successful is having employees that are referenceable,” said Crowe. “Just like happy clients—you need employees who give good references when called upon to speak about your organization. We don’t compensate our employees for bringing in new hires, but because they’re happy and committed to our business, they make the best recruiters.

“In ten years, we’ve grown from about ten employees to over 630,” Crowe continued. “About 40% to 50% of our new hires come in through employee references—people who are bringing their friends or family in to work for the company.”

This is cost effective and opportunistic recruiting. It’s also highly targeted recruiting. If you think about the superstars you have inside your organization, they will tend to spend time with people that have the same values, the same work ethic, the same abilities, the same intelligence. When looking to bring on new hires, those are the people you want.

Recruit by Engaging in the Community

It is also important to be part of the service provider community. Today, there are forums, groups, conferences, panel discussions, and a host of other arenas in which you can participate in this community, and contribute to its advancement.

By gaining visibility as an expert and a contributor, you and your organization can enjoy a range of benefits, including help with recruiting. This exposure in the community can help boost your visibility and that of your business, and it can help establish a positive reputation among other service providers, many of which may be strong candidates for future openings. Especially with today’s technology-centric, social networking-centric generation, participating in the community can really aid recruiting efforts.

Keeping Employees Happy

Hiring the right employees and keeping them happy is clearly a top objective for any organization, but it’s much easier said than done for the service provider, whose employees operate in an intense, 24x7x365 environment. How do you make the service provider life palatable for employees, keeping them motivated in a high-stress work environment? Following are a few factors:

- **Work hard and play hard.** Successful service provider organizations often have a “work hard, play hard” mentality. Staff will be under pressure to perform on a consistent basis, the team should also be able to engage in group activities that enable them to have fun, relax, and bond.
- **Reward staff.** Excellent performance should be recognized and rewarded. Award a support rep who’s received kudos from a client with a weekend getaway. This doesn’t necessarily have to be a big ticket item, however. You can award an extra day off to an employee that’s put in a lot of extra hours. Managers can keep gift cards on hand to hand out as a way of expressing gratitude for a money-saving idea or process improvement.
- **Reward the right behavior.** Institute bonus and reward systems that reward the behavior you are looking for, and that help support the culture you want to create. So for example, instead of incenting people on how quickly they respond to an outage, incent them based on uptime. This can help team members focus on building the systems and processes that ultimately equate to better service to customers.
- **Balance work and life.** When personal and family issues arise, those issues need to be given priority.

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Nurture and Recruit from Within

Some of your best managed services talent is inside your company today. Service provider executives need to make employee development a priority. This is key for two fundamental reasons:

- First, the managed services segment hasn't been around long. There are only a select number of professionals with managed services experience, so it makes business sense to be committed to growing talent and recruiting from within.
- Second, staff members often have demanding jobs. There will be a lot of stressful moments, and it takes dedication and commitment to get through those times successfully. Showing people that you're dedicated to advancing their careers, that you're willing to help better their future, is a tangible way for the business to demonstrate that the commitment goes both ways. By investing in their future, staff will feel more vested in the business' future.

Culture of Continuous Improvement

At any service provider, large or small, mistakes will happen. These mistakes can happen as a result of someone taking a chance or trying to do too much, and in these cases mistakes can be a healthy part of a business' growth, setting the stage for improvements. So it's important to establish a culture of continuous improvement, one in which mistakes are viewed not as an excuse to point fingers, but as an opportunity to identify areas for improvement.

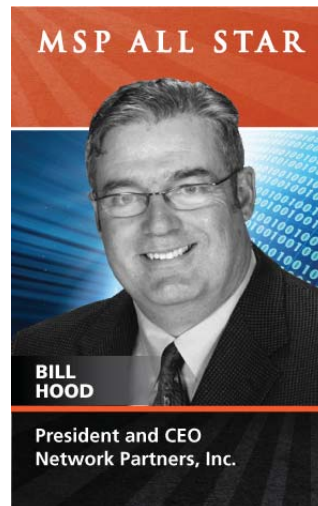
"Looking back, we can see times that we zigged when we should zagged, and vice versa," explained Bill Hood, CEO of Network Partners. "Over time, what we learned is that you have to build a culture that accepts continual improvement. You are going to make mistakes in this business. The key is using those mistakes as opportunities for enhancement."

Service improvement needs to feed into all aspects of an MSP's daily operations—including organizational reporting, hiring practices, compensation planning, customer communication, engineering operating procedures, and more.

When it comes to hiring talent, finding engineers and support professionals with advanced certifications and killer IT skills is not enough. The interview gauntlet should vet candidates for their history of dealing with failure as well as success. Despite best efforts, outages will happen. It is important that engineering and project staff are honest in their assessment of their own post-incident performance. There is no room for defensiveness. In demanding blunt assessments of their performance and that of their co-workers, unforeseen incidents can be discussed and analyzed as a learning experience, an opportunity to improve rather than just an opportunity to be punitive. Likewise, support managers should be hired with a track record of orchestrating these "learning moments" for their staff.

Processes

When you look at the successful service providers, those organizations that have built revenues, market share, and profits in the midst of a tough economy, they tend to have one thing in common: sound processes. It is incredibly important to refine and solidify processes before you begin to think about growing your business.



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While the business models, services, and approaches may vary, at their core, successful service providers have found ways to develop and refine processes that put them in the best position to succeed—both in terms of delivering quality services to customers and in optimizing internal performance to maximize profits.

This is true for technical processes, which are critical to having a successful business, especially on the services side. It's also important to refine your sales processes and how you manage this type of sales cycle. Those companies that do this well, and get it right the first time, are able to repeat their success. These are the kinds of businesses that get higher gross margins, and succeed in the long term.

Reporting, Visibility, and Accountability

Service Level Agreements

It is essential for service providers to be accountable and report to their customers. First, it is critical to have good, solid SLAs in place with customers—and to live up to those agreements.

Further, these SLAs need to measure what's important. Toward that end, service providers should work with business and technical representatives to formalize their services and success metrics. Most importantly, these priorities need to be established based on the terms of the business, not on the terms of technology. Where will downtime hurt the business the most? What strategic initiatives are underway, and what IT systems will be relied upon to execute those plans?

For example, an organization may have an obscure server upon which three critical business services rely, creating a single point of failure and a huge exposure. It's not up to business leadership to be aware of this exposure, and to understand how that specific system should be managed.

The business should only need to identify those three business services as priorities. It is then up to the service provider to map those business priorities to IT mandates. In this case, the service provider will need to take those priorities and map them to a specific IT objective, namely ensuring the availability of the three critical business services. To do so, they may implement any number of tactics, such as deploying a backup server and proactive monitoring tools, to ensure an outage in one system doesn't affect performance of vital business services.

Communication

Next, you need to be able to show your customers that you are meeting agreements. A lot of times managed services providers do their jobs so well that the customer doesn't see them. There are no problems. But the customer doesn't understand or have visibility into what it takes to deliver on those agreements. The problem? The next time the contract's up for renewal, the manager may wonder, do we really need this service? Nothing has gone wrong for the past year, is it really a necessity? So service providers need to stay in front of the customer, show them what they're doing.

The most profitable MSPs spend a lot of time on accountability and reporting, which usually translates into doing very effective things like quarterly business reviews, not only with the technical contacts, but also the C-level. It is a formal process, and the more formalized it becomes, the more that you cement yourself as the trusted advisor.

It's vital for service providers to engage with business representatives, early and often. Communications, through service level reporting, needs to be meaningful to the business audience that reads it, and it needs to follow logically from the business objectives as defined. Ultimately, by communicating in this fashion, you can ensure that there's a common language for evaluating performance, so priorities get addressed, and you most effectively demonstrate the value you deliver.

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Repeatability

Repeatability is another big key. The reason? It can help lower costs. For a traditional time and materials type solution provider, the business can be incented to spend as much time as possible with the customer and manage the biggest projects possible, so that they are billing as much as possible. On the other hand, the more time required for a service provider to fix an issue, or respond to a request, the bigger hit margins will take. The reality is that the client is going to pay you X amount of dollars that month, regardless of whether you spent five minutes, five hours, or fifty hours on their systems.

It is by building repeatable processes, including for managing trouble tickets, handling alerts, doing routine monitoring and maintenance, and a host of other tasks that you can lower your costs. The more repeatable process are, the more they can be replicated across clients, the better margins will be, and the more your business can scale.

Formalized Processes

One strategy for expanding a service provider business is to increase the number of clients served. Another is to start selling into larger accounts and winning larger deals. To make this move, many emerging service providers will need to adopt more formal processes. For example, many service providers have received ITIL training and certification and embraced these types of formal guidelines for improving management and operations.

For some larger clients, these types of certifications can be a requirement. Even if not however, these processes can be of tremendous value to virtually any service provider, both in terms of establishing credibility during the sales process—and enhancing service delivery after the sale.



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Service Catalog

Anyone who has sold a service they didn't have much experience with can attest to what a drain these types of deals can be. If for any reason, the service doesn't go well, it can present a huge hit on the effectiveness of sales people in terms of closing additional deals with that customer—and all the people that customer talks to. Plus, processes have to be established, tools need to be procured and implemented, staff needs to be trained, etc.—all under the pressure of having to deliver for a new customer. Consequently, these efforts can present a huge drain on the time and efficiency of the operations team.

That's why establishing a formal service catalog that makes sense to both the sales team and to operations is so critical. In fact, Brooke Guthrie, IT Governance Manager at CDW Hosting / Managed Services points to this as key contributor to their success.

"I think the most important thing we did was to establish and stick to a service catalog," Guthrie explained. "That service catalog defined what services we were capable of offering, and it provided us with a roadmap for where we needed to focus. Consequently, we were able to get everybody playing the same game, and that really set us up to make sure that we were focusing our sales efforts, our operational improvement, and our technology investments on the most important and strategic areas.

"Ten years ago when we would sell something before we had a lot of experience with it, it would be a very serious drain on our operational folks," Guthrie stated. "We would have to invent the processes and the tools and get the training as we went along—rather than stepping into a customer relationship with strong capabilities off the bat."

While any service provider has to have its firsts, the service catalog is a critical way to ensure these firsts go well and are being taken on for the right reasons, rather than being a response to a short-term, tactical sales deal. More than a simple menu of offerings that can be delivered, the service catalog provides a roadmap for where to focus sales and marketing efforts, where to make tool investments, and where to focus efforts for improving operational efficiency.

The service catalog can thus be a vital way to ensure a steady, unified direction across all areas of the company, which is an essential ingredient to success. Your service catalog can become the linchpin document that informs all aspects of your business:

- Marketing can use it as the basis for all customer facing services descriptions, including tiering your offerings, such as Platinum, Gold, and Silver options.
- The sales team can show it off to customers as a proof point of your operational maturity.
- The delivery and support teams can use it as a blueprint for how solutions are architected and managed efficiently against your SLA promises.

“As we were growing, our mentality was to use ITIL as spoonfuls of medicine—not religion.”

An MSP that has a well-defined service catalog is one that executes with great economies of scale that come with sound, repeatable business processes. Further, this consistency in approach and messaging creates strong customer confidence; they see that you have a plan—that you’re not making stuff up on the fly.

ITIL

The Information Technology Infrastructure Library (ITIL) is a set of concepts and practices for managing information technology. For many emerging service providers, ITIL is a very valuable building block. Early on, ITIL can help a service provider define such facets as operational support and what it actually means to clients. Over time, organizations can continue to mature their ITIL approaches, so both customers and the business can see, and benefit from, the maturity of the processes and tools in place.

Even for a smaller MSP with limited resources, it is possible to take a practical approach to getting started with ITIL, without having to make too large of an up-front investment. A lot of successful service providers have been successful in leveraging ITIL to produce something that was of value to the business. To do so, it is essential to identify areas needing improvement and leveraging ITIL to help address those areas.

“ITIL can provide a lot of ideas to make existing processes more effective,” Brooke Guthrie explained. “For example, an early stage service provider will have a process for setting up a new server and integrating it with the management structure. Initially, this process could be very informal in nature. Team members should then look at the process and determine whether there are any steps or tasks that were repeatedly missed that resulted in problems. Team leads can use that as an opportunity to start documenting that initial server setup as part of a more formal release process. By taking that initial extra step up front, it can yield dividends in terms of time savings—time that could then be invested in other ITIL-based process improvements.”

Especially early on in a business’ development, it is important to put just enough process in place—make it too complex and it can backfire if people don’t use it.

“As we were growing, our mentality was to use ITIL as spoonfuls of medicine—not religion,” Kevin Crowe stated. “We didn’t want to suddenly descend on people with these huge ITIL binders. What we did instead was to use ITIL when incidents happened or when things went wrong, to figure out how we could do better.”

Make sure staff understands the value of these processes. A lot of organizations start with change management because that is where a lot of pain is experienced, for example when people make mistakes supporting a technology. Using some ITIL best practices for change management can be a good way to build momentum for ITIL, without requiring too large of an up-front investment.

Formalizing Release Processes

View each time you roll out a new monitoring device as a new release. Like in the world of software, this is an act of releasing a new solution to market, so having ITIL-based processes set up to support this process is key. You have to set up monitoring the first time. You have to create initial trouble shooting documentation. You have to set up the automation of technical tasks and the alerts and reminders needed to make sure all manual technical tasks are completed.

This requires doing things like not only setting up the backup, but testing the backup and making sure the data is real. Service providers can position themselves for ongoing operational success by releasing things into production in a really controlled manner. This sets the stage for profitability because your team doesn't need to do a lot of rework later.

Having strong incident management, including having clear directions for what happens when an incident occurs, who will respond, how quickly, etc., is critical. But if you can set it up correctly in the first place and avoid having a significant number of incidents as a result, and you implement effective proactive monitoring, that will save a lot of staff time. Here again, the stage is set for better margins.

“Service providers need to become a trusted advisor. Listening to customers is a big first step. Next, it's important to help align IT operations with business objectives.”

Listening to, Partnering with the Customer

It is important to listen to customers, both to get feedback on performance and also to get insights into new services they may need. Listening to customers can take a variety of forms, both formal and informal, anything from making a call to setting up online surveys or hiring third parties to interview customers. Getting this feedback is a great way to get insights for improvement and evolving to meet clients' changing needs.

Service providers need to become a trusted advisor. Listening to customers is a big first step. Next, it's important to help align IT operations with business objectives. To do so, service providers need to understand what the business is trying to achieve, and deliver services that help them on that path. If a customer is planning a series of new plants, define a repeatable, cookie-cutter service that the customer can easily sign up for as each new plan comes online.

While it may not be possible to completely eliminate outages, by being more proactive, it is possible to significantly limit their occurrence and severity, and service providers can help with that. By proactively monitoring their networks and listening to their feedback, you can be in the position to suggest corrective actions before outages occur. Whether a server needs a patch, more RAM or memory, you can help them address the issue before an outage occurs. This helps cultivate the relationship, build trust, and ultimately boost revenues.

“Most of the new customers that call us are in some form of pain, contending with outages and other network issues,” Bill Hood said. “Our first priority is to help them address their immediate issue. Next, our sales folks will demonstrate how we can monitor their network and do what it takes to ensure those kinds of issues don't happen again.”

For example, if you do some initial network monitoring services for a customer, it may be fairly easy to see that there are a lot of viruses in their environment, and that virus protection is expired or not fully operational. Or you may see that backups are

not running, or not running correctly, or that they haven't been tested for restoration. These are all kinds of things that you can fairly quickly ascertain, and then help guide the customer toward a solution.

"The reality today is that most networks are still being managed by reaction," Hood revealed. "The typical model is that a user experiences a problem, calls the help desk, and the support arm jumps in to figure out the cause. This process is inefficient and frustrating for all involved. Once we start working with clients, and establish a solid relationship, we can start to help them get out of this reactive mode, and start proactively managing systems so they enjoy better reliability, and do less fire fighting."

Sales Approach

To be successful, the service provider's sales process needs to be defined, refined, and formalized. Following are a few key characteristics of successful sales approaches:

- **Engage early and often.** Engage with customers, looking for challenges or issues they may be confronting. If the issue aligns with your service catalog, endeavor to help the customer fix that specific issue, and use that as the starting point to cultivate a partnership. Through that first interaction, you can solve their initial issues, and get insights into the business so you can offer more strategic, proactive solutions. In the process, you can educate your customer about the possibilities, the benefits, and long-term prospects of the partnership.
- **Simplify and clarify.** Clearly articulate the services to be offered, so it's easy for clients to understand what they're paying for, what's included, what's not. This makes it easier for the client to sign on, and sets a solid business foundation.
- **References.** Having a strong list of happy customers is an essential ingredient to winning deals and growing market share. This speaks to the importance of delivering quality services and value from day one, and how important keeping customers happy is. Having these happy customers act as references is vital, they can articulate with the most clarity and credibility the kind of value their vendor is providing.

“**The top 20% of service providers in terms of profits do make a commitment to marketing. Typically, these organizations invest 10% or more of annual revenue into marketing activities.**”

Marketing

A lot of solution providers don't do marketing particularly well. Generally, service providers tend to be very good technologists or strong sales people, but marketing can often be an afterthought. In fact, many service providers don't have a dedicated person for marketing.

However, the top 20% of service providers in terms of profits do make a commitment to marketing. Typically, these organizations invest 10% or more of annual revenue into marketing activities. And this is beyond any market development funds (MDF) that the business may receive from partners.

It is very important for an MSP to brand themselves, clearly articulate their value proposition, and differentiate their services and capabilities. The better you do at branding your business, the better you'll do at sales.

Training

Another characteristic that is common among successful services providers is that they take great attention to sales training and sales effectiveness. As mentioned earlier, the role of sales at a service provider is very different than at a traditional solution provider. This means not only hiring the right sales people to manage this new sales dynamic, but it also means investing in training to equip sales staff with the information and strategies they need to be successful.

Further, this training should also be extended to customer facing technical staff as well. The more organizations can equip these technical individuals with sales training, the better organizations will be able to capitalize on cross- and up-sell opportunities as they arise.

Products

Having the right products in place can help support the processes in place, and can make both the service provider's people and processes more efficient. Having the right products can be instrumental in helping service providers optimize their services and their margins. That's why it's common to see best-in-breed service providers purchase best-in-breed solutions; these solutions are vital to a service provider's success and can represent a critical competitive differentiator.

Infrastructure Efficiency: Key Solution Considerations

When evaluating products, it is important to do so from the standpoint of maximizing efficiency in every aspect of operations. Following are a few keys to making this happen:

- **Buy vs. build or customize.** A vital component to building efficiency into the organization is the infrastructure in place. For many organizations, open source is providing great value in a whole host of areas. But organizations should be cautious about implementing low cost open source tools, which may ultimately need a lot of refinement, and be more expensive and time consuming to adapt as future changes arise. Building from scratch or developing applications on top of open source platforms can be time consuming, inefficient, and distract from core client-facing responsibilities. Often, the lower up front costs of open source alternatives can be negated by the higher development and maintenance costs incurred over time.
- **Proactive monitoring.** Fighting fires is never an efficient way to manage an IT infrastructure. Service providers should look to invest in solutions for centrally and proactively monitoring and managing infrastructure components. By gaining a more cohesive view of infrastructure performance, administrators can more effectively identify and thwart potential outages and performance issues. Look for tools that automate alerts to ensure that if any performance indicators are breached, enterprise IT administrators are notified immediately.
- **Standardization.** Both for monitoring tools and other areas, look for solutions that offer broad IT infrastructure coverage. By centralizing on one monitoring tool, service providers are much better equipped to align IT service management efforts and tracking of all client devices under management. By standardizing on a single product, organizations can better adhere with processes, while significantly improving staff productivity and efficiency.

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“We have been using ITIL for over ten years, but even with a strong set of ITIL-based processes in place, it can be difficult to sustain these processes when employing disparate management, monitoring, automation, and reporting tools,” Brooke Guthrie revealed. “By centralizing on one monitoring tool, service providers are much better equipped to align IT service management efforts and tracking of all client devices under management. This has helped fuel a lot of improvements in efficiency.”

Monitoring Tool Requirements

To function as a centralized toolset for services providers, a monitoring solution needs to deliver a range of critical capabilities and characteristics. Following are several of the most critical.

Support for Heterogeneous Environments

For a small or early stage service provider, monitoring of a single technology, such as Windows servers, may suffice. However, as service providers grow, they will ultimately need to support hundreds of clients with a diverse set of environments and technological requirements. This can include monitoring a diverse range of operating systems and platforms, networks, applications, databases, and much more. To meet their long term needs, service providers need a solution that can accommodate this broad technology spectrum.

Support for Emerging Technologies

As your customers adopt new technologies, having a toolset that can help you support them can be a critical contributor to growth—helping service providers support more new accounts and deepen penetration in existing accounts. Maybe a customer implemented VoIP and is looking for help in supporting these solutions. Or maybe a prospect has invested heavily in virtualization technologies, and is having trouble with resource utilization and monitoring in these dynamic environments. Further, just about every organization is investing or researching cloud-based alternatives. How can you as a service provider help support these emerging needs?

To function as a central solution, monitoring offerings need to be adaptable to accommodate these emerging environments. If not, services providers need to add point solutions to support these technologies, which hurts margins and efficiency.

Open Integration

Initially, many smaller MSPs can get by with monolithic tool sets that include ticketing, professional services automation, change management database capabilities, and lightweight monitoring, all rolled into a single solution. The largest MSPs, and those aspiring to be, buy best-of-breed across those software technologies. To leverage a centralized monitoring offering, organizations need to be able to efficiently integrate this solution with these other technologies. Consequently, service providers need monitoring solutions that are open and standards-based.

Scalability and Multi-Tenant Support

As service providers grow, they need a monitoring solution that can scale, not only in terms of the different types of technologies, but in terms of the number of devices supported. Further, a single instance of the solution needs to securely and efficiently accommodate the monitoring of hundreds of customers, which is critical to supporting the growing service provider's business model.

Flexible, Subscription-Based Pricing

As opposed to enterprises, service providers have very different business models—and very different needs and expectations when it comes to technology purchases. Service providers need their monitoring tool vendors to support a subscription or pay-as-you-go licensing model, which allows service providers to match up their inbound and outbound cash flows.

About the Nimsoft Monitoring Solution

The Nimsoft Monitoring Solution (NMS) offers a range of technological advantages—advantages that service providers around the world are leveraging to improve service, expand offerings, and boost margins. Built upon the Nimsoft Unified Monitoring™ Architecture, NMS delivers...

- **Broad IT monitoring coverage.** With NMS, service providers can quickly address new high-growth markets and changing customer demands. Plus, service providers can leverage NMS' easy customization capabilities to offer

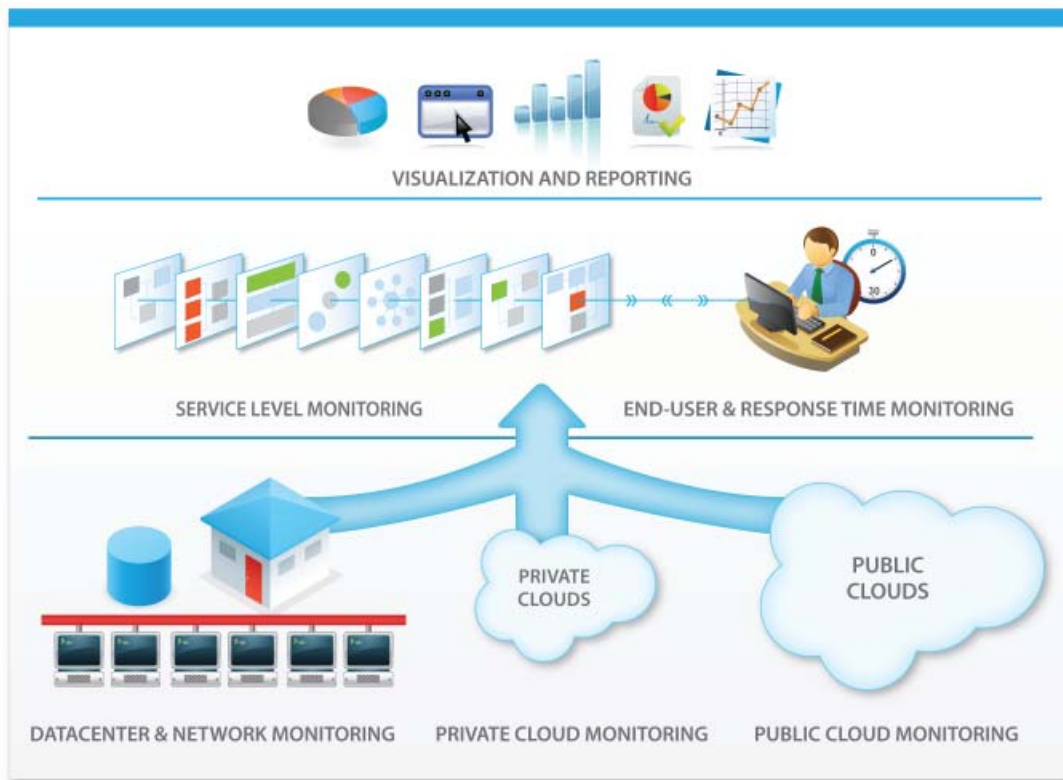
“**We've used NMS as our central monitoring tool for over five years and have had a great experience. Nimsoft has consistently demonstrated its ability to support emerging technologies as we've needed.**”

specialized services and carve out niche markets.

- **Cloud and emerging technology support.** With NMS, you can monitor and manage all business applications, from the datacenter to the cloud, including SaaS, hosted, and virtualized environments—all with a single product, architecture, and console. NMS supports VoIP, virtualization, and other emerging technologies, ensuring service providers can address their clients' current and future needs.
- **Open integration.** NMS features open Unified Monitoring APIs that enable automated integration in a range of environments. Further, these open APIs enable Nimsoft, its partners, and its customers to efficiently extend the solution and integrate it with third party products.
- **Scalability and multi-tenant support.** The Unified Monitoring architecture is comprised of a high performance messaging bus that provides high scalability, both in terms of metric collection rates and the ability to manage very large numbers of server instances. In addition, the solution comes with a full multi-tenant architecture, allowing for complete customization, not only of reports, but of entire portals.
- **Flexible, subscription-based pricing.** Because NMS has been broadly deployed in both enterprises and in SaaS, cloud, and service providers' environments, Nimsoft has created a variety of flexible licensing and pricing models.

These attributes have proven to provide dividends to hundreds of service providers around the world, including CDW, Long View Systems, and Network Partners.

"We've used NMS as our central monitoring tool for over five years and have had a great experience," Brooke Guthrie explained. "Nimsoft has consistently demonstrated its ability to support emerging technologies as we've needed. By having a central toolset that supports a central process structure, we are able to optimize our internal operations, while ensuring we can continue to deliver innovative, high value services to our clients."



With NMS, you can monitor and manage all business applications, from the datacenter to the cloud, including SaaS, hosted, and virtualized environments—all with a single product, architecture, and console.

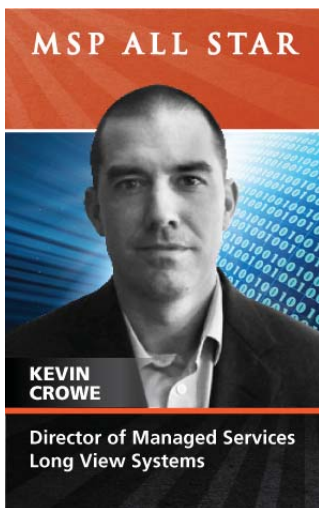
About the Contributors



Brooke Guthrie, IT Governance Manager, CDW Hosting and Managed Services



Brooke Guthrie is an eleven-year veteran of the CDW Hosting and Managed Services (HMS) management team. The primary architect of HMS's IT governance control structure, she wrote HMS's first service catalog, policy manual, and many customer agreements. Brooke has helped many of HMS's largest customers structure successful outsourcing relationships. She led HMS through repeated, successful PCI certification, SAS 70 Type II audits and large application system upgrade and consolidation efforts. She has managed network operations, operational engineering, project management, service account management, IT system management application and security teams supporting HMS data center and managed services outsourcing capabilities. Brooke leveraged this extensive experience as the leader of HMS's IT management consulting team for several years, helping clients put together improved service management structures and addressing other related process considerations at major Midwest corporations.

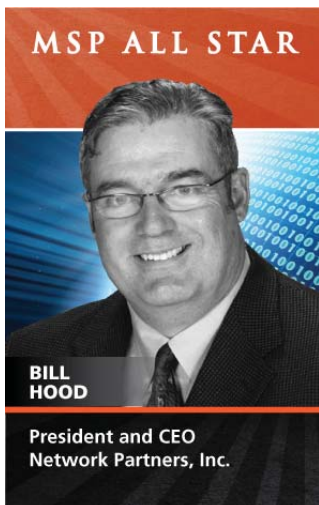


Kevin Crowe, Director of Managed Services, Long View Systems



Kevin Crowe is the Director of Managed Services at Long View. Kevin has been specializing in IT Service Delivery and Managed Services since 1996. Kevin has been working at Long View since 2000 and has lead a team that has grown the Managed Services practices into one of the industry leaders.

The Managed Services practice takes care of over 15,000 critical devices on a global scale. Kevin has been working with ITIL since 1998 and is ITIL master certified. Kevin has his MBA and has lead several large service delivery teams. Kevin has also been an active member in the International Association of Outsourcing Professionals.



Bill Hood, President and CEO, Network Partners, Inc.



Bill Hood is the President and CEO of Network Partners, Inc. He has more than 30 years of experience in the information technology industry. Mr. Hood pioneered the information technology field in the early 1980's and has worked with personal computers since they were first introduced to the market. Hood has more recently been a leader in the burgeoning managed service industry and for nearly 10 years has been crafting an industry leading managed service offering. Recognizing the inherent difficulty in managing a modern network, Hood has developed simple intuitive web interfaces that allow networks to be "self diagnostic". The development of this model has been 7 years in the making and starts with a robust SNMP, WMI and syslog manager and data from these "engines" are massaged and consolidated into actionable items. In addition to developing the managed service, Hood also runs the organization and leads the company's technical direction and sales efforts.

About Nimsoft

Nimsoft is the first provider of Unified Monitoring™ solutions for virtualized data centers, hosted and managed services, cloud platforms, and SaaS resources. With a proven time to value measured in weeks, the Nimsoft Monitoring Solution™ (NMS) reduces an enterprise's total cost of ownership by up to 80 percent compared to legacy systems management vendors, while scaling and extending to places they just cannot go. The Nimsoft Unified Monitoring architecture eliminates the need to deploy a new monitoring solution for outsourced services, public or private clouds, or SaaS implementations. Nearly 1,000 customers use Nimsoft Unified Monitoring solutions, including both mid-market and global organizations such as Amway Corporation, Barclays Capital, Casual Male, European Medicines Agency (EMA), Ladbrokes, TriNet, and hundreds of leading hosting, cloud, and managed service providers such as 1&1 Internet, CDW, Hitachi, and Rackspace. For more information, visit www.nimsoft.com. To see the Nimsoft Unified Monitoring architecture in action, visit the public portal at www.unifiedmonitoring.com.

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