

## A flexible engagement that suits today's hard-pressed businesses

In these lean times, managed services and online backup are providing businesses with the room they need to manoeuvre, writes GORDON SMITH

IRISH companies may not have shown much appetite for traditional outsourcing deals, but the managed IT services model, offering a menu of services to choose from, seems more to their taste.

Now that many firms seek to reduce costs in their business, managed services allow them to transfer responsibility for running their IT to a third party in a transparent and flexible way.

Research from IDC has shown the market here is growing by just under 10pc. "Ireland is one of the strongest markets in Europe and has had a good boost in the past few years," comments Lionel Lamy, research director for software and services with IDC.

According to Lamy, the managed services model offers more predictable IT costs that businesses can manage more easily. Services are available for a flat monthly fee, so a company always knows what it needs to pay. This approach also turns technology from a capital expense into an operational one.

The range of services available runs the gamut, from monitoring and management of hardware to data backup and recovery, as well as more sophisticated services.

Tanya Duncan, managing director of Interxion, says the most popular services tend to be systems management and



Tanya Duncan, Interxion

backup. The appeal of the former may have to do with the fact that the service provider not only spots a potential issue, but also resolves it without the customer having to intervene.

Declan Ivory, general manager of data-centre services with Eircom, says the managed services model saves companies from having to keep skilled IT personnel on the payroll.

"A lot of organisations will struggle to have all the technical resources available on a 24-7 basis," he says. Another factor is cost saving, as service providers typically bring economies of scale to bear, allowing them to offer



Maurice Mortell, Data Electronics

the service more cost-effectively than an individual company running all of its own IT.

"There's always been a cost-saving element to managed services," says Maurice Mortell, CEO of Data Electronics. "If you look at the total cost of ownership of doing it yourself, 99pc of the time, you'll save money."

One trend that is likely to take hold in 2009 is virtualisation. Most managed services agreements involve a business transferring existing hardware to a provider, but as that needs replacement, another option is to have it hosted by the service provider on a shared pool of

servers and storage.

One advantage of this is that it allows firms to expand their computing power quickly and easily in response to a business demand, helping them to be more agile and react quickly to changes in the market.

For smaller firms considering managed services for the first time, Duncan says it's important to seek assurances that the provider will take the appropriate measures to mind their systems and data. "This is very much a trust sell, so seeing the site, assessing credentials, meeting personnel and referencing existing clients is very important."