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Predictive Insight, Automation and Expertise Drive Added Value for Managed Services

IDC OPINION

Competitive business leaders are challenging their organizations to achieve transformation by harnessing digital technologies to create more effective ways of doing business, accelerating innovation, and providing better customer experiences. As a result, there is greater reliance on IT to drive outcomes more than ever as the key enabler of business transformation.

However, adopting, evolving and optimizing innovative IT infrastructure initiatives and best practices to deliver today's increased expectations to keep business running requires a balancing act. IT is also challenged with talent gaps, resources, and budget which can slow or make digital transformation elusive.

For many enterprises and service providers, managed services can be an extremely viable solution to help manage the increased complexities of running and managing a network not only to keep pace, but more importantly, to move the business forward.

By out tasking IT to a managed services provider, many IT professionals have realized they can reduce in-house IT costs significantly (36%) while increasing reliability and security. IT can also focus their efforts on more strategic initiatives that help their business accelerate time to market with new products and services (46.9%) rather than just keeping the lights on.

Managed services that encompass strategic planning and design through deployment and Day 2 operational support provides enterprises and Service Providers the additional competitive advantage that ensures business and IT are tightly aligned to meet business outcomes.

It is important to note that this type of relationship differs greatly from traditional outsourcing that may connote a complete take-over of assets as compared with a strategic ongoing partnership to meet the business objectives of digital transformation. A valuable managed services partner must go beyond providing continuous management and monitoring of infrastructure, but encompass value-added capabilities such as automation and predictive insight to deliver real-time actionable recommendation to help the business achieve true innovation and transformation.

IN THIS DOCUMENT

This IDC document will discuss managed services for network infrastructure and the opportunities and challenges it provides to enterprise and Service Provider customers. It highlights insight derived from qualitative research conducted by IDC with enterprise and Service Provider customers who are utilizing managed services offers across a variety of industries and will illustrate the technology, business and operational benefits they are achieving as a result of using managed services. Additionally, this paper will discuss the managed service offerings provided by Cisco Services.

Uptime

“What we have noticed is that access points, switches and EtherChannels were down too often. Cisco Managed Services really tackled that and brought it down to a much lower level. We had about a 4% failure rate resulting in outages and now we are below 1% across the company... They really did a great job of discovering weak points in our network and working to have a plan to remediate things that were broken or likely to fail.”

Security

“Cisco Managed Services helped our organization follow our security standards which require tight privileged access controls. They help us manage, maintain and report upon them.”

CUSTOMER DRIVERS TO ADOPT MANAGED SERVICES

Managed Services is more than just replacing internal IT with external resources. It's about driving efficiencies and extracting value from technology investments. This is achieved through a combination of people, processes, tools and technologies that are delivered via insight fed by automation and analytics coupled with technology expertise and best practices.

Managed services are about augmenting IT staff as needed by providing the right technology resources at the right time in the right way – self-service, on-site or even remote access so IT can focus on the business and drive innovation and competitive differentiation. Managed services allow the business to bring services to market faster, more securely with less risk, while helping to minimize IT complexity, and reduce operational costs.

More importantly, it increases the businesses' ability to become more agile and innovative. With a managed services partner, not only is the infrastructure continually monitored and managed, but by understanding the goals of the business, they can better align technology initiatives with business requirements.

Recent IDC studies with enterprise and Service Provider customers worldwide illustrate attitudes towards and benefits derived from leveraging managed services. Enterprise and Service Provider customers stated they utilize managed services to gain advantages with employee productivity (52%), bring services to market faster (46.9%) and gain greater business agility (42.3%). Additionally, the study cites key business drivers as improved security (60.1%), cost benefits (36.1%) and improved innovation (27.5%) and key technology drivers as increased reliability and security (47.6%), improved uptime (41.1%) and reducing IT complexity (40.7%). IDC interviewed Cisco's own enterprise and Service Provider customers on the business, operation and technology benefits they achieved using Cisco Managed Services and the results drew interesting parallels (see side panel).

CISCO SERVICES: CISCO MANAGED SERVICES

Cisco Services provides the innovation, architectural strategy, and global expertise that span the IT lifecycle from advisory, implementation, optimization, training, technical, and managed services to help enterprise and Service Provider customers around the globe keep their business running securely. Cisco Services employs almost 9 thousand engineers and nearly one thousand sales people around the globe to provide a high touch local delivery capability.

Through innovation, Cisco Services continues to evolve their offerings to ensure customers achieve success in the following technology solution areas, which include networking, collaboration, datacenter, cloud, security, and IoT services. Within each solution area, Cisco has developed a suite of services to help customers define strategies that align with their business, design the right architecture, implementation of the solution, continually optimize the technology, provide managed services if required and deliver the right on-going support and training to accelerate adoption and utilization of the technology solution. This Cisco Services discussion will specifically focus on Cisco Managed Service offerings provided by Cisco Services.

Cisco Managed Services provides customers the ability to dynamically manage their networks (either on premise or in the cloud) by leveraging Cisco expertise, tools and IP to help customers accelerate innovation and respond to ever changing business requirements. Cisco Managed Services is designed to help customers assimilate and adopt new technologies into their environments more quickly while minimizing complexity and helping to reduce risk. This is achieved by:

- Single point of accountability for incident management, problem identification, and issue resolution
- 24x7 dedicated and expert staff with intimate knowledge of their customer's network and business requirements
- Management of legacy, new and third-party technologies
- Access to tool-sets, IP and Cisco best practices and operational discipline
- Leverage automation and analytics for proactive and predictive insight, which helps eliminate costly human errors and adjustments before issues occur
- Holistic problem solving across the life-cycle in concert with Cisco Advanced Services engineers
- Focus on business outcomes – backed by SLAs/SLOs

Cisco Managed Services provides the guidance, design, implementation, operations, management, monitoring and support for those customers who want to take on the challenge of digital transformation leveraging their network assets. Cisco Managed Services is best suited for customers that want to get the most value from their network investments and are willing to team with Cisco to meet business objectives but may not have the talent, resources or technology expertise to execute a robust transformation.

CHALLENGES AND OPPORTUNITIES

Opportunity

- Designed for enterprises and service providers who are eager to transform business
- Helps accelerate time to market for new offers and solutions
- Increases adoption of new technology
- Reduces risk during infrastructure change or upgrades by keeping the infrastructure stable and managing controlled change through ITIL best practices
- Maintains network availability and stability during transformation
- Supports new skill acquisition and best process development
- Ability to scale and respond to new business requirements
- Multi-vendor capabilities

Challenges

- Not to be confused with traditional outsourcing or for enterprises and Service Providers who only want to take out cost of the existing infrastructure
- Enterprises and Service Providers must be willing to be an active participant
- While costs can be reduced, there are costs for transformation, new technology adoption and management
- Advanced and multiple new skills are still required

ESSENTIAL GUIDANCE

The evaluation of managed services can touch many stakeholders and should involve not only IT and finance, but line of business to ensure alignment of expectations for agility, efficiency, security, cost and productivity.

IDC believes when evaluating managed service offers it is important take stock of the following before embarking on a managed services agreement:

- What is the speed your organization wants to move to digitization and what is your level of preparedness?
- Evaluate in house resources and capabilities for embracing digitization. Are there enough resources to be successful?
- What are the gaps in talent, technology, operations and business strategy? Is there alignment?

Cost-Efficiencies

“From a hardware perspective, Cisco Managed Services helped us for sure in designing a more cost-effective environment...

These efficiencies are a collaborative effort between our organization and theirs. They will bring suggestions to the table and we have our internal business that we use to evaluate their suggestions. It has worked out well on that front.”

Innovation

“Cisco Managed Services has the volume of staff to allow us, when required to quickly scale up and drive initiatives and innovation in the environment. That is their big bonus for us.”

- How much does your organization want control, outsource or manage?
- How much hands- on activity can your organization handle?
- What are the financial models of each?

Answering these questions, as a start, can help define what type of strategic managed services relationship is right for each enterprise. IDC believes that regardless of the answer, collaborating with a professional services firm at the outset can help define and execute the right strategy and managed services model.

The managed services model discussed in this study requires active engagement with a qualified managed services partner with developed tools sets and defined methodologies. It is truly meant for those organizations that want to move quickly to capitalize on innovation and gain competitive advantage.

For more information, go to cisco.com/go/cms

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