

SPECIAL REPORT

THE EXECUTIVE'S GUIDE TO CO-MANAGED AND OUTSOURCED IT

HOW TO GET TOP-LEVEL IT SUPPORT, COMPLIANCE AND CYBER
SECURITY PROTECTION WITHOUT THE COST AND DIFFICULTY OF
BUILDING A LARGE IN-HOUSE IT DEPARTMENT



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SHOULD YOU HIRE OR OUTSOURCE?


While outsourcing is common in many areas of business such as HR, finance and procurement, **the most mature and common outsourced function for businesses of all sizes is IT** (information technology).

That's because it is almost always cheaper, easier and more advantageous to outsource at least some aspects of IT, including the support and management of your IT infrastructure, data backup and cyber security protections, instead of the cost and burden of building a robust internal IT department that can handle everything.

However, the big question is what should you outsource, and what should you keep in house?


In general, it's best to OUTSOURCE in the following scenarios:

- **When the job requires a highly specialized skill that is better handled by a team of experts.** For example, cyber security is one of the most commonly outsourced functions of IT and is growing. That's because protecting an organization against cybercrime is a business-critical function that cannot be pushed on to an individual IT person or team that lacks the deep knowledge, tools and expertise required. Another example would be a critical migration project of on premise networks to the cloud.
- **To save a considerable amount of time and money.** Whenever you can find a vendor who can take on the tasks you're looking to hire for, they not only save you an enormous amount of time in regard to finding, interviewing, hiring and training new employees, but also save you money in HR, payroll and insurance costs. Specific to IT, you will also save money by not having to purchase the IT management tools, programs and applications they need to do their job properly.
- **When you need a flexible workforce.** If you have a seasonal business, or if you want the ability to scale up or down quickly, outsourcing is always the faster, less expensive option.

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- **You simply don't want the added difficulty of hiring and managing an IT department.** For starters, the talent pool out there is brutal; simply finding a good IT person of any caliber is difficult. Then you have to take into consideration a "Plan B" if they leave or are suddenly unable to work. If you don't have someone who knows your systems as a backup, you can go through a VERY painful period of trying to hobble along until you replace them. This is why many of our larger client who HAVE internal I.T. choose our Co-MITs, which is short for co-managed IT services (more on this later).

From our experience, companies with fewer than 75 employees are almost always better off outsourcing 100% of the management of their IT (it's important to note that we're talking about the generic IT management).

At the 75-employee mark, it may make sense to have a strategic IT person on staff based on the unique needs of your organization; but usually that person is managing a specific application or business function and still needs the help of an external IT company to assist in any number of things, particularly cyber security.



WHAT YOUR I.T. DEPARTMENT SHOULD CONSIST OF

Most companies don't fully understand all the skillsets required in a properly staffed, competent I.T. department. Once they do, they quickly see why:

1. One I.T. person is not sufficient.
2. Outsourcing is a less expensive option that would also give them FAR superior services and cybersecurity protection.

Below is a high-level overview of the various skillsets and functions you'll need for a competent I.T. department, even in a small 30-person company; and if you happen to be an organization that falls under strict data compliance guidelines, then number of employees is irrelevant – you MUST keep your patients and clients' data safe even if you're a "one-man-band."



TITLE	PURPOSE	EMPLOYEES	SALARY
Help Desk Technician (Levels 1-3)	Responsible for being the first line of defense to troubleshoot end-users problems, questions and needs. Needs to be highly responsive.	1 per 70 employees	\$35,000 - \$50,000
Network Administrator	Responsible for maintaining your company's computer network (designed by the Network Engineer), ensuring it's up-to-date, secure and operating as intended.	1 per 200 employees	\$55,000 - \$90,000
Network/ Systems Engineer	Responsible for the strategic planning and implementation of the communication networks in your company.	1 per 200 employees	\$63,000 - \$100,000
IT Manager	Responsible for managing the help desk, network administrator and systems engineer.	1 per 500 employees	\$90,000 - \$150,000
CIO (Chief Information Officer), CTO	Most senior technology executive inside an organization. Responsible for setting and leading the IT strategy for the entire company to ensure IT facilitates the goals of the organization.	1	\$100,000 - \$150,000
CISO (Chief Information Security Officer)	Responsible for being head of IT security, creating, implementing and managing a company's IT security policies to prevent a breach.	1	\$185,000 - \$250,000
TOTAL			\$438,000 - \$640,000

It's important to keep in mind that most will not need the above individuals' expertise 24/7/365 (like the CISO), but you WILL need that expertise at some level. Further, your IT department will need the following applications and tools to do their job properly:

- Help desk ticket management system
- Remote monitoring tools
- IT documentation
- Endpoint encryption
- Dark web monitoring
- Data backup
- Data loss prevention
- File encryption
- SIEM
- Multifactor Authentication
- Password management
- Mobile Device Management
- And the list goes on.....



HOW COMPANIES WHO HAVE INTERNAL I.T. ARE SENSIBLY OUTSOURCING TO SAVE MONEY AND SECURE BETTER SERVICES

Many of the clients we work with have one or more internal I.T. people, but are growing and are finding they need additional support. Instead of hiring for EVERY role, they are opting for a new form of outsourced I.T. services we call co-managed I.T., or Co-MITs for short.

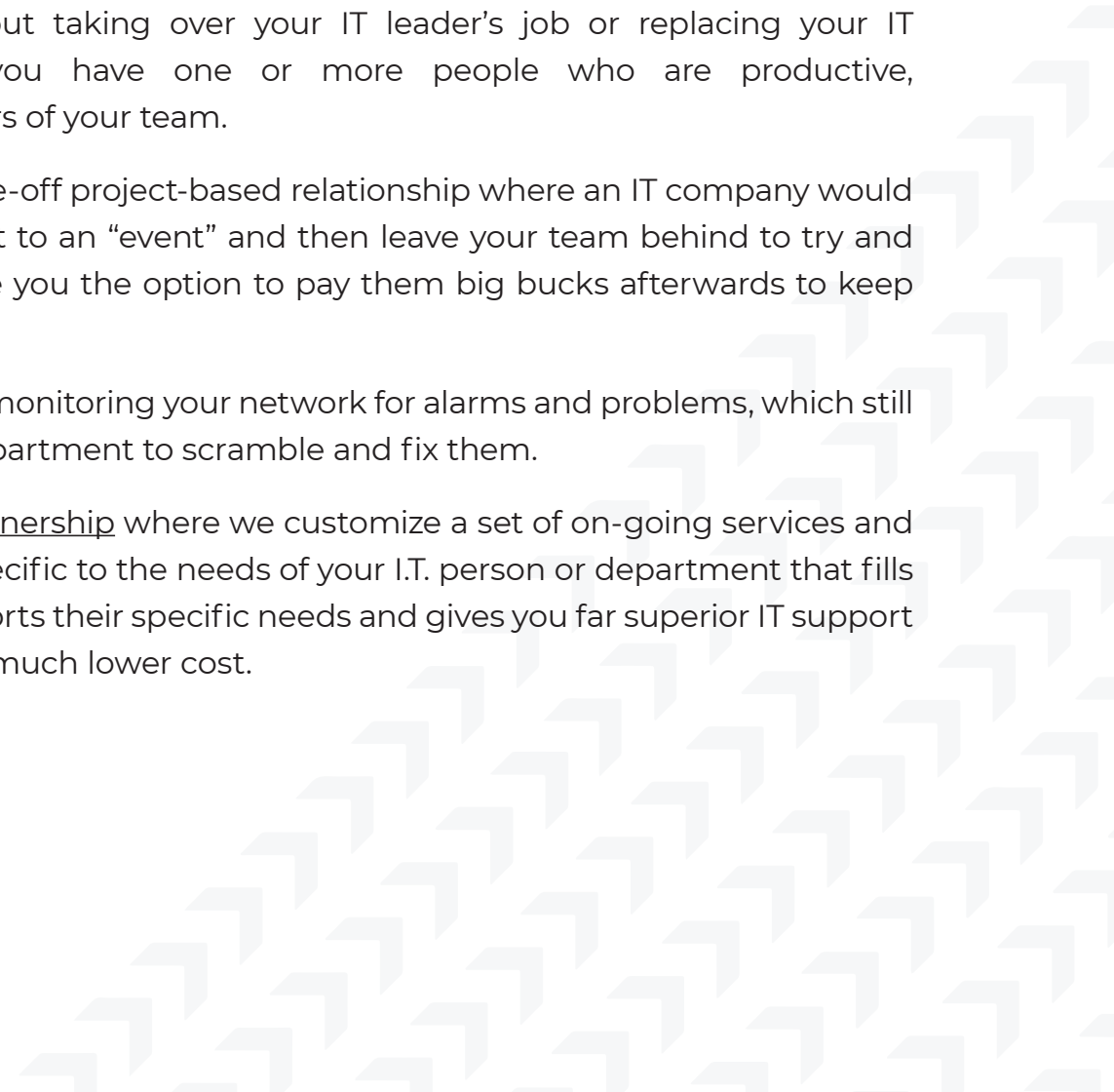
Co-managed I.T. gives companies the helping hands, specialized expertise and IT management and automation tools they need WITHOUT the cost and difficulty of finding, managing and retaining a large IT staff OR investing in expensive software tools.


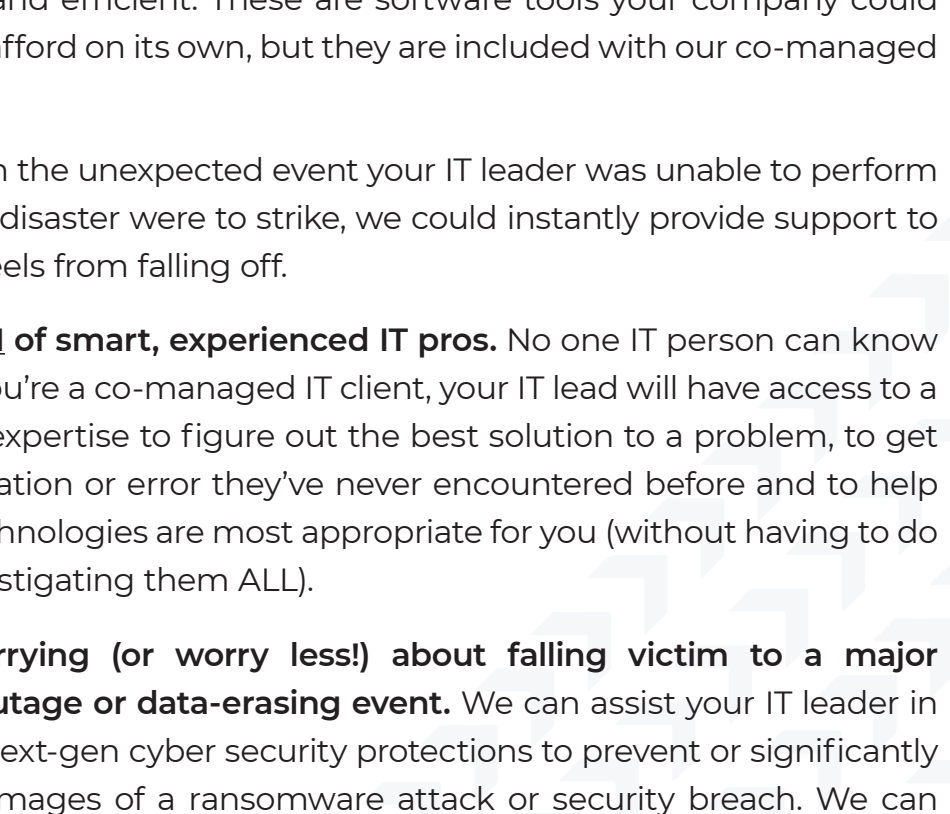
This is NOT about taking over your IT leader's job or replacing your IT department if you have one or more people who are productive, strategic members of your team.

It's also **NOT** a one-off project-based relationship where an IT company would limit their support to an "event" and then leave your team behind to try and support it (or give you the option to pay them big bucks afterwards to keep it working).

It's also **NOT** just monitoring your network for alarms and problems, which still leaves your I.T. department to scramble and fix them.

It IS a flexible partnership where we customize a set of on-going services and software tools specific to the needs of your I.T. person or department that fills in the gaps, supports their specific needs and gives you far superior IT support and services at a much lower cost.



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- **We don't replace your IT staff; we make them BETTER.** By filling in the gaps and assisting them, giving them best-in-class tools and training and freeing them to be more proactive and strategic, we make them FAR more productive for you. As an added bonus, THEY won't get burned out, frustrated and leave.
 - **You don't have to add to your head count.** Let's face it: overhead walks on two legs. Plus, finding, hiring and retaining TOP talent is brutally difficult. With co-managed IT, you don't have the cost, overhead or risk of a big IT team and department. We don't take vacations or sick leave. You won't lose us to maternity leave or an illness, or because we have to relocate with our spouse or we've found a better job.
 - **Your IT team gets instant access to the same powerful IT automation and management tools we use to make them more efficient.** These tools will enable them to prioritize and resolve your employees' problems faster, improve communication and make your IT department FAR more effective and efficient. These are software tools your company could not reasonably afford on its own, but they are included with our co-managed IT program.
 - **"9-1-1" on-site.** In the unexpected event your IT leader was unable to perform their job OR if a disaster were to strike, we could instantly provide support to prevent the wheels from falling off.
 - **You get a TEAM of smart, experienced IT pros.** No one IT person can know it all. Because you're a co-managed IT client, your IT lead will have access to a deep bench of expertise to figure out the best solution to a problem, to get advice on a situation or error they've never encountered before and to help decide what technologies are most appropriate for you (without having to do the work of investigating them ALL).
 - **You'll stop worrying (or worry less!) about falling victim to a major cyber-attack, outage or data-erasing event.** We can assist your IT leader in implementing next-gen cyber security protections to prevent or significantly mitigate the damages of a ransomware attack or security breach. We can
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also assist in providing end-user awareness training and help you initiate controls to prevent employees from doing things that would compromise the security and integrity of your network and data. CRITICAL MAINTENANCE WILL BE DONE.

- **We provide your IT leader and team free workshops and training.** We offer workshops and webinars for our co-managed IT clients so they're more informed on critical topics such as cyber security, disaster recovery, compliance regulations, best practices and more.
- **We're a flexible workforce** you can expand and contract as needed.





SCENARIOS WHERE CO-MANAGED I.T. JUST MAKES SENSE

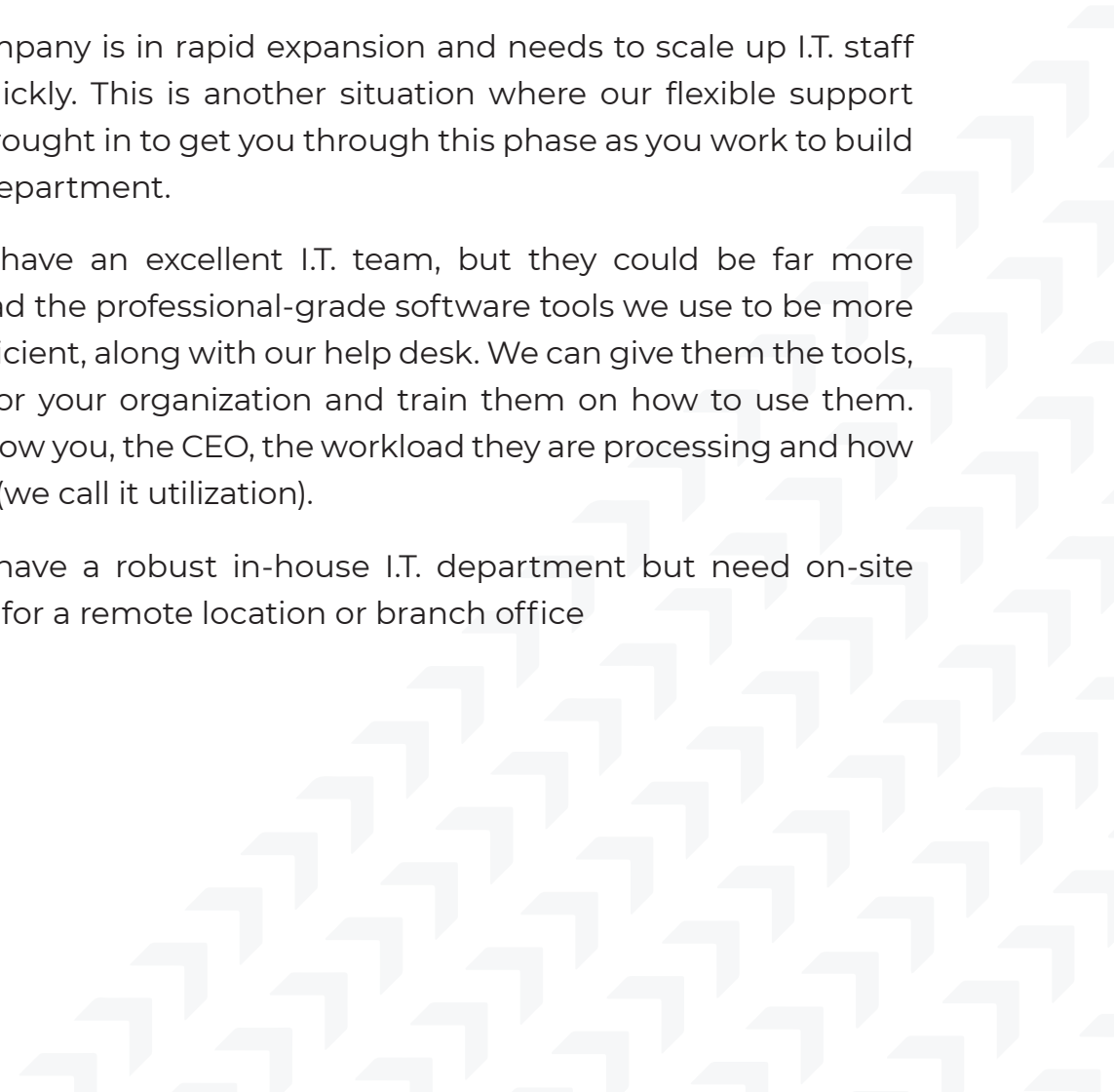
Scenario 1: Your in-house I.T. staff is better served working on high-level strategic projects and initiatives but needs support in getting day-to-day tasks completed, such as troubleshooting various problems that arise, providing help-desk resources to your employees, software upgrades, data backup and maintenance, etc.

Scenario 2: Your in-house I.T. person is excellent at help-desk and end-user support, but doesn't have the expertise in advanced cyber security protection, server maintenance, cloud technologies, compliance regulations, etc. As in scenario 1, we let them handle what they do best and fill in the areas where they need assistance.

Scenario 3: A company is in rapid expansion and needs to scale up I.T. staff and resources quickly. This is another situation where our flexible support services can be brought in to get you through this phase as you work to build your internal I.T. department.

Scenario 4: You have an excellent I.T. team, but they could be far more efficient if they had the professional-grade software tools we use to be more organized and efficient, along with our help desk. We can give them the tools, configure them for your organization and train them on how to use them. These tools will show you, the CEO, the workload they are processing and how efficient they are (we call it utilization).

Scenario 5: You have a robust in-house I.T. department but need on-site support and help for a remote location or branch office



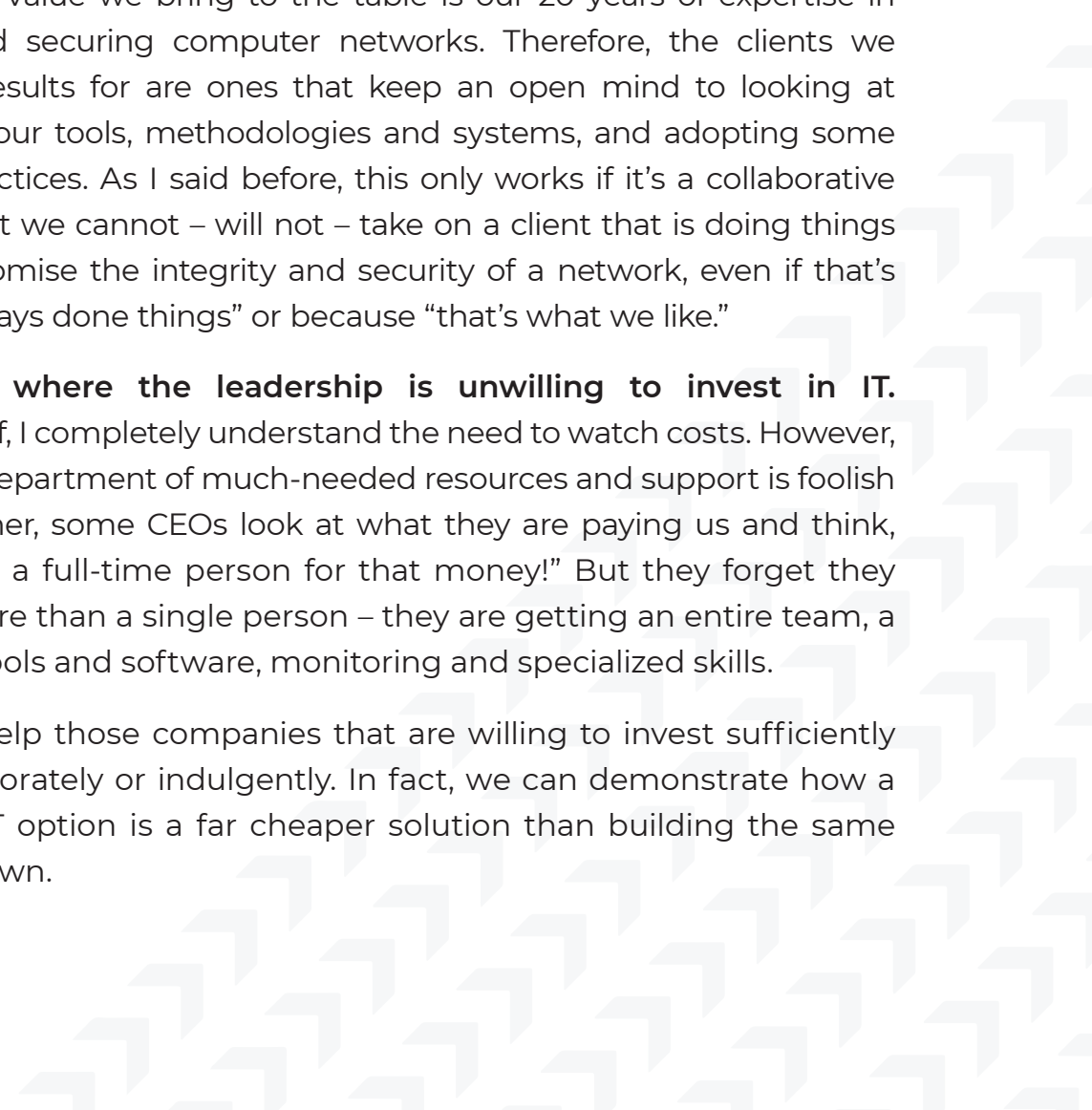


WHO CO-MANAGED I.T. IS NOT FOR:

Although there are a LOT of benefits to Co-managed IT, this is certainly not a good fit for everyone. Here's a short list of people this won't work for.

- **Companies where the IT lead insists on viewing us as an adversary instead of an ally.** As I stated previously, our goal is not to have you fire your I.T. lead or your entire I.T. staff, but some I.T. managers just cannot get beyond this fear. Co-managed IT only works when there is mutual trust and respect on both sides.
- **IT leaders who don't have an open mind to a new way of doing things.** Our first and foremost goal is to support YOU and your I.T. leader's preferences, and we certainly will be flexible – we HAVE to in order to make this work. However, a big value we bring to the table is our 20 years of expertise in supporting and securing computer networks. Therefore, the clients we get the best results for are ones that keep an open mind to looking at implementing our tools, methodologies and systems, and adopting some of our best practices. As I said before, this only works if it's a collaborative relationship. But we cannot – will not – take on a client that is doing things we feel compromise the integrity and security of a network, even if that's "how we've always done things" or because "that's what we like."
- **Organizations where the leadership is unwilling to invest in IT.** As a CEO myself, I completely understand the need to watch costs. However, starving an IT department of much-needed resources and support is foolish and risky. Further, some CEOs look at what they are paying us and think, "We could hire a full-time person for that money!" But they forget they are getting more than a single person – they are getting an entire team, a backup plan, tools and software, monitoring and specialized skills.

We can only help those companies that are willing to invest sufficiently in IT – not elaborately or indulgently. In fact, we can demonstrate how a co-managed IT option is a far cheaper solution than building the same team on your own.





WHAT TO LOOK FOR IN ANY I.T. COMPANY YOU OUTSOURCE TO

Whether it's a pure outsource play or a co-managed I.T. relationship, you absolutely want to make sure you hire the RIGHT company to work with.

There are no shortages of horror stories from companies who were burned and harmed by an incompetent I.T. company. Briefly, here are a list of questions you want to make sure your I.T. company can say "YES!" to

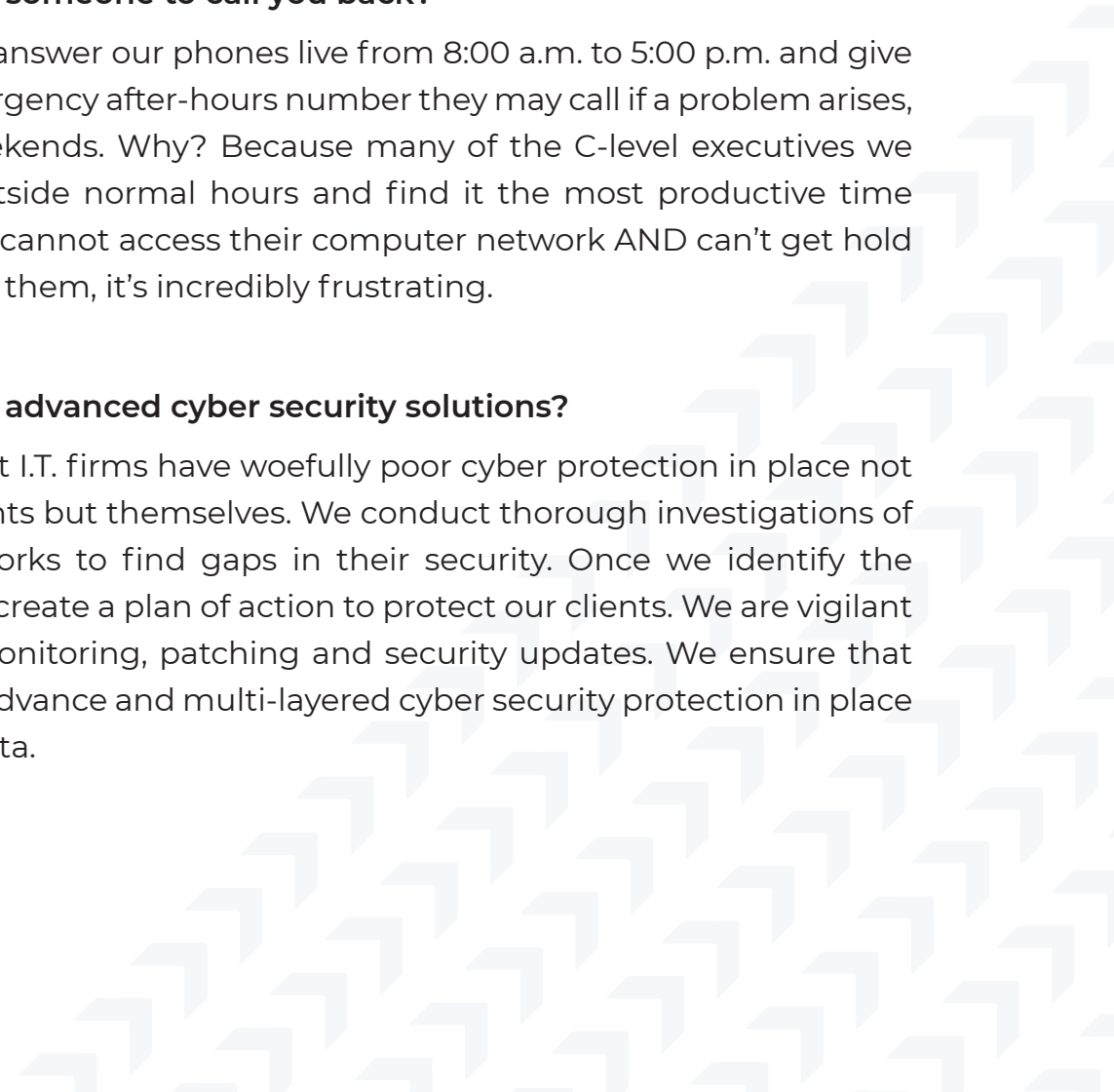
CUSTOMER SERVICE

Q1: Do they answer their phones live or do you always have to leave a voice mail and wait for someone to call you back?

Our Answer: We answer our phones live from 8:00 a.m. to 5:00 p.m. and give all clients an emergency after-hours number they may call if a problem arises, including on weekends. Why? Because many of the C-level executives we support work outside normal hours and find it the most productive time they have. If they cannot access their computer network AND can't get hold of anyone to help them, it's incredibly frustrating.

Q2: Do they offer advanced cyber security solutions?

Our Answer: Most I.T. firms have woefully poor cyber protection in place not only for their clients but themselves. We conduct thorough investigations of our client's networks to find gaps in their security. Once we identify the security gaps we create a plan of action to protect our clients. We are vigilant with proactive monitoring, patching and security updates. We ensure that our clients have advance and multi-layered cyber security protection in place to secure their data.





Q3: Do they have a written, guaranteed response time to your calls?

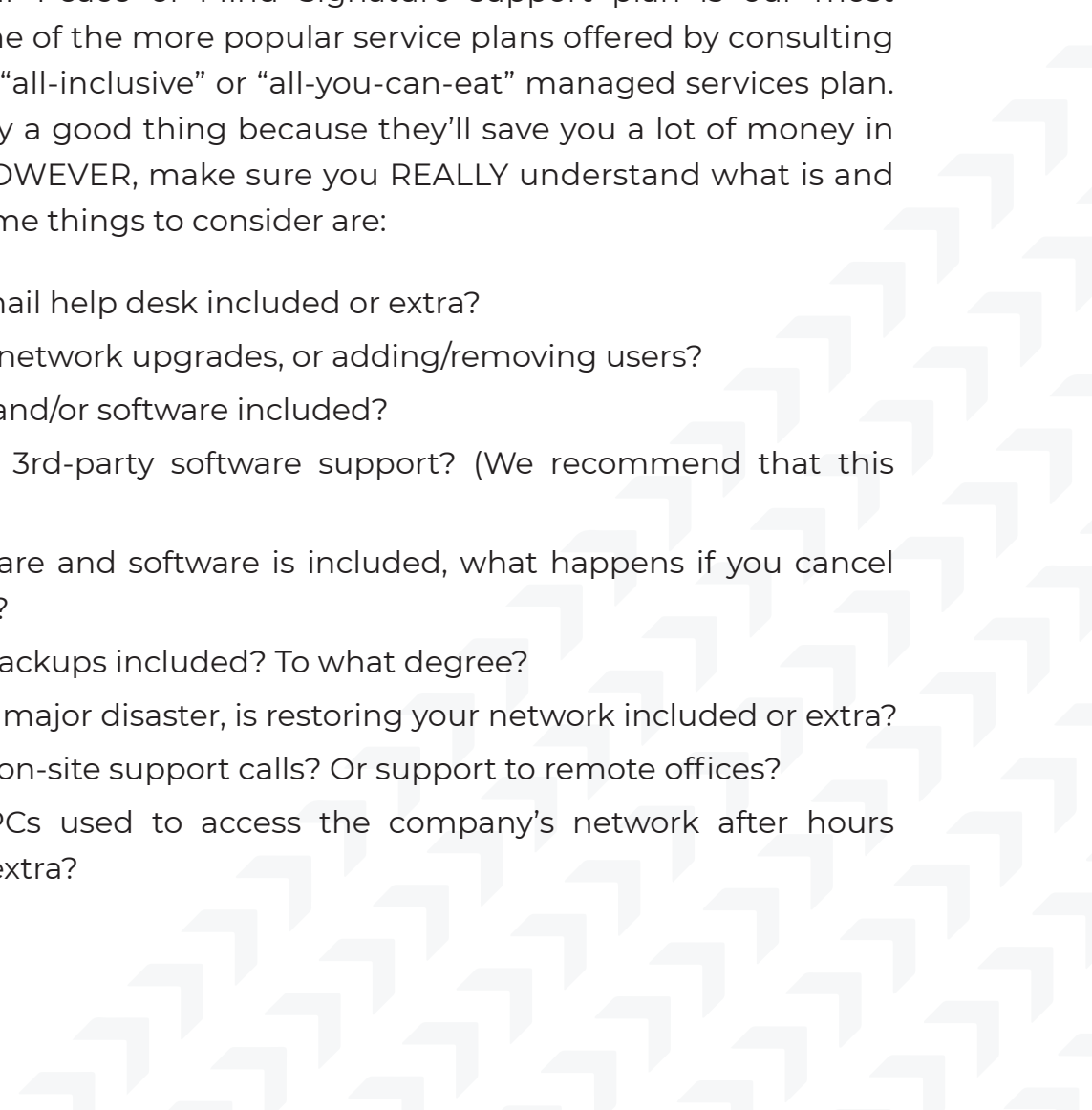
Our Answer: We have Service Level Agreements, which defines our service scope, service performance, responsibilities as well as service response times. This is written into every service agreement we give to our clients because it's standard procedure.


Q4: Do they have a local help desk or do they outsource overseas?

Our Answer: We have a local, U.S.-based team of trusted, well-trained and carefully vetted employees who manage your network. We feel you should know who's accessing your data and critical systems, and therefore don't outsource this to a foreign country.

Q5: When they offer an “all-inclusive” support plan, is it TRULY all-inclusive, or are their “gotchas” hidden in the fine print?

Our Answer: Our Peace of Mind Signature support plan is our most inclusive plan. One of the more popular service plans offered by consulting firms today is an “all-inclusive” or “all-you-can-eat” managed services plan. These are actually a good thing because they'll save you a lot of money in the long run – HOWEVER, make sure you REALLY understand what is and isn't included. Some things to consider are:

- Is phone/e-mail help desk included or extra?
 - What about network upgrades, or adding/removing users?
 - Is hardware and/or software included?
 - What about 3rd-party software support? (We recommend that this IS included.)
 - If the hardware and software is included, what happens if you cancel the contract?
 - Are off-site backups included? To what degree?
 - If you have a major disaster, is restoring your network included or extra?
 - What about on-site support calls? Or support to remote offices?
 - Are home PCs used to access the company's network after hours included or extra?
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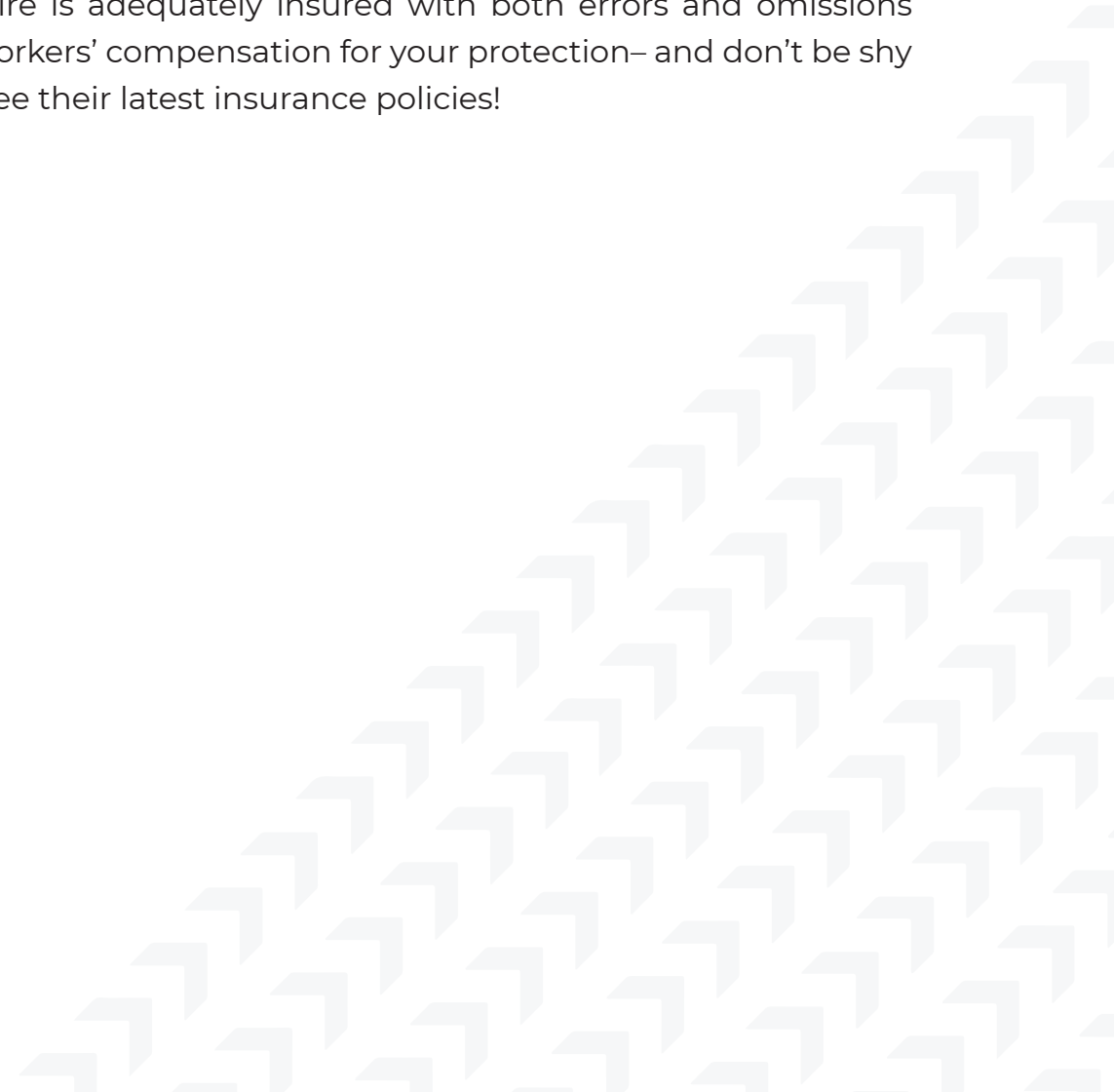


Q6: Do they guarantee in writing to complete projects on time and on budget?

Our Answer: All projects are fixed-priced and are to be completed on time, in writing. This is important because many unethical or incompetent computer guys will only quote “time and materials,” which gives them free rein to nickel-and-dime you as well as take as much time as they want on completing a project, racking up fees and leaving you with the option to fire them and start over or pony up the money.

Q7: Do they have adequate errors and omissions, cyber liability and workers’ compensation insurance to protect YOU?

Our Answer: Here’s something to consider: if THEY cause a problem with your network that causes you to be down for hours or days, to become the victim of ransomware or to lose data, who’s responsible? Here’s another question to consider: if one of their technicians gets hurt at your office, who’s paying? In this litigious society we live in, you better make darn sure whomever you hire is adequately insured with both errors and omissions insurance AND workers’ compensation for your protection– and don’t be shy about asking to see their latest insurance policies!





MAINTENANCE OF YOUR NETWORK

Q8: Do they consistently (and proactively) offer new ways to improve your network's performance, or do they wait until you have a problem to make recommendations?

Our Answer: We conduct Quarterly Technology Review meetings with our clients to review your current IT plan, discuss new projects and make recommendations. We BECOME your virtual CTO (Chief Technology Officer). Our goal with these meetings is to help you be more profitable, efficient and competitive and to listen to any concerns you might have or suggestions for us to improve.

Q9: Do they insist on remotely monitoring your network 24/7/365 (managed services) to keep critical security settings, virus definitions and security patches up-to-date to AVOID downtime, ransomware and other problems?

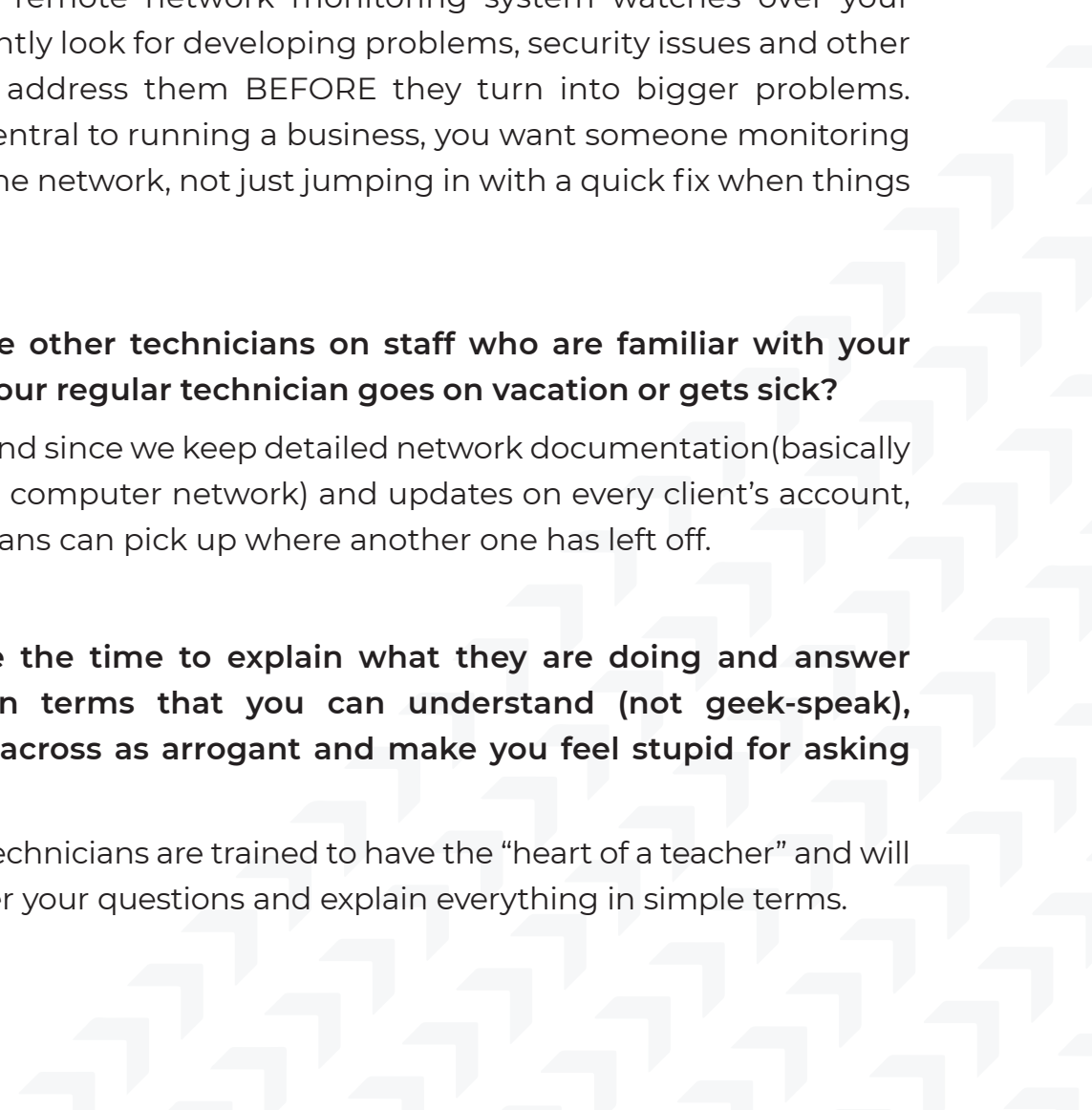
Our Answer: Our remote network monitoring system watches over your network to constantly look for developing problems, security issues and other issues so we can address them BEFORE they turn into bigger problems. With IT being so central to running a business, you want someone monitoring and maintaining the network, not just jumping in with a quick fix when things go wrong.

Q10: Do they have other technicians on staff who are familiar with your network in case your regular technician goes on vacation or gets sick?

Our Answer: Yes, and since we keep detailed network documentation (basically a blueprint of your computer network) and updates on every client's account, any of our technicians can pick up where another one has left off.

Q11: Do they take the time to explain what they are doing and answer your questions in terms that you can understand (not geek-speak), or do they come across as arrogant and make you feel stupid for asking simple questions?

Our Answer: Our technicians are trained to have the "heart of a teacher" and will take time to answer your questions and explain everything in simple terms.





BACKUPS AND DISASTER RECOVERY

Q12: Do they INSIST on monitoring an off-site as well as an on-site backup, or are they letting you rely on outdated tape backups?

Our Answer: We do not allow our clients to use tape backups because they are incredibly unreliable. We also ensure every client has 100% of their files backed up in a manner that would protect against ransomware. NOT ALL BACKUP SYSTEMS PROTECT AGAINST RANSOMWARE, and it's important that YOUR backup system is set up in a way that cyber-attacks cannot corrupt or lock backups.

Q13: Have they set your backups for hourly and daily revisions so you don't lose a full day's (or week's) work on a drawing or other project?

Our Answer: We set backups for all critical systems to take hourly versions of your files so if someone accidentally overwrites a file, or a file becomes corrupt, you can quickly and easily restore it without having to do HOURS of rework.

Q14: Do they INSIST on doing periodic test restores of your backups to make sure the data is not corrupt and could be restored in the event of a disaster?

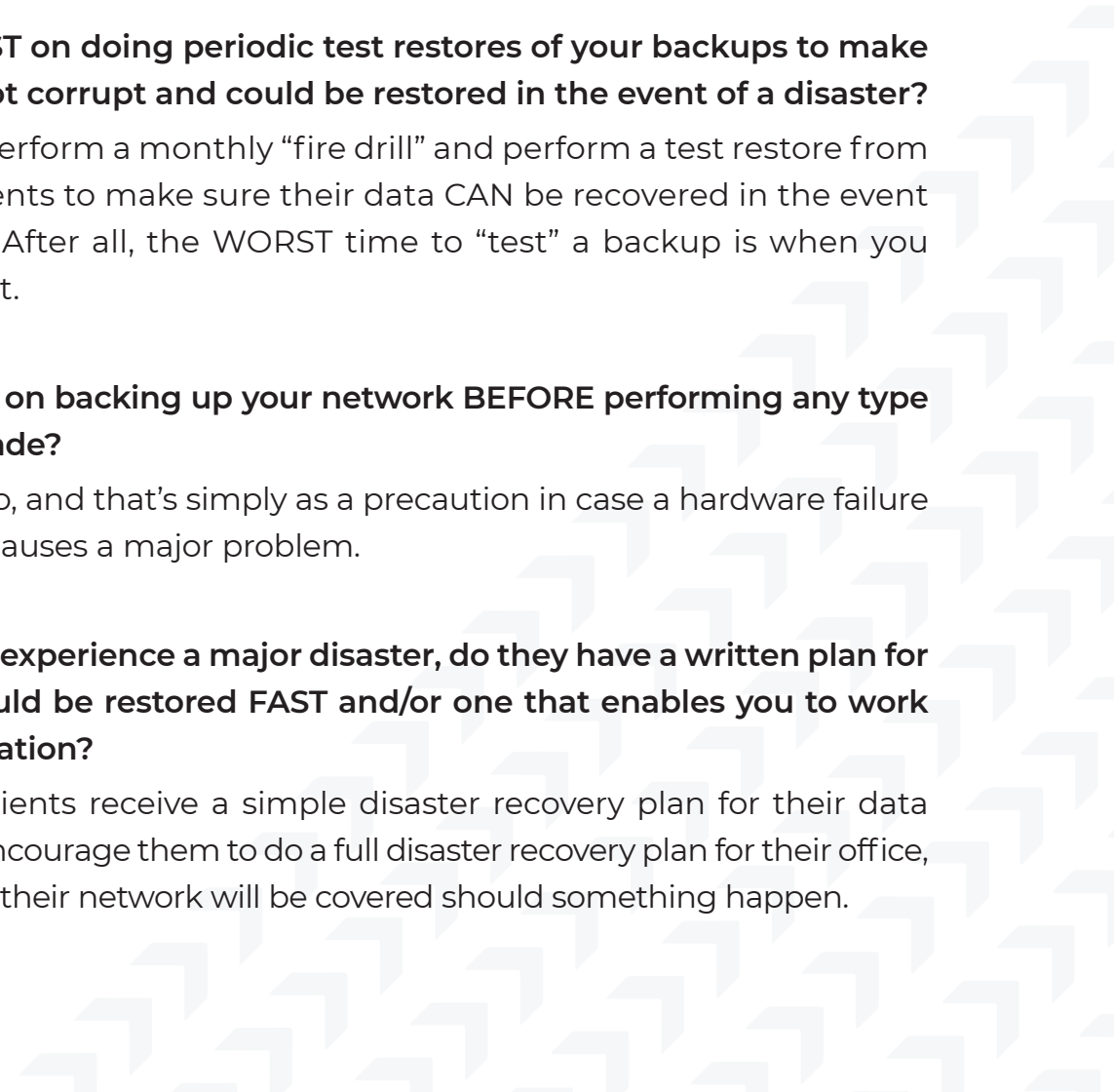
Our Answer: We perform a monthly "fire drill" and perform a test restore from backup for our clients to make sure their data CAN be recovered in the event of an emergency. After all, the WORST time to "test" a backup is when you desperately need it.

Q15: Do they insist on backing up your network BEFORE performing any type of project or upgrade?

Our Answer: We do, and that's simply as a precaution in case a hardware failure or software glitch causes a major problem.

Q16: If you were to experience a major disaster, do they have a written plan for how your data could be restored FAST and/or one that enables you to work from a remote location?

Our Answer: All clients receive a simple disaster recovery plan for their data and network. We encourage them to do a full disaster recovery plan for their office, but at a minimum, their network will be covered should something happen.





TECHNICAL EXPERTISE AND SUPPORT

Q17: Do their technicians maintain current vendor certifications and participate in ongoing training – or are they learning on your dime?

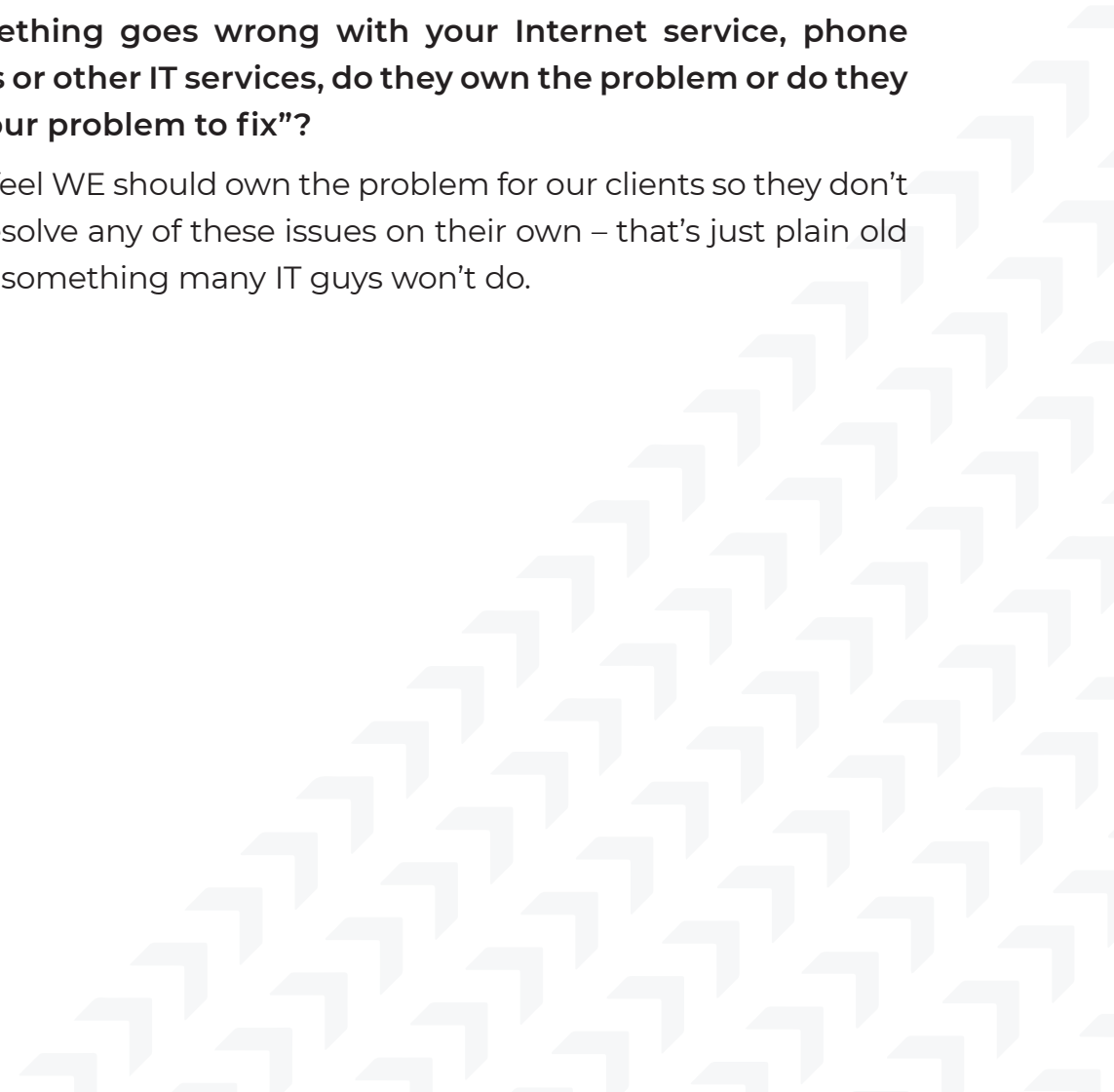
Our Answer: Our technicians are required to keep the most up-to-date vendor certifications in all the software we support. Plus, our hiring process is so stringent, 99% of the technicians who apply don't make it through (guess who's hiring them?).

Q18: Do their technicians arrive on time and dress professionally?

Our Answer: Our technicians are true professionals who you would be proud to have in your office. They dress professionally, show up on time, and if they cannot (for some odd, unforeseen reason), we always notify the client immediately. We believe these are minimum requirements for delivering a professional service.

Q19: When something goes wrong with your Internet service, phone systems, printers or other IT services, do they own the problem or do they say, "That's not our problem to fix"?

Our Answer: We feel WE should own the problem for our clients so they don't have to try and resolve any of these issues on their own – that's just plain old good service and something many IT guys won't do.





WHY WE'RE UNIQUELY POSITIONED TO DELIVER OUTSOURCED IT

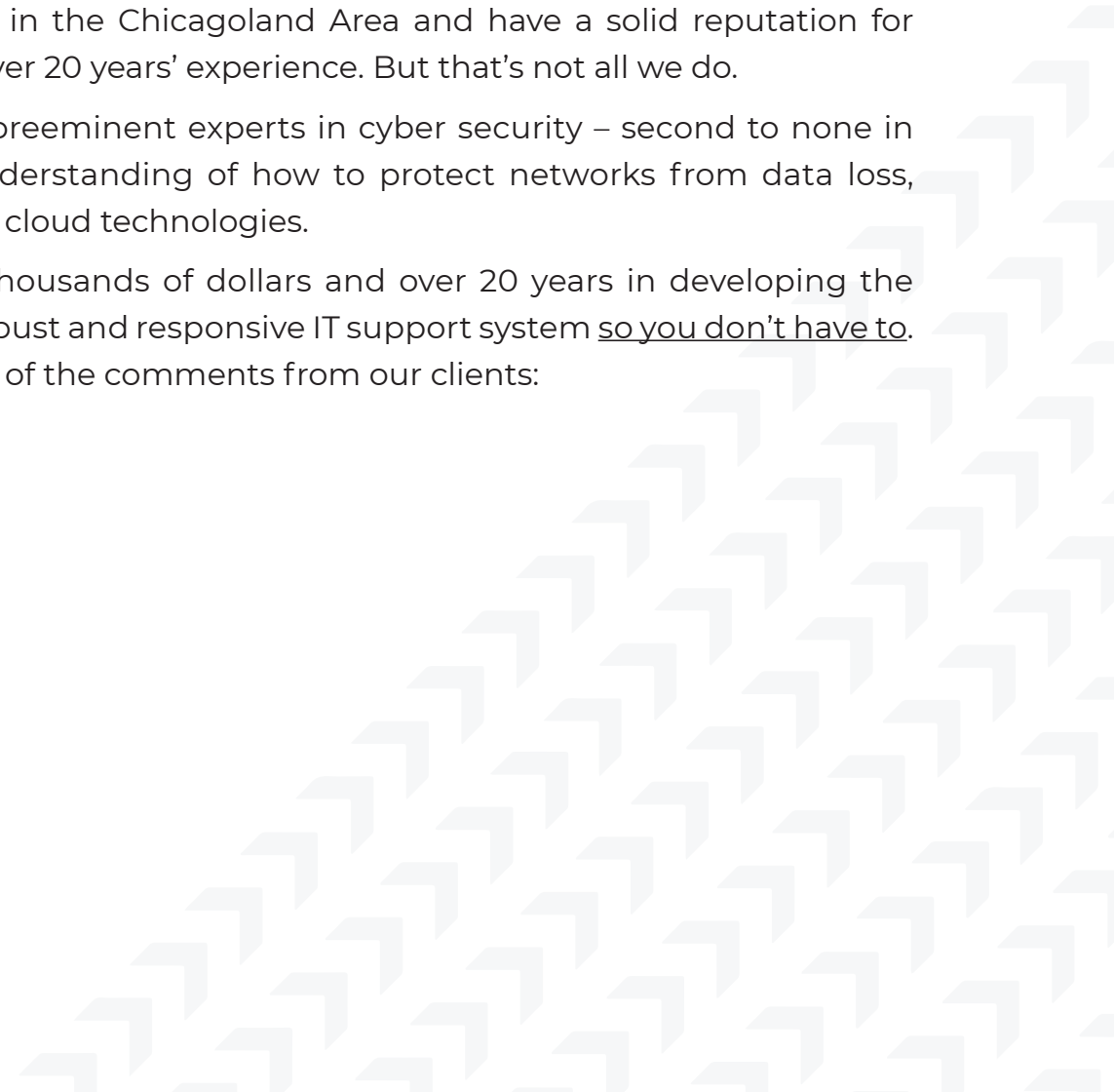
There are a number of reasons our company is uniquely positioned to be your outsourced IT partner, starting with we are the only IT firm in the Chicago area offering it.

We are a partner you can TRUST. We're the team that will stay up into the wee hours of the night fixing a problem. We're the team you can call when an unexpected problem or crisis arises. And because we already know your environment, we can step in at any time FAST.

We are also the leader in efficient, responsive IT services and support, we own our own US based data-center, environment, and we thrive in companies with multiple locations and/or a remote workforce. We currently serve over many businesses in the Chicagoland Area and have a solid reputation for service built on over 20 years' experience. But that's not all we do.

We are also the preeminent experts in cyber security – second to none in our thorough understanding of how to protect networks from data loss, ransom ware and cloud technologies.

I have invested thousands of dollars and over 20 years in developing the most efficient, robust and responsive IT support system so you don't have to. Just look at some of the comments from our clients:





WANT TO DETERMINE IF OUTSOURCING IS RIGHT FOR YOU?

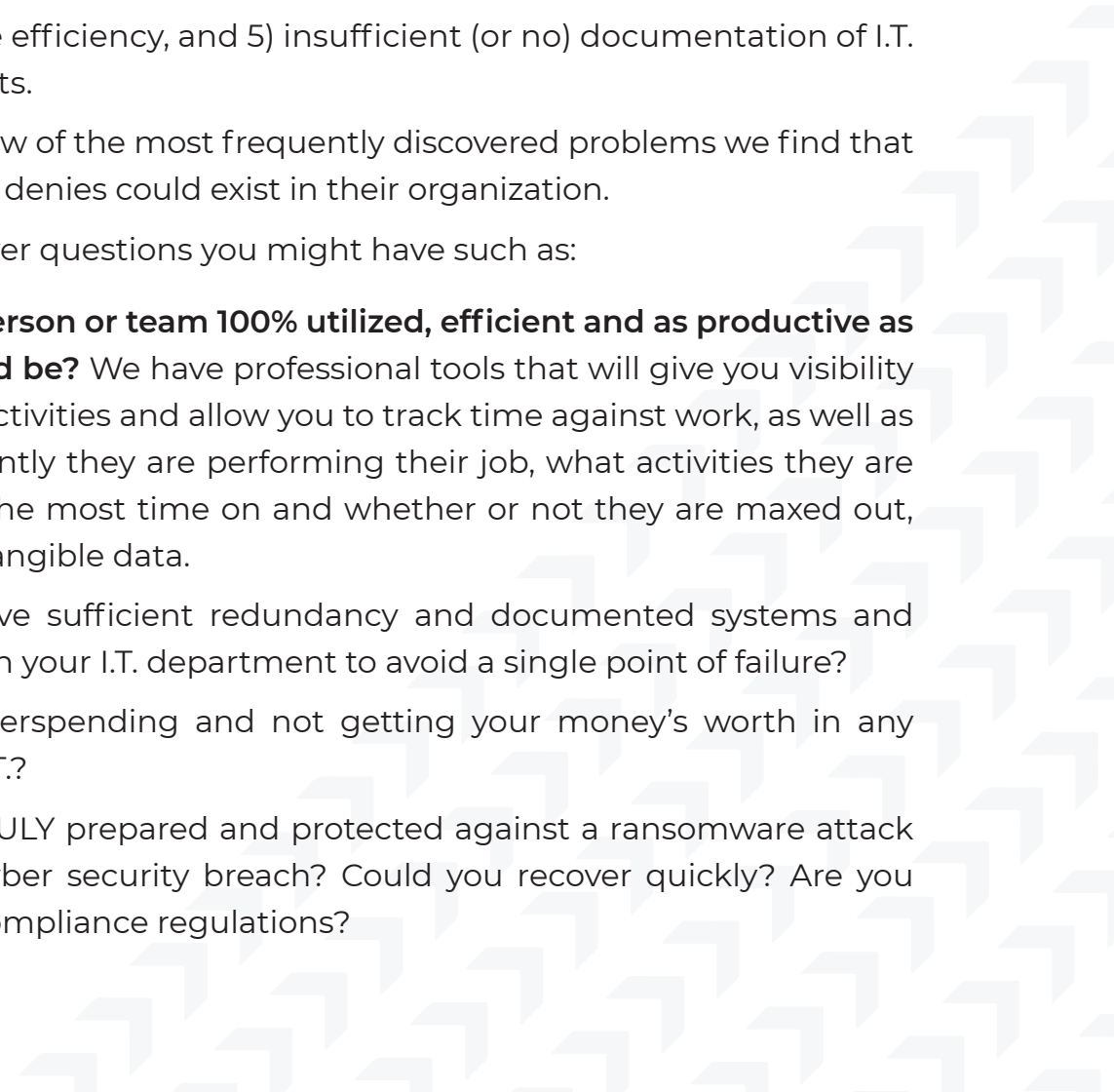
OUR FREE DIAGNOSTIC CONSULTATION
WILL GIVE YOU THE ANSWER


If you want to see how outsourced I.T. would benefit your organization, we've reserved initial telephone appointment times with our most senior leadership team to evaluate your specific situation and recommend the approach that would work best based on your specific needs, budget and goals.

We work with you and/or your I.T. lead to determine areas that are lacking to unearth potential problems such as 1) inadequate or outdated cyber security protocols and protections, 2) insufficient backups, 3) unknown compliance violations, 4) workloads that can be automated and streamlined for cost savings and more efficiency, and 5) insufficient (or no) documentation of I.T. systems and assets.

These are just a few of the most frequently discovered problems we find that virtually everyone denies could exist in their organization.

We can also answer questions you might have such as:

- **Is my I.T. person or team 100% utilized, efficient and as productive as they should be?** We have professional tools that will give you visibility into their activities and allow you to track time against work, as well as how efficiently they are performing their job, what activities they are spending the most time on and whether or not they are maxed out, based on tangible data.
 - Do you have sufficient redundancy and documented systems and processes in your I.T. department to avoid a single point of failure?
 - Are you overspending and not getting your money's worth in any aspect of I.T.?
 - Are you TRULY prepared and protected against a ransomware attack or other cyber security breach? Could you recover quickly? Are you meeting compliance regulations?
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The above is NOT designed to make your employees look bad if you have internal I.T.; as we all know, fresh eyes see new things. They also are very unlikely to have the software tools we can provide that would give them insights and help them be FAR more effective for you.

If you are currently outsourcing some (or all) of your I.T., this diagnostic consultation will reveal where you are being underserved or overcharged. All of this will be discussed during this consultation.

To request this consultation:

1. Go online to: www.hodgsonconsulting.com/discover.
2. Call us direct at 847-906-5005.
3. E-mail your appointment request to RobertZ@hodgsonconsulting.com

We look forward to working with you and your team.

Sincerely,

Robert Zehnder, President

Hodgson Consulting & Solutions

PS – If you would like to speak with any of our clients who are utilizing our services, please e-mail me at RobertZ@hodgsonconsulting.com or call me at 847-906-5005 and I'll arrange for you to speak with them direct.

