

IT BUYERS GUIDE

What Every Business
Owner **MUST**
Know About IT
Support Services
And Fees



**What You Should Expect To
Pay For IT Support For Your
Business And How To Get
Exactly What You Need**



The CEOs Guide To IT Support Services And Fees

What You Should Expect To Pay For IT Support For Your Business

(And How To Get *Exactly* What You Need Without
Unnecessary Extras, Hidden Fees, And Bloated Contracts)

Read this guide and you'll discover:

- ✓ The 3 most common ways IT services companies charge for their services and the pros and cons of each approach.
- ✓ A common billing model that puts ALL THE RISK on you, the customer, when buying IT services; you'll learn what it is and why you need to avoid agreeing to it.
- ✓ Exclusions, hidden fees and other "gotcha" clauses IT companies put in their contracts that you DON'T want to agree to.
- ✓ How to make sure you know exactly what you're getting to avoid disappointment, frustration and added costs later on that you didn't anticipate.
- ✓ 21 revealing questions to ask your IT support firm BEFORE giving them access to your computer network, e-mail, and data.

Provided as an educational service by

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Never Ask An IT Services Company, “What Do You Charge For Your Services?” Instead You Should Ask, “What Will I Get For My Money?”



From The Desk Of: Chad Burnworth
CEO, Black River Technologies LLC

Dear Colleague,

If you are the CEO or an owner of a business in North East Ohio that is currently looking to outsource some or all of the IT support for your company, this report contains important information that will be extremely valuable to you as you search for a competent firm you can **trust**.

My name is Chad Burnworth, CEO, and Founder of Black River Technologies LLC and author of “**21 Revealing Questions You Should Ask Any Computer Consultant Before Giving Them Access to You Company’s Network**”. We’ve been providing IT CIO for Hire services to businesses in the Ohio area. You may not have heard of us before, but I am sure you are familiar with our clients.

One of the most commons questions we get from new prospective clients calling our office is “What do you guys charge for your services?” Since this is such a common question — and a very important one to address — I decided to write this report for 3 reasons:

1. I wanted an easy way to answer this question and educate all prospective clients who come to us on the most common ways IT services companies package and price their services, and the pros and cons of each approach.
2. I wanted to bring to light a few “industry secrets” about IT service contracts and SLAs (service level agreements) that almost no CEO or business owner thinks about, understands or knows to ask about when evaluating IT service providers that can end up burning you with hidden fees and locking you into a long-term contract when they are unwilling or unable to deliver the quality of service you need.
3. I wanted to educate CEOs and business owners on how to pick the **right** IT services company for their specific situation, budget and needs based on the **VALUE** the company can deliver, not just the price, high OR low.

In the end, my purpose is to help you make the most informed decision possible so you end up working with someone who helps you solve your problems and accomplish what you want in a time frame, manner and budget that is right for you.

Dedicated to serving you,

440-249-4214

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About The Author

Chad Burnworth is the CEO and Founder of Black River Technologies LLC. A consulting business that helps companies use technology for a competitive edge, through the concept of “CIO for Hire”. With over 25 years of experience in a broad degree of technologies and industries, I continue to remain current through continuing education and certifications.

- (ISC)2 Certified Information Systems Security Professional (CISSP®)
- Microsoft Certified Systems Engineer (MCSE)
- Cisco Certified Network Associate (CCNA)
- US Navy Technical Instructor Certificate
- Certified TR-39 Auditor CTGA. Compliance for PIN and Key Management. NYCE, PULSE, and STAR.
- EC-Council CHFI Computer Hacking Forensic Investigator Completed.
- EC- Council CEH Certified Ethical Hacker Completed.

One of my greatest passions is translating complex technical jargon into everyday language that anyone can understand. I am consistently asked to speak at technology round tables and business groups where I use real world stories to illustrate as well as educate.



Comparing Apples To Apples: The Predominant IT Service Models Explained

Before you can accurately compare the fees, services and deliverables of one IT services company to another, you need to understand the 3 predominant service models most of these companies fit within. Some companies offer a blend of all 3, while others are strict about offering only one service plan. The 3 predominant service models are:

- **Time and Materials.** In the industry, we call this “break-fix” services. Essentially you pay an agreed-upon hourly rate for a technician to “fix” your problem when something “breaks.” Under this model, you might be able to negotiate a discount based on buying a block of hours. The scope of work may be simply to resolve a specific problem (like removing a virus), or it may encompass a large project like a computer network upgrade or move that has a specific result and end date clarified. Some companies will offer staff augmentation and placement under this model as well.
- **Managed IT Services.** This is a model where the IT services company takes the role of your “IT department” and not only installs and supports all the devices and PCs that connect to your server(s), but also offers phone and on-site support, antivirus, security, backup and a host of other services to monitor and maintain the health, speed, performance and security of your computer network.
- **Software Vendor-Supplied IT Services.** Many software companies will offer IT support for their customers in the form of a help desk or remote support for an additional fee. However, these are typically scaled-back services, limited to troubleshooting their specific application and NOT your entire computer network and all the applications and devices connected to it. If your problem resides outside of their specific software or the server it’s hosted on, they can’t help you and will often refer you to “your IT department.” While it’s often a good idea to buy some basic-level support package with a critical software application you use to run your business, this is not enough to provide the full IT services and support most businesses need to stay up and running.

When looking to outsource your IT support, the two service models you are most likely to end up having to choose between are the “managed IT services” and “break-fix” models. Therefore, let’s dive into the pros and cons of these two options, and then the typical fee structure for both.

Managed IT Services Vs. Break-Fix: Which Is The Better, More Cost-Effective Option?

You’ve probably heard the famous Benjamin Franklin quote, “An ounce of prevention is worth a pound of cure.” I couldn’t agree more — and that’s why it’s my sincere belief that the managed IT approach is, by far, the most cost-effective, smartest option for any small to medium size business “SMB”. The only time I would recommend a “time and materials” approach is when you already have a competent IT person or team proactively managing your computer network and simply have a specific IT project to complete that your current in-house IT team doesn’t have the time or expertise to implement (such as a network upgrade, installing a backup solution, etc.).



Outside of that specific scenario, I do not think the break-fix approach is a good idea for general IT support for one very important, fundamental reason: you'll ultimately end up paying for a pound of "cure" for problems that could have easily been avoided with an "ounce" of prevention.

Why Regular Monitoring And Maintenance Is Critical For Today's Computer Networks

The fact of the matter is, computer networks absolutely, positively need ongoing maintenance and monitoring to stay secure. The ever-increasing dependency we have on IT systems and the data they hold — not to mention the *type* of data we're now saving digitally — has given rise to very smart and sophisticated cybercrime organizations and who work around the clock to do one thing: compromise your networks for illegal activities.

In most cases their intent is to access financial information and passwords to rob you (or your clients), create fake identities for credit card fraud, etc. In other cases they may want to use your computer network to send illegal spam, host pirated software, spread viruses, etc. And some do it just for the "fun" of being able to make computer systems inoperable. These criminals work around the clock in teams, constantly finding and inventing new ways to get around your antivirus software and firewalls; that's why you have to remain ever vigilant against their attacks.

Of course, this doesn't even take into consideration other common "disasters" such as rogue employees, lost devices, hardware failures (which are the #1 reason for data loss), fire and natural disasters and a host of other issues that can interrupt or outright destroy your IT infrastructure and the data it holds. Then there's regulatory compliance for any business hosting or touching credit card or financial information, medical records and even client contact information such as e-mail addresses.

Preventing these problems and keeping your systems up and running (which is what managed IT services is all about) is a LOT less expensive and damaging to your organization than waiting until one of these things happens and then paying for emergency IT services to restore your systems to working order (break-fix).

Should You Just Hire A Full-Time IT Manager?

In most cases, it is not cost-effective for companies with under 50 employees to hire a full-time IT person, because you can outsource this function of your business far cheaper and with a lot less work; but you DO want to hire a professional to perform basic maintenance just as you would hire an attorney to handle your legal matters or an accountant to prepare your taxes. **And if you truly understand the cost of your TIME and factor in employee productivity, the managed IT services model is considerably less expensive over time than the "break-fix" model.**



Why “Break-Fix” Works Entirely In The Consultant’s Favor, *Not* Yours

Under a “break-fix” model, there is a fundamental conflict of interests between you and your IT firm. The IT services company has no incentive to stabilize your computer network or to resolve problems quickly because they are getting paid by the hour; therefore, the risk of unforeseen circumstances, scope creep, learning curve inefficiencies and outright incompetence are all shifted to YOU, the customer. Essentially, the more problems you have, the more they profit, which is precisely what you DON’T want.

Under this model, the IT consultant can take the liberty of assigning a junior (lower-paid) technician to work on your problem who may take two to three times as long to resolve an issue that a more senior (and more expensive) technician may have resolved in a fraction of the time. There is no incentive to properly manage the time of that technician or their efficiency, and there is every reason for them to prolong the project and to find MORE problems than solutions. Of course, if they’re ethical and want to keep you as a client, they *should* be doing everything possible to resolve your problems quickly and efficiently; however, that’s akin to putting a my Yellow Lab Sadie in charge of watching over the ham sandwiches. Not a good idea.

Second, it creates a management problem for you, the customer, who now has to keep track of the hours they’ve worked to make sure you aren’t getting overbilled; and since you often have no way of really knowing if they’ve worked the hours they say they have, it creates a situation where you really, truly need to be able to trust they are being 100% ethical and honest AND tracking THEIR hours properly (not all do).

And finally, it makes budgeting for IT projects and expenses a nightmare since they may be zero one month and thousands the next.

What To Look For In A Managed IT Services Agreement And What You Should Expect To Pay

Important! Please note that the following price quotes are industry averages based on a recent IT industry survey conducted of over 750 different IT services firms. We are providing this information to give you a general idea of what most IT services firms charge and to help you understand the VAST DIFFERENCES in service contracts that you must be aware of before signing on the dotted line. Please understand that this does NOT reflect our pricing model or approach, which is simply to understand exactly what you want to accomplish FIRST and then customize a solution based on your specific needs, budget and situation.

Hourly Break-Fix Fees: Most IT services companies selling break-fix services charge between \$90 and \$225 per hour with a one-hour minimum. In most cases, they will give you a discount of 5% to as much as 20% on their hourly rates if you purchase and pay for a block of hours in advance.



If they are quoting a **project**, the fees range widely based on the scope of work outlined. If you are hiring an IT consulting firm for a project, I would suggest you demand the following:

- **A very detailed scope of work that specifies what “success” is.** Make sure you detail what your expectations are in performance, work flow, costs, security, access, etc. The more detailed you can be, the better. Detailing your expectations up front will go a long way in avoiding miscommunications and additional fees later on to give you what you REALLY wanted.
- **A fixed budget and time frame for completion.** Agreeing to this up front aligns both your agenda and the consultant’s. Be very wary of loose estimates that allow the consulting firm to bill you for “unforeseen” circumstances. The bottom line is this: it is your IT consulting firm’s responsibility to be able to accurately assess your situation and quote a project based on their experience. You should not have to pick up the tab for a consultant underestimating a job or for their inefficiencies. A true professional knows how to take into consideration those contingencies and bill accordingly.

Managed IT Services: Most managed IT services firms will quote you a MONTHLY fee based on the number of devices they need to maintain, back up and support. In the Cleveland metro area, that fee is somewhere in the range of \$100 to \$250 per server, \$75 to \$150 per desktop and approximately \$25 per smartphone or mobile device.

If you hire an IT consultant and sign up for a managed IT services contract, here are some things that SHOULD be included (make sure you read your contract to validate this):

- Security patches applied weekly, if not daily, for urgent and emerging threats
- Antivirus updates and monitoring
- Firewall updates and monitoring
- Backup monitoring and test restores
- Spam-filter installation and updates
- Spyware detection and removal
- Monitoring disk space on workstations and servers
- Monitoring hardware for signs of failure
- Optimizing systems for maximum speed

The following services may **NOT be included** and will often be billed separately. This is not necessarily a “scam” or unethical UNLESS the managed IT services company tries to hide these fees when selling you a service agreement. Make sure you review your contract carefully to know what is and is NOT included!

- Hardware, such as new servers, PCs, laptops, etc.
- Software licenses, yada, yada, yada.
- On-site support
- After hours’ support
- Travel time



Warning! Gray areas of “all-inclusive” service contracts. In order to truly compare the “cost” of one managed IT services contract to another, you need to make sure you fully understand what IS and ISN’T included AND the “SLA” or “service level agreement” you are signing up for. It’s VERY easy for one IT services provider to appear far less expensive than another UNTIL you look closely at what you are getting.

The following are 21 questions to ask your IT services provider that will clarify exactly what you’re getting for the money. Some of these items may not be that important to you, while others (like response time, adequate insurance and uptime guarantees) may be critical. Make sure you fully understand each of these items before making a decision about who the right provider is for you; then make sure you get this IN WRITING.

21 Service Clarification Questions You Should Ask Your IT Services Firm Before Signing A Contract

I have a free detailed guide on my website that will help you answer these questions.

<http://www.blackriver-tech.com/tips-and-advice/what-you-need-to-know-before-you-hire-your-next-computer-guy>

A Final Word...

I hope you have found this guide to be helpful in shedding some light on what to look for when outsourcing the support of your company’s network. As I stated in the opening of this report, my purpose in providing this information was to help you make an informed decision and avoid getting burned by the many incompetent firms offering these services.

If you have any additional comments or questions, we welcome them! Have an idea to make this guide even more helpful? Let us know! And, of course, if you are looking for someone you can trust to take over the care and maintenance of “all things digital” in your office, we’d love the opportunity to EARN your business.

Below you will find information on how to request a FREE Network Health Check and Diagnosis. This is, of course, provided for free, with no obligations and no expectations on our part. I want to be clear that this is NOT a bait-and-switch offer or a trick to get you to buy something. My reputation for running an honest and trustworthy business is something I hold very dear. I would never jeopardize that in any way. So why are we offering something like this for free?



Two reasons:

1. We are simply offering this service as a risk-free “get to know us” offer to people we haven’t had the pleasure of doing business with. Again, our goal is to allow you to make an informed and confident decision – and offering this is one way we can help you better evaluate us.
2. This will allow us to determine if we even CAN help you. Obviously we can’t help everyone, and our services might not be a good fit for you. Conducting this Health Check enables us to do a small project for you to help you evaluate whether or not we’re the right company for you without risking your money.

Looking forward to your call!

The Team at Black River Technologies LLC

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FREE Network Health Check For All Prospective Clients Who Want To Put Us To The Test!

As a prospective customer, we would like to offer you a FREE Network Health Check and Diagnosis (\$310 value). During this health check we will perform a comprehensive audit of your network to look for potential problems, security loopholes, spyware and other hidden problems that will cause the computers on your network to run slow, act funny, crash and lose data.

We will:

- ✓ Review your system backups to make sure they are working properly and CAN be restored quickly in the event of a disaster.
- ✓ Scan for hidden spyware, malware and viruses that MOST antivirus tools and software can’t detect or won’t remove.
- ✓ Check for security updates and patches to validate that your network really IS secure.
- ✓ Review your firewall and security settings.
- ✓ Check the integrity of your server and workstations hardware. (*Side note: Did you know that hardware failure is one of the leading causes of data loss that CAN be detected early and avoided with proper monitoring?*)
- ✓ Audit your virus definitions and protection.
- ✓ Conduct a visual scan of your server room and cabling to make sure your network is PHYSICALLY safe and set up properly.
- ✓ Check your overall system performance, space and settings to see if your network is running as fast as it could be.



Why Should You Care About This?

Because there are literally dozens of ways hackers and viruses can – undetected – gain access to and remotely control your network, corrupt your data and use your network as a conduit for spreading spam, viruses, and even illegal software.

There are numerous system checks and updates that should be done on a regular basis to ensure maximum speed, performance, and security. Ignore them and your system will get progressively slower, more unstable and susceptible to viruses, spyware, and hackers.

Tape backups have a failure rate of 100% – that means all tape drives will fail at some point, often without warning. You don't want to find out that your backup was not working the day after your hard drive fried.

How To Request Your FREE Network Health Check:

Email us at ask@blackriver-tech.com

Call us 440.249.4214

Visit our website www.blackriver-tech.com