How To Save Thousands and Improve Productivity with ONGuard IT Services

You may have heard the terms “Structured Services” or “Managed Services” in relation to tech support, data protection, email backups, etc. and wondered exactly what they meant. Why are these services so important to my business and why do they seem to cost so much? After all can’t I just buy the Norton Antivirus update online every year and be covered? Here is the simple explanation for the non-technical business owner:

OnGuard IT refers to the broader stroke of system-wide, network-wide, business-wide technical support that is available to assist with all areas of technical need in your business.

In today’s new economic environment, small and medium sized businesses often struggle to maintain the balance of technology needs and stability with a small or non-existent IT department. Unlike large companies that can absorb costly mistakes, each decision you make is crucial to the health and longevity of your company. Finding a manageable and predictable solution to your technology needs becomes critical yet overwhelming. The solution to these nagging concerns is implementing scalable technology systems that meet the real needs of your business. Structured services include well-crafted project plans, skilled implementation, expert computer network support, effective managed services for IT support as well as business resumption services in case of emergency. Structured Services give you the confidence that your systems are ready to handle your needs today and tomorrow.

What would daily productivity be like if…

• Your staff could enter requests that go directly to IT via the computer and can be handled remotely?
• Your client administrators could receive emails when requests are made by employees so they can monitor staff IT issues?
• Your management could view all projects, tasks and requests and monitor the service we provide for you?

Now that the concepts are clear, this white paper will show some specific cost saving comparisons and examples of technical strategy you can employ within your company and with the help of TVG’s OnGuard IT Support –will save your business from wasting thousands of non-productive hours dealing with preventable technical hassles. The Solutions are simple and will save you thousands of dollars annually.

1.)**Proactive Prevention vs. Reactive Firefighting**

In the current business environment, the old adage "time is money" applies now more than ever. So what happens when everyday operations are disrupted? According to the U.S. Labor Department, more than 40 percent of all companies that experience an IT disaster never reopen—and more than 25 percent of those that do reopen after a disaster occurs will close down for good within two years. Even if your company doesn't go through a major disaster, chances are high that it will experience the negative consequences of unplanned outages that make business as usual impossible.

“The problem is amplified in challenging economic times”, says Warren Sirota, a segment executive with IBM Business Continuity and Resiliency Services. "If the business is already suffering from lower revenue because of the economy and a significant Technology outage occurs, the impact can be much more dramatic than during good times". Downtime quickly becomes lost revenues.
Some of the most valuable services that can be implemented by an IT Professional are those focused on prevention of predictable and common system problems. A Structured IT strategy means you won’t have to deal with the costs and stresses of time consuming “fixes” during a crisis situation.

OnGuard IT Services puts the following systems in place and has an expert IT Professional seamlessly install regular, ongoing updates:

- Centralized and Up-to-Date Antivirus Software
- Microsoft patches
- Adobe Reader patches
- Java patches
- Adobe Flash patches
- Software updates (Windows, Office, Entourage, MAC, Firefox, etc.)
- Automated Defragmentation and Data Cleanup systems
- Data Backup System
- Backup Server
- Hosted Exchange Email

2.) The Importance of Antivirus / Software Updates and Patches

Anti-virus software is used to find, remove or fix files that are infected with computer viruses. Your anti-virus software uses these weekly updates (also known as virus signatures or definitions file) to identify newly discovered viruses.

Most anti-virus companies release **WEEKLY** updates of their databases to help keep you safe.

The most basic anti-virus programs normally have several features: the memory scan, the system or file scan, and an automated updater. Other, more sophisticated programs have additional integration tools that protect into your instant messengers, your e-mail software as well as other programs.

It's important when you install and configure your anti-virus software to make sure you can download new updates every week. If you scan your system for viruses but your definitions file is out of date, new threats will go undetected and spread unchecked. Do you check to make sure that your system scans run regularly? What are the scan results?

When you download software, e-mail attachments, or introduce new media (mp3's, diskettes, cd's, jump drives) into your system you should scan them before running or viewing them inside another application.

Deciding on which program to use often causes people a lot of headaches. Some anti-virus programs require you to pay each year for a subscription to their virus databases so you can keep your system up-to-date; others are just expensive out of the box. Additionally, what tends to be the biggest factor in your decision should be - how much of the computers' resources does the program use? What will real time scanning do to system response? Both of these questions directly drive productivity and must be traded during an implementation decision.

3.) Install Hosted Exchange Email

Depending on your company size and needs, Microsoft Exchange has proven to be the world's most popular business messaging platform, with an estimated 34% installed base market share; over 10% more than its nearest competitor (according to a 2005 study by The Radicati Group).

Exchange boosts company productivity through advanced features like always-synced email, data backup, shared and synced files, calendars and contacts; mobile access on devices such as the BlackBerry, iPhone, or Treo; advanced Web-mail; shared calendars that let employees see colleagues' availability to schedule or rearrange meetings, book conference rooms and plan projects; shared task lists that allow 'to do' lists to be created and assigned, then shared with team members; and shared contacts which guarantee that customers' contact details will never be lost or misplaced. It also allows you to log into your email, address book and shared files from any computer connected to the internet.

Exchange server hosting means that a specialist IT Company runs the technology and charges client businesses a small monthly fee to use it. This allows them to enjoy the same enterprise-strength IT that Fortune 500 companies have, but at a price they can afford.

For most small and medium sized businesses (SMBs), the cost of running an MS Exchange server 'in-house' is simply out of reach. Up-front costs can exceed $10,000—plus staff time to maintain and monitor the server.

This is why hosted Exchange Email makes sense for smaller businesses.

TVG Consulting’s hosted Exchange Email means we maintain the server, the software and conduct the day to day administration from our secure data center.

Features:
shared calendaring, automated backup in the same location (easy to find and restore, no loss of productivity due to lost email), high security. Email, calendar and address book synchronization instantly across all devices (phones, desktop, laptop, etc.), web based access to email and calendar and address book from any computer in the world with Internet connection. Ability to view team member availability and create meeting invites and calendar events from mobile devices.

4.)**Get Help Desk Support**

What is Help desk support? It is having unlimited or a negotiated number of hours monthly of contracted help to assist you with simple fixes over the phone or online to keep your office working efficiently. Don't let a virus update prompt keep you from working on your computer all day. You don't need to wait for the updates to take place during business hours while you should be productive –have a contracted professional do this overnight so everything is ready and working smoothly when you come into the office in the morning.

WHAT AREAS CAN HELP DESK ASSIST WITH?

• **Software** – Tools (Set-up and ongoing)
• **Hardware** – Infrastructure (Set-up & upgrades)
• **Education** – Training (Set-up and ongoing)
• **Procedures** – business process development, external consultants, etc. (Set-up)
• **Data Backup** – Overnight or "off hours"
• **Immediate Remote Support availability** – Less than 1 minute access to your system for resolution.
• **Constant Monitoring of system and prevention of potential tech issues**

BENEFITS:

• Improved Customer Service perception and satisfaction – if your systems are working you can help your customers more efficiently and provide a higher level of service.
• Increased accessibility through a single point of contact, communication, and information. Email a help ticket instead of hunting down the "office guru".
• High quality and quick turnaround solutions for tech support needs
• Improved teamwork and communication
• Enhanced focus and a proactive approach to Service provision
• A reduced negative business impact
• Expert managed infrastructure and controls
• Improved usage of IT support resources and increased productivity of core business personnel
• More meaningful management information to support decisions

Why a relaxed approach to IT Strategy is a bad policy

Even though a crippling IT outage is almost certain to hit most companies someday, many executives adopt an "it won't happen here" attitude. They would be wise to think again. *According to the analysis firm Meta Group, every hour of downtime carries an hourly cost of more than $200 for affected employee.*

According to Infonetics Research, most companies suffer between 300 to 1,000 hours of downtime a year. In some industries, downtime costs can equal up to 16 percent of annual revenues.

Secure information before the storm hits.

Data can make or break a business. According to the U.S. National Archives and Records Administration, 80 percent of companies without well-conceived data protection and recovery strategies go out of business within two years of a major IT disaster. Backup tape and storage testing services can help ensure that critical data will be available after a major outage. *“Ideally, says IBM's Sirota, backups should be performed offsite, preferably at a facility far away from everyday operations. The best way to protect the information for a small business is to use a remote data backup facility, which actually transmits the data either overnight or at scheduled times to a remote site where it is stored."*

Prepare alternate networking routes

Can you keep networks open—or restore them quickly? What happens if you don’t have local area network (LAN) or wide area network (WAN) connectivity for an extended period of time? What happens when you lose your phone connections and e-mail? In the worst-case scenario, your business may not have access to any of these vital services.

LAN and WAN contingency plans can include services such as remote data access so critical information can be managed and administered from any location. A failover system for e-mail is also highly recommended by Sirota, who notes that keeping in touch with partners and customers can make all the difference in remaining in business. These solutions can be activated in seconds, but keep in mind that these systems need to be in place and regularly tested, prior to an outage.

Keep technology up-to-date.

Keep tabs on how technology is applied within your organization. This can be as simple as making sure a security patch has been correctly applied. IT plans can be easily derailed when new software and hardware is added or upgraded without testing the potential consequences of changes to business technology. That's why experts like Sirota recommend routine system checkups, as well as longer-term business continuity and resilience planning services. *"Resilience is the ability to take a blow and keep on going,"* he says.

There are two things to be considered here, time and money.

As a business owner, you can’t afford to lose either. You understand the importance of those two things and are accustomed to making cost-benefit decisions on a regular basis. Here are some of the key differences between proactive vs. reactive strategy regarding IT Loss prevention and some real world examples to consider when weighing the benefits.

Often users experience multi-hour (sometimes multi-day) outages due to their systems needing help – so even preventing 50% of the problems is a huge cost and productivity savings.

August 14th, 2008

Netflix may lose $1.8M to $3.6M in revenue per day over outage

Netflix has been facing shipping delays and outages in its distribution centers for the last two days and has been fumbling to find a fix. The company said Thursday that it is hoping to bring its systems online overnight. But the tab for the outage is roughly $1.8 million to $3.6 million in revenue a day, according to Citi analyst Tony Wible.

On Tuesday, Netflix disclosed that it has shipping delays (Techmeme). In a post, Netflix said:

We received and were able to process incoming DVDs this morning but, due to a technology issue, we weren't able to send emails confirming DVD receipt and we won't ship any DVDs today (Tuesday). Our goal is to resume shipping tomorrow (Wednesday). Members who should have been shipped a DVD today will automatically receive a credit to their accounts, which we will communicate in personal emails.

Netflix spokesman Steve Swasey said the company doesn't "talk that much" about the company's internal systems. But he did acknowledge that Netflix's back-end systems are mostly home grown. "We developed a lot ourselves," he said.

What is most important to note is that this problem would have been completely preventable if the company had online and onsite data backups of their proprietary shipping software and server happening on a regular basis. As it was, after the investigation was completed, it was determined that the company was only backing up their server intermittently**.**

Cost: $3.6 Million in Revenue PER DAY

Compare this extreme example of revenue loss to the cost to an average office of 10-20 Employees. The costs dictate that it makes sense to have an IT Professional Backing up your data daily and monitoring your server for potential PREVENTABLE problems:

ONGOING MANAGED IT CONSULTING COST:

Cost: Under $5000 monthly

OTHER EXAMPLES

*Federal Aviation Administration (June 2007) – A cascading computer failure in the air-traffic control system caused severe flight delays and cancellations along the East Coast on June 8th. In response to the failure, the FAA rerouted the system's functions to another computer in Salt Lake City which overloaded because of the increased volume of data. At New York's LaGuardia Airport, passengers experienced an average delay of four hours on arriving flights.

* XM Satellite Radio (May 2007) – Service was down for nearly two days after a problem occurred during the loading of software to a critical component of XM's satellite broadcast system, which resulted in the loss of one of its satellites.

* Blackberry (April 2007) – After two days of post-mortem analysis of what caused the outage, Research in Motion issued a statement that it was likely due to a problem with a software upgrade to a caching system, the failure of a backup system and the subsequent overloading of a second system on April 17, 2007.

* NYSE (February 2007) – A massive stock sell-off resulted in a higher volume of trades than usual which put a strain on NYSE's electronic trading system and caused a significant slowdown. As a result, the extra time traders took to complete transactions translated to billions of dollars of lost stock wealth.
* Bank of America (January 2007) – A computer systems issue caused a roughly four hour service interruption for an uncertain number of its 20 million online banking customers. The problem was described as a "hardware-related issue" and customers in multiple markets were unable to log on to their accounts for several hours.

Problems:
Lack of IT oversight, lack of sufficient hardware and software upgrades on an ongoing basis, lack of sufficient available memory, lack of data backup

Solution:
The solution to this problem is a layer of intelligence or technology, like that is smart enough to predict and prevent system outages and slowdowns in complex IT environments before they occur as opposed to reactive solutions many companies have in place today. Using advanced analytics, these types of programs utilized by IT Consultants whose programs are constantly monitoring your systems; it pulls important metrics from applications and the underlying systems to learn what is normal and to predict potential problems before they occur. This allows companies to get ahead of problems and reduce the threat to customer satisfaction, loss of revenue or market capitalization.

HELPFUL IT FAQS

Hours Required to:
- Install backup software on a server: 2-4 hours assuming the hardware is in place
- Install anti-virus on a computer (desktop or laptop): 30 minutes per computer
- Install software updates on a computer: 1-2 hours per computer
- Hours needed to recover a failed hard drive in an exchange server: 24-30 hour project assuming there are good timely backups

Hard Costs:
- Antivirus software per seat annually $50.00 (vs. included with most IT contracts)
- Data Recovery Hourly Average: $125.00 per hour with an estimated minimum of 5 hours needed, plus hardware.

HERE IS THE BIGGEST QUESTION OF ALL:

WHAT IS THE AVERAGE COST OF DATA LOSS?

FROM A 2008 STUDY BY PEPPERDINE UNIVERSITY SCHOOL OF BUSINESS

Three factors are considered in measuring the cost of a data loss:

1.) **Recovery Cost**

If the average time needed to recover lost data is approximately six hours, the cost of using an employee to recover lost data is approximately $170. However, if a firm does not employ a specialist who is able to retrieve lost data, the company must go to an outside firm to attempt data recovery. One can conservatively estimate the minimum cost of outside technical support to recover lost data to be around $340.

2.) **Productivity Cost**

During the time in which the attempt to recover data is underway, an individual is unable to access his or her PC, thereby reducing productivity, which in turn impacts company sales and profitability. This opportunity cost--lost productivity due to computer downtime--impacts a company's income statement just as do other more common and explicit costs. Lost productivity represents missed opportunities for income generation. Economics teaches that each employee's productivity, or contribution to firm revenue, can be approximated using the individual's compensation. Available data sources suggest that individuals who use computers at work earn an average of $36.20 an hour in wages and benefits. Thus, $38.70 for six hours totals approximately $217.

3.) Cost of Permanently Lost Data

The final cost to be accounted for in a data loss episode is the value of the lost data if the data cannot be retrieved. As noted earlier, this outcome occurs in approximately 17 percent of data loss incidents. The value of the lost data varies widely depending on the incident and, most critically, on the amount of data lost. Several sources in the computer literature suggest that the value of 100 megabytes of data is valued at approximately $1 million, translating to $10,000 for each MB of lost data. Using this figure, and assuming the average data loss incident results in 2 megabytes of lost data, one can calculate that such a loss would cost $20,000. Factoring in the 17 percent probability that the incident would result in permanent data loss, one can further predict that each such data loss would result in a $3,400 expected cost.

So what is the total cost of data loss based on this study…?

Cost of Data Loss:

Added together, the costs due to technical services, lost productivity, and the value of lost data bring the expected cost for each data loss incident to $3,957. It should be noted that most data loss incidents (approximately 83 percent) result in much lower average costs ($557), but in the smaller portion of cases in which the data are permanently lost, the average costs are estimated to be much higher ($20,557).

VS.

Services Included with an IT Consulting Company Contract:

Unlimited help-desk/support, Microsoft patch management, common application updates/upgrades (flash, reader, java, iTunes, Firefox, etc.,) managed anti-virus, 24/7 monitoring, pro-active resolution of alerted issues, ticket management system, asset management/reporting, and vendor management.

Monthly Cost: $50-250 per seat (computer user) per month based on company tech requirements and infrastructure. Average monthly cost of $1500-$5000 for small to mid-sized companies (10-100 employees).

CONCLUSION

➔ **Regular IT checkups and updates provide the best results.**

Many of these activities are best done with the assistance of an outside specialist company. *Says Dr. David Smith PhD of Pepperdine University, "A small business doesn't have the staff and the in-depth expertise available to do a full-blown plan. Obviously they have some people responsible for their IT infrastructure, but typically those people are focused on the day-to-day operations and not all the ins and outs of what could happen in a disaster scenario."*

When the ins and outs of preventative IT strategy planning and continuity planning are taken seriously, midsized businesses can bank on being competitive.

Whether you are looking to upgrade old equipment or implement brand new system in your network careful planning needs to be done to find the best solutions for your business, budget, and technical requirements. We are experts at matching technology and needs together and helping your find ways to leverage technology.

We cover consulting from beginning to end:

* Analysis
* Planning and Budgeting
* Implementation
* On-Going Support and Maintenance
* Business Technology Alignment

For more information on IT preventative strategies, ongoing structured services and a discounted technology assessment consultation please call:

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