

MANAGED SERVICES HERE TO STAY

Yasser Zeineldin, CEO, eHosting DataFort, lays out the advantages of managed services to in-house oversight and the growing trend of manages services rapidly increasing in the age of cloud.



In today's business environment, organisations need to adopt new technologies in order to expand their operations and improve productivity and customer experience. Even small to mid-size organisations will not be able to function, let alone scale-up their businesses, without a strong IT infrastructure to support their growth.

Many companies do not have the required resources to support a dedicated in-house IT team. Faced with mounting costs and an increasingly complex IT environment to manage, organisations are now more than ever looking at Managed IT Services as an alternative to in-house IT infrastructure management.

Why managed IT services?

Managed IT Services offer companies multiple benefits at the strategic, operational and financial level:

- At the strategic level, it allows companies to focus and leverage their resources towards their core business activities, rather than spending too much time on operational activities.
- At the operational level, it offers the skills and expertise of a service provider to competently manage complex data centre requirements.
- At the financial level, Managed IT Services reduce total cost of ownership and provide the benefit of a subscription based OPEX model.

This means that companies can continue to focus on their strategic business objectives; relocate funds on developing new applications and innovation; and indirectly win access to skilled resources, latest technology and best-in-class IT infrastructure.

There are a number of benefits that a Managed IT Services model offers which can help CIOs measure ROI. These include:

- Converting CAPEX to OPEX and reduced Total Cost of Ownership (TCO)
- Minimizing technology investment
- Access to skilled resources without having to spend on continuously hiring and training IT staff.

- Access to state-of-the-art infrastructure without having to build
- Upgrading infrastructure very fast without having to worry about buying, deploying, maintaining, etc.
- 24/7 Service Desk access
- Guaranteed SLAs which provide a high quality of service.

Getting started

Companies can opt for various IT infrastructure outsourcing options which range from fully managed hosting to cloud hosting and collocation, as well as remote monitoring and management of their IT. To meet the increasing on-demand requirement for data centre space, power, cooling, network bandwidth, hardware, software, managed services and 24/7 service desk, etc. organisations have begun using third-party data centres.

Managed IT services can help organisations cut costs significantly and improve operational efficiencies tremendously. But where do they start? How do they decide what functions to keep in-house and what to outsource to Managed Services Providers? Whether a company opts for Managed Services or In-house IT, they definitely need to do their research and understand the risks involved.

They need to put together a full assessment of business strategies so that they

can be confident that they are making the right decision for their business. In the end, it is all about striking the right balance.

Choosing the right managed services provider

To maximise the benefits of Managed IT Services, organisations should consider the following criteria while selecting their Managed Services Provider:

- Evaluate the credibility of the Service Provider
- Check if the Service Provider has good customer references
- Ensure it provides a guaranteed level of services offering high-end SLAs
- Conduct a Site Visit and due diligence of Service Provider's IT infrastructure
- Ensure the Service Provider meets the specific needs of the nature and size of your company
- Know if the Service Provider offers 24/7/365 support

With a detailed service provider selection process, there are no risks when outsourcing to a managed services model. For example, at eHDF we provide round-the-clock monitoring and management of the IT infrastructure and comprehensive customised managed services - all with a guaranteed service level agreement that meets international industry standards. With Accreditations in Assurance and Best Practices, eHDF is amongst one of the few Service Providers in

the world to have obtained the prestigious ISO 9001, ISO 20000, ISO 27001, BS25999 and ITIL certifications.

With the constantly changing threat landscape, security is becoming critical, and we are seeing a lot of demand for Managed Security services. E-mail has become one of the most critical business applications forming the backbone for the day-to-day business operations. Anytime, anywhere access to e-mail, contacts, calendar and resources has become imperative to ensure effective communication with customers, vendors and partners.

Managed Exchange is therefore becoming very popular. For companies looking at a pay-as-you-go messaging platform, eHDF has also recently launched Office 365 migration services in partnership with Microsoft.

Uptake and trends

The Managed IT Services market in the UAE is seeing an increased uptake. Traditionally, large businesses have been relying on the expertise and services of Managed Services providers to offer secure, flexible and scalable solutions. However, over the last few years, we have seen a growing trend amongst SMEs choosing to work with Service Providers for their data centre requirements – a large part of which is due to the cost effectiveness that managed services offer.

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We have noticed that the UAE continues to dominate the Managed Services market in the GCC and is expected to grow at a compound annual growth rate (CAGR) of around 17% over the next five years, this is up from 12.9% in 2011 – the acceleration is due to the increasing demand from core growth industries such as retail, healthcare, and manufacturing. Data centre hosting makes up approximately 18% of the Managed Services market revenue in the UAE.

Many more customers from a number of industry verticals are adopting Managed IT services. Sectors in Banking and Finance, Aviation, Media, Government, IT and Telecom in particular, have taken to managed services as ensuring a secure and reliable system is critical.

The remote IT infrastructure services model is also gaining prominence. This model allows service providers to remotely monitor and manage a company's IT assets, ensuring 24/7 availability and completely supported infrastructure.

Managed cloud

Many organisations are now ready to take advantage of the benefits of Cloud Hosting such as the quick deployment of IT resources, shared resource usage, and the ability to monitor usage and pay for only what they use.

Managed Cloud allows businesses to tap the power of Cloud Computing without the pain of becoming an expert in everything. Companies that use Managed Cloud can focus on their core business – on building great applications and other new products, and acquiring new customers.

Uptake of cloud computing

Last year, industry analyst Gartner had predicted that 30% of IT companies from the Global 1000 organisations will integrate, aggregate and customise two or more cloud services for internal and external users by 2014.

Closer to home, Gartner predicts that from 2013 to the end of 2017, \$3.8 billion will be spent on cloud services in MENA region. As cloud computing has moved from hype to the business mainstream, the regional adoption of cloud technologies and virtual storage solutions will come to the forefront in the coming years.

The emerging scenario indicates a demand not just for deploying the technology but also for cloud solution providers that understand the complexity of enterprises and offer solutions that address the challenges of legacy system integration. CIOs are looking at innovative provisioning, scalability and faster time to market as some of the benefits from the adoption of cloud.

In addition to facilitating shared resources and reduced investments on hardware, these services allow companies to buy capacity-based options - a key imperative for growing businesses as they move online and require rapid provisioning.

Private, public and hybrid cloud

The market is already inundated with private, public and hybrid cloud models. However, the adoption of the type of cloud depends on the organisation's nature of business, overall IT strategy and application workloads. Needless to say, there is no one-size fits all solution in the cloud space.

The region is particularly witnessing a significant uptake of Hosted Private Cloud services where a virtual data centre can be hosted on highly redundant infrastructure with the capability to dynamically scale the computing and storage capacity.

With the rising uptake of Cloud Computing, especially in the MENA region, managed and cloud services will converge at some point in the future even though each of these domains have their own value adds which ultimately helps provide best of breed services for end users.

Initially, it was believed that Cloud Computing would lead to centralisation of IT resources that would lead to the demise of Managed Services. Instead, it has caused

an explosion in complexity, increasing the demand for managed services.

Today, customers are coping with complex IT environments that the cloud has introduced. BYOD and the intrusion of mobile computing devices into the enterprise have further added to the complexity.

This makes it important for traditional cloud infrastructure service providers to include Managed Cloud Services to their portfolio. In fact, we see the demand for Managed Cloud Services to increase rapidly in the age of the cloud.



Yasser Zeineldin is the CEO of eHosting DataFort (eHDF). He holds over 24 years of professional experience gained from holding management positions in the GCC region, Egypt and the US, with industry majors that include AT&T, Microsoft and TECOM Investments. Zeineldin is currently a member of the TECOM Management and Investment Committee and sits on the Board of GO Telecom, Nexgen and EMS.

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