



Do and re-do

Service providers are launching new services for 2012, and are working to ramp up their support services. All-in-all, they look forward to a future of growth in the Middle East.

Managed services are not exactly new in the region. Over the years they have grown to become reliable options for many organisations as they aim to increase efficiency or cut costs in IT usage. And over time, Middle East enterprises have chosen certain services over others from these service providers.

“The most popular managed services among Middle East enterprises that we have seen is the fully managed hosting services model which includes management of the entire IT infrastructure including data centre, network, servers, storage, backup, security etc. Technologies such as virtualisation and software-as-a-service (SaaS) saw increased

deployment in 2011,” says Sachin Bhardwaj, head of marketing and business development for eHosting DataFort(eHDF).

“There are three categories of managed service that are more appealing to the customer. There are complete IT operations outsourcing, which is a step towards business transformation; full-fledged managed services, which refers to the fusion of hosting services and managed services since it includes full IT operations management and full hosting services. This service could be introduced as a form of infrastructure-as-a-service (IaaS) or software-as-a-service (SaaS) and could span from single application to cover whole IT environment. Then there is business process outsourcing (BPO), which covers

the outsourcing of business applications including operations, support, engineering, development etc.," says Mohamed Wahb, manager of managed services presales and transition at ITS (International Turnkey Systems Group).

"The service delivery models in the Middle East region have evolved from staff augmentation, committed volume, and technology shared services, to managed services. As the region further evolves, we are likely to witness outsourcing based on business level agreements, in addition to service level agreements. CIOs want their delivery, technology and automated systems to be efficient and effective. Flexible sourcing is the foundation of a managed services strategy and framework, along with a standard output-based pricing model," says Stephen Fernandes, assistant VP and country manager for at Cognizant, ME.

He adds, "Some of the popular managed services in the region have been enterprise computing management, end-user computing, remote infrastructure management, application value management, application maintenance and managed test services. The rate of adoption of these services varies depending on the outsourcing maturity index of the organisation."

Like most inhouse solutions in the market, service providers tend to refresh their offerings to customers on a regular basis. And more often than not, this constant refreshing is built on the services that they already offer.

"In 2011, eHDF launched a number of services including Microsoft Lync

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integrated with managed exchange services, remote managed security services and cloud infrastructure services. The new security offering launched in 2011 provides enterprises an ideal security solution at a fraction of the cost compared to internal IT staff attempting to manage an organisation's complex security issues. eHDF and Radix Technologies have built a turn-key cloud computing platform that enables users to compose and deploy complex, online applications in minutes. The key goal of eHDF-Radix cloud platform is to provide a consistent and simple way to provide infrastructure and software-as-a-service to business and its users," says Bhardwaj.

"Dell launched the IT advisory service, which is a complete overhaul of our highest level of support to our enterprise wide customers in the region. This service gives our customers a service delivery manager (SDM) dedicated to providing value-added services to the IT landscape by providing reviews and reporting face-to-face about the performance and trending of his entire

Dell estate," states Basil Ayass, enterprise product manager at Dell Middle East.

He adds that other Dell managed services in the region include virtual desktop-as-a-service, cloud and virtualisation assessments, security assessments, high-performance computing assessments and digital forensics design and architecture, among others.

Besides new service offerings, providers have also worked during 2011 to either extend their support line or make it stronger for customers.

"ITS extended and capitalised on the ITO (IT operations outsourcing) model providing impressive features in 2011. We capitalised on our global delivery centre (GDC) to provide 80% of operations and support activities; leaving 20% for onsite teams as physical intervention, and managing the contract SLA and liabilities with the customer. This has made one operations more effective and has optimised one resources. On top of hybrid model, ITS provided shared off-shoring services, which

*** BY THE NUMBERS**

\$8
billion

is the spend on managed security services today

\$14.8
billion

is the spend it is expected to reach by 2015

\$11.9
billion

is the projected spend in security services from Western Europe next year

\$14.4
billion

is the projected spend from Western Europe on security services by 2015

dramatically decreased the cost without sacrificing the quality and operational effectiveness. We have also added IT service management as SaaS on top of managed service, in order to monitor the customer environment," says Wahb.

In 2012

As with any other year, the refreshment cycle for services will continue in 2012, and there are some new ones hitting the block that would have enterprises interested.

Ayass says, "One of the key services we plan to launch in 2012 is Multi Vendor Support (MVS), which will enable our customers to add Dell's award winning ProSupport to their heterogeneous IT environments. This will provide an open environment, meaning Dell will support products from other vendors just as we support Dell product. We will also provide network assessments - this is where Dell



Mohamed Wahb, manager of managed services presales and transition at ITS (International Turnkey Systems Group)

consultants review a business' technology objectives and inventory of the existing hardware. Based on that information, we will draft a network solution proposal that details required hardware and software and includes a deployment price. Other services planned include Education Institutional Architecture services and Unix - Linux migration services."

"ITS intends to provide more attractive modular managed services offerings as a part of our strategy in fiscal year 2012. This is besides the current managed services portfolio, which will enable our clients to mix and match the required services they acquire from ITS according to their business planning. This will include service desk services management operations management supervision and automation. There will also be an SMB offering - ITS is going to offer competitive pricing on managed services during weekends, public holidays, summer vacations, etc. We will also expand on our consultancy services. We already offer services such as assessment of the customer's environment in terms of infrastructure systems, organisational structure and operational processes in order to develop the best model that the customer should adopt. This service provides neutrality, and will benefit the customer whether he chooses ITS or another provider," says Wahb.

"We are seeing a logical shift in the direction of cloud computing and are ourselves in the process of charting a cloud roadmap. We already have a cloud ready infrastructure in our data centre with Radix Technologies. We will be launching our own managed private cloud solutions for medium to large enterprises, looking at



Sachin Bhardwaj, head of marketing and business development for eHDF

enhanced and dynamic utilisation of existing infrastructure and applications across scalability, elasticity and faster time to market, by the end of the year. Also we have plans to launch a Lite Public cloud version for companies operating in the SMB space. We plan to launch this in the first quarter 2012," says Bhardwaj.

Service providers are also working on strengthening their own internal systems, and managing them in a secure manner in order to ensure the highest level of quality provision to customers.

Fernandes states, "Our investments in a Security Operations Center (SOC) provides state-of-the-art facilities, tools and knowhow to address customer security requirements on a 24x7x365 basis to provide real-time security event monitoring. Cognizant has various Centers of Excellence (CoEs). To provide the best available solutions to customers, we leverage our various specialised groups for additional support and expert advice or opinion as and when needed. Cognizant uses Cognizant 2.0, a company-wide, Web 2.0-based program management and knowledge sharing platform to enable real-time collaboration."

"ITS strongly believes in building management capabilities and processes according to best practice frameworks. ITS

“ Managed services in the Middle East has a very bright future, as it enables businesses to have their IT systematically managed, so they can focus on their core business, while simultaneity refocus employees on higher –value activity.”

has a centralised delivery arm established in 2008 in Egypt, and since then our target has been to build capabilities management, processes, resources and tools. We believe this will encourage our clients to go ahead and acquire the service from ITS. All security practices, awareness, policies, procedures and controls comply with the International Security Standard (ISO 27001). GDC provides Security Management levels to provide maximum protection to the customers' assets," says Wahb.

For a better partnership

Regional managed service providers are working hard constantly to improve their services and offer customers the best of choices. However, the success of any working partnership depends as much on the customer as it does on the service provider.

Bhardwaj points out, "Some tips that customers should keep in mind when getting involved in a service partnership include evaluating the credibility of the service provider, checking for good customer references, ensuring high-end SLAs that guarantee level of services, conducting site visits and due diligence of provider's infrastructure, ensuring that the provider meets specific needs of the company and that they offer 24/7/365 days



Basil Ayass, enterprise product manager at Dell Middle East



Stephen Fernandes, assistant VP and country manager for the Middle East at Cognizant

support, along with the ability to reach them during non-working hours."

Fernandes says, "Customers should ensure that their key objectives of adopting a managed services model are met. Customers should look for a vendor to provide flexibility – a shared services group can act as a catalyst especially when dealing with acquisitions and integration of business units, scalability – the ability to scale rapidly on short notice is crucial to improving the overall productivity and volume of work performed in a given period, and time-to-market. Customers should also pay attention to costs – consolidated functions and processes eliminate redundancies and minimize the cost of processing these activities, efficiency – leveraging economies of scale with other groups and business units that have similar needs in terms of the resources and type of skills needed, and reusability of components is important to a shared services model."

Ayass adds, "Customers should look for partnerships with organisations that demonstrate from the beginning a consultative approach to providing solutions and services that best meet the business' needs. They should be engaged

and have a relationship that can sustain both organisations for successful experience. Also, they should look at partners who have a variety of vendor certifications."

As vendors increase their service offerings and improve their service levels, and as customers grow to understand service providers and begin to demand more from them, the entire Middle East is likely to witness a strong growth in the adoption of managed services.

Ayass says, "Managed services in the Middle East has a very bright future, as it enables businesses to have their IT systematically managed, so they can focus on their core business, while simultaneously refocus employees on higher-value activity."

"We expect enterprises to continue investing in data centre technologies and services but not on building their own infrastructure. There is a tangible and growing desire to increase efficiencies by looking at the lease option. This is because the immediate noticeable trend in the region is the greater need for companies to cut down on capital expenses, make-do with existing resources and optimise on operational expenses. Hence, more businesses especially in the current economic climate, are reassessing their business models and shifting from investing in upfront capital expenditure (CAPEX) to an operational expenditure (OPEX) model that allows companies to 'pay as you go' and reduce overall risks and scale when necessary," says Bhardwaj.

"The future is quite promising. We see substantial demand across all verticals and strong demand is taking shape in business formulation and direction. The Middle East and the Gulf are potential fields for managed service investments, since they have surplus fund and stable growth across financial and infrastructure elements. The bottom line is that the Middle East region will enjoy a noticeable surge in sales and a new wave of different managed services business demands in the next two years," concludes Wahb. ■