

Managed IT Services Provider or In-House IT Team

Which Is Best for Your Business?

Learn which IT setup best fits your business needs



KLOUD₉

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The importance of IT management in business

Why do you need someone to take care of your business's IT?

Technology has become indispensable for modern businesses. But because business owners often have too many things on their plate, managing technology usually takes the backseat to other functions. Moreover, because most business owners are not IT experts, they're often not well positioned to maximize their tech investments, take proactive steps in protecting their data, and identify opportunities to leverage technology for their business.

But with an IT specialist by your side, you can get the expertise and resources you need to set up and maintain a secure network infrastructure. An IT team can help you:

- ☐ Develop digital solutions for your business needs
- ☐ Manage data security and privacy compliance
- ☐ Optimize user experience
- ☐ Troubleshoot technical issues
- ☐ Implement system updates regularly
- ☐ Automate processes for cost savings
- ☐ Provide other services related to technology use

By tapping the expertise of an IT professional who understands industry trends and best practices, you can ensure you're leveraging the latest tech advancements while keeping your operations running smoothly.

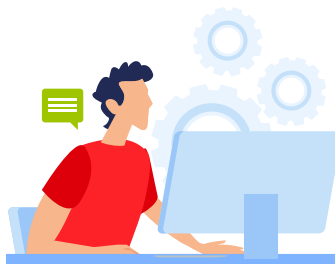
However, it's not always easy to decide whether to outsource your IT management or keep it in house

Each option has its pros and cons, so you have to carefully think about which will be most beneficial for your organization. In this eBook, we will take an in-depth look at both in-house technicians and managed IT services providers (MSPs) by comparing and contrasting the two. We will also help you figure out which option is right for your needs.



In-house IT

The traditional setup



Managing your own IT systems means maintaining and managing your organization's entire IT infrastructure, operations, and personnel on site. This setup allows you to have a hands-on approach to your day-to-day IT operations.

The pros of in-house IT

For some businesses, having an in-house IT department makes the most sense. For the longest time, many organizations relied on this setup, and for good reason. An in-house IT team offers plenty of benefits, including the following:

- **A greater level of control over IT processes** – When you have an in-house team, you have full control over what gets done and how. This allows you to closely monitor and manage your IT infrastructure.
- **Quick response times** – Since an in-house IT team is physically present on site, they can resolve any technical issues that arise right then and there.
- **Personalized solutions** – An in-house IT team is expected to be intimately familiar with the company's IT infrastructure and thus more likely to know how to customize solutions to address specific needs. This greatly reduces the chances that they will rely on off-the-shelf technologies or cookie-cutter solutions from an outside vendor that may not fulfill all the requirements.
- **Better continuity** – Members of your IT department who were involved in resolving prior technical issues will have a better understanding of how things should be done in the future, which can help you save time and money when solving similar concerns. What's more, having full-time staff lets you spend more time researching useful new technologies that can potentially streamline operations.

The cons of in-house IT

While in-house IT has its benefits, it also has some drawbacks.

- **High costs** – When setting up an in-house IT infrastructure, you need to pay not only for the salaries and benefits of a team of specialists but also for additional costs such as software licenses and hardware. For small- or medium-sized businesses, this can significantly drain their bottom line.
- **Lack of scalability** – Having an in-house team can limit the resources at your disposal. This can make it difficult to stay ahead of technological changes or potential growth opportunities. If additional resources or expertise is needed, you may have to outsource an external IT team to work on long-term projects, which may incur more costs.
- **Difficulty staying on top of tasks** – Your internal team is responsible for overseeing your entire IT infrastructure, and this can be a challenging feat. If there is a lack of expertise, labor force, or management skills, problems may arise. For instance, if your IT team becomes too focused on looking for the best technology solutions to fix recurring issues, they may not have enough time to work on day-to-day tasks that require their urgent attention.
- **Weak cybersecurity** – Your in-house team may not be experts in creating a robust cybersecurity strategy, either because they simply lack the experience or don't have access to specialized tools for identifying and mitigating threats. By contrast, an external IT provider/MSP has a team dedicated to providing specialized cybersecurity services that can augment your internal IT team's capabilities.

Managed IT services providers (MSPs)



The new trend

MSPs are third-party companies that provide comprehensive managed IT services on an outsourced basis. The services they offer range from proactive management of existing systems and networks to the development and implementation of new technology solutions.

The pros of MSPs

MSPs have become a popular choice for businesses — regardless of size and industry — looking to work with IT experts. As an external IT services provider, MSPs offer:

- **Cost-effective solutions** – MSPs allow organizations the flexibility to access the specialized resources and technical expertise of experienced professionals without having to make large up-front investments in personnel, technology, or infrastructure. Also, an MSP can provide tailored services on an as-needed basis. And because of their expansive network of resources and contacts, you'll be getting more value for your money compared to what you'll be spending with an in-house team.
- **Latest technology updates** – MSPs can help you stay ahead of the competition by keeping up with the latest technology trends and providing innovative solutions. This enables you to keep pace with industry developments and create engaging experiences for your customers while streamlining operations and increasing efficiency.
- **Comprehensive cybersecurity strategy** – MSPs proactively monitor systems for threats such as malware or data breaches and alert clients when action needs to be taken. This allows you to focus on other areas without having to worry about potential risks that could

have catastrophic consequences. Many MSPs also offer comprehensive disaster recovery plans that can help your organization get back up and running quickly after any unexpected outage or system failure.

- **Better flexibility and scalability** – Managing your IT through an external provider ensures greater flexibility since you only pay for what you need. This gives you the freedom to scale up or down as needed without having to make long-term commitments, such as purchasing IT tools that could become outdated soon.

The cons of MSPs

Some of the disadvantages of working with an MSP include:

- **Lack of visibility** – Because MSPs are essentially third parties, companies often lack visibility into their operations or protocols. This can lead to a lack of accountability as there may be no one to hold them responsible if any issues arise because of their services' shortcomings.
- **Data privacy concerns** – Since MSPs handle data from multiple customers, there's a risk of data being leaked or misused if the provider doesn't have adequate safety protocols in place. Additionally, in order for an MSP to provide quality solutions, they must have access to businesses' confidential information such as customer data, and this could result in potential security risks if the MSP's systems get hacked or compromised.
- **Potential delays** – MSPs work remotely, so if they need to visit your offices for on-site support, there will inevitably be delays in response. Note that when it comes to security issues like data breaches, time is of the essence. Delays may also arise due to repeated back-and-forth exchanges between the business and the MSP, which is common in particular instances, such as during the implementation of new processes.

The big question: Should you choose in-house IT or an MSP?

Considerations for choosing the best setup for your business

Either option has advantages and disadvantages that can impact the way you do business. To decide whether an in-house IT team or an MSP is best for your business, it's important to consider several aspects:

- ☐ Cost
- ☐ Support
- ☐ Scalability
- ☐ Cybersecurity
- ☐ Competitive advantage



Cost

Cost can be one of the biggest factors when choosing between the two options. With an in-house team, you have to pay the costs associated with hiring personnel, maintaining an IT department, and acquiring necessary hardware and software. On the other hand, MSPs provide their services on a subscription basis, meaning that you only pay for what is needed at any given time rather than making a long-term commitment.

The bottom line: Outsourcing your IT needs to an MSP means paying little to no overhead and labor costs compared to when you hire internal IT staff.

Support

An in-house team is expected to be very familiar with your systems, and since you'll be working more closely with them, you can always easily discuss any issues that arise. This often leads to better communication and understanding, resulting in faster issue resolution. However, larger MSPs may offer more comprehensive services such as round-the-clock technical support with access to dedicated customer representatives who are experts in their field. This allows for more flexibility when seeking quick resolutions or advice on complex matters.

The bottom line: Businesses that require fast response times might be better off with an in-house team, while those looking for broader solutions could find greater value from an MSP.

Scalability

When you have in-house IT staff, scaling up or down could require restructuring your team and resources, which might necessitate investing time and money. By contrast, most MSPs offer flexible solutions that can be tailored to changing requirements. This makes the latter ideal for businesses looking for more agile and cost-effective options as they grow or face unexpected changes within their industry.

The bottom line: If you're experiencing steady growth, go with an MSP, as they can easily scale their services up or down for you. If you have fixed IT requirements and are unlikely to undergo a major business restructuring, an in-house IT team should suffice.

Cybersecurity

While an in-house IT team can implement basic cybersecurity measures, they may not always have the capability to implement the latest, most advanced security protocols for your business. Meanwhile, MSPs can provide best-in-class cybersecurity solutions while helping you proactively monitor your systems 24/7. But bear in mind that an MSP is a shared resource among many different businesses, so there's always a risk of your data being compromised if the MSP or their clients experience a breach.

The bottom line: An MSP can offer a more proactive and holistic approach to cybersecurity than in-house IT, but an internal IT team means you have a smaller circle of people who can access critical business files. Ultimately, you should go for the option that makes you feel more secure.

Competitive advantage

The key to achieving a competitive advantage is having the right IT team, whether it be in house or outsourced. An in-house IT team is best if you want tailored solutions developed by people who know your business inside out. An MSP fits your business better if you want to benefit from an outsider's perspective, which is typically more objective and can allow you to spot issues or areas for improvement that an in-house team may have overlooked. An MSP also brings to the table the experience of having worked with businesses in your industry, enabling them to recommend solutions that they have implemented — and have worked for — other clients. Their impartiality and industry experience can give you the edge over your competitors, all while allowing you better access to the latest technologies that enable you to seize new opportunities as they arise.

The bottom line: When it comes to achieving competitive advantage, choose an IT management setup that best supports your market goals and business culture.

Each business will need to evaluate its unique situation to determine which approach would be most suitable for their organization. If you have access to a qualified team of experts and enough capital investment, then keeping everything in-house may provide better results. But if you require more specialized skill sets or lack resources, then partnering with an MSP might be best.

No matter which route you decide to take, make sure that you're selecting a reliable provider who can deliver quality solutions, adhere to industry standards, and help you maximize your IT investments.



Why an MSP may be the best choice for you



Why should you choose an MSP to manage your IT infrastructure?

If you want to stay ahead of the competition, keep up with industry developments, and secure your data without making steep investments, then partnering with an MSP is the perfect choice for your business.

With an MSP, you get:

- ☐ Better bang for buck compared to in-house IT teams due to their ability to provide more cost-effective solutions, greater scalability, and diversity of expertise
- ☐ Pay-per-use services while still having access to a wide range of expertise and resources when required
- ☐ Services designed with scalability in mind, which can be adapted as your business grows or faces unexpected changes
- ☐ Robust and comprehensive cybersecurity through proactive 24/7 monitoring, implementation of the leading and latest industry solutions, and reliable data backup strategies

Overall, partnering with an MSP allows you to enjoy the benefits of a dedicated IT team without having to make large upfront investments or worry about strategies becoming outdated soon after implementation.

If you're ready to experience the benefits of a managed IT services provider, contact Kloud9 today. Our business tech specialists are always available to assist you.

SCHEDULE YOUR FREE ASSESSMENT NOW!

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