



Business Owner's Guide to Buying IT Services

What You Should Expect to Pay for IT Support

(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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“Before You Ask the Price: Know What You’re Getting”



Trent Milliron, CEO of Kloud9
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Dear Colleague,

If you're a CEO or business leader exploring how to outsource some or all of your IT support, this guide was created with you in mind. Choosing the right IT partner is a critical decision — one that can impact not just your day-to-day operations, but the long-term security and scalability of your business.

My name is Trent Milliron, Founder and CEO of Kloud9. For nearly two decades, we've supported firms like yours with managed IT services, with a strong focus on security, compliance, and strategic growth. One of the most frequent questions we hear from prospective clients is:

What do you charge for your services?

It's a fair and important question — but it's not always a simple one to answer. That's why I put together this guide, designed to help you better understand the landscape of IT service pricing and, more importantly, how to evaluate providers based on real value.

In this guide, you'll discover:

The common pricing models IT service providers use — and the pros and cons of each.

Critical insights about service contracts and SLAs that many business owners overlook but should understand before signing any agreement.

A framework for selecting the right IT partner based on your specific needs, goals, and risk tolerance — not just price alone.

Our goal is to equip you with the clarity and confidence you need to make an informed, strategic decision — one that aligns with your business, your budget, and your expectations.

Whether you ultimately choose Kloud9 or another provider, we hope this guide helps you ask the right questions, avoid common pitfalls, and find a partner you can truly rely on.

To your success,

Trent Milliron



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 accounting firm. 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

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 German shepherd 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 \$150 and \$250 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.



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 Ohio that fee is somewhere in the range of \$250 to \$350 per server, \$145 to \$225 per desktop and approximately \$15-\$20 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**
- ✓ **Employee Security Protection**

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**
- ✓ **On-site support**
- ✓ **SOC team**
- ✓ **CMMC Compliance**

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

Customer Service:

Q1: Do they answer their phones live or do you always have to leave a voicemail and wait for someone to call you back?

Our Answer: We answer our phones live from 8:00 a.m. to 5:00 p.m. and give all clients an emergency after-hours number they may call if a problem arises, even on weekends. Why? Because many of the CEOs and executives we support work outside normal hours and find it the most productive time they have. If they cannot access their computer network AND can't get hold of anyone to help them, it's incredibly frustrating.

Q2: Do they offer a written, guaranteed response time to your calls?

Our Answer: We guarantee to have a technician working on all emergent problems within 60 minutes or less of your call. This is written into every service agreement we give to our clients because it's standard procedure.

Q3: Do they take the time to explain what they are doing and answer your questions in terms that you can understand (not geek-speak), or do they come across as arrogant and make you feel stupid for asking simple questions?

Our Answer: Our technicians are trained to have the "heart of a teacher" and will take time to answer your questions and explain everything in simple terms.

Q4: Do they consistently (and proactively) offer new ways to improve your network's performance, or do they wait until you have a problem to make recommendations?

Our Answer: We conduct Quarterly IT Strategy meetings with our clients to look for new ways to help improve their operations, lower costs, increase efficiencies and resolve any problems that may be arising. Our goal with these meetings is to help our clients be more profitable, efficient and competitive.

Q5: Do they provide detailed invoices that clearly explain what you are paying for?

Our Answer: We provide detailed invoices that show what work was done, why and when, so you never have to guess what you are paying for. We also double-check our invoices for accuracy before they are sent to you.

Q6: Do they have adequate errors and omissions insurance as well as workers' compensation insurance to protect YOU?

Our Answer: Here's something to consider: if THEY cause a problem with your network that causes you to be down for hours or days or to lose data, who's responsible? Here's another question to consider: if one of their technicians gets hurt at your office, who's paying? In this litigious society we live in, you better make darn sure whomever you hire is adequately insured with both errors and omissions insurance AND workers' compensation — and don't be shy about asking to see their latest insurance policies!

True Story: A few years ago Geek Squad was slapped with multimillion-dollar lawsuits from customers for bad behavior by their technicians. In some cases, their techs were accessing, copying and distributing personal information they gained access to on customers' PCs and laptops brought in for repairs. In other cases, they lost a client's laptop (and subsequently all the data on it) and tried to cover it up. Bottom line: make sure the company you are hiring has proper insurance to protect YOU.

Q7: Do they guarantee to complete projects within your budget?

Our Answer: All projects are included with your service package. This is important because many unethical or incompetent computer guys will only quote “time and materials,” which gives them free rein to nickel-and-dime you as well as take as much time as they want completing a project.

Maintenance Of Your Network:

Q8: Do they insist on remotely monitoring your network 24/7/365 to keep critical security settings, virus definitions and security patches up-to-date and PREVENT problems from turning into downtime, viruses, lost data and other issues?

Our Answer: Yes; our remote network monitoring system watches over your network to constantly look for developing problems, security issues and other problems so we can address them BEFORE they turn into bigger problems.

Q9: Do they provide you with a weekly report that shows all the updates, security patches, and status of every machine on your network so you know for SURE your systems have been secured and updated?

Our Answer: Every quarter during the IT Strategy meeting our clients can obtain a report that shows an overall health score of their network and the updates to their antivirus, security settings, patches and other important network checks (like hard-drive space, backups, speed and performance, etc.).

Q10: Is it standard procedure for them to provide you with written network documentation detailing what software licenses you own, user information, hardware inventory?

Our Answer: All clients receive this in written and electronic form at no additional cost. We also perform a quarterly update on this material and make sure certain key people from your organization have this information and know how to use it.

Q11: Do they have other technicians on staff who are familiar with your network in case your regular technician goes on vacation or gets sick?

Our Answer: Yes. Every customer has a primary and secondary team lead who are both systems administrators. Our team leads have over two decades of experience. In addition, we keep detailed network documentation (basically a blueprint of your computer network) and updates on every client's account, any of our technicians can pick up where another one has left off.

Q12: When they offer an "all-inclusive" support plan, is it TRULY all-inclusive, or are their "gotchas" hidden in the fine print?

Our Answer: Our "all-inclusive" support plan is just that — all-inclusive. One of the more popular service plans offered by consulting firms today is an "all-inclusive" or "all-you-can-eat" managed services plan. These are actually a good thing because they'll save you a lot of money in the long run. HOWEVER, make sure you REALLY understand what is and isn't included. Some things to consider are:

- ✓ **Is phone/e-mail help desk included or extra?**
- ✓ **What about network upgrades, moves or adding/removing users?**
- ✓ **Is hardware and/or software included?**

- ✔ **What about 3rd-party software support, such as Thompson Reuters? (We recommend that this IS included.)**
- ✔ **What are the costs/consequences of early cancellation?**
- ✔ **If the hardware and software is included, what happens if you cancel the contract?**
- ✔ **Are off-site backups included? To what degree?**
- ✔ **If you have a major disaster, is restoring your network included or extra?**
- ✔ **What about on-site support calls? Or support to remote offices?**

Our plans work because our goals are aligned with yours, meaning we both make money when you are up and running. Period.

Backups And Disaster Recovery:

Q13: Do they INSIST on monitoring an off-site as well as an on-site backup, or are they letting you rely on outdated tape backups?

Our Answer: We do not allow our clients to use tape backups because tape backups are incredibly unreliable. We make sure all of our clients utilize state of the art DR (Disaster Recovery) Backups with backup data stored locally and in a secure cloud in which we can have a client up and running in as little as 2 hours in the event of a disaster.

Q14: Do they INSIST on doing periodic test restores of your backups to make sure the data is not corrupt and could be restored in the event of a disaster?

Our Answer: We perform a monthly “fire drill” and perform a test restore from backup for our clients to make sure their data CAN be recovered in the event of an emergency. After all, the WORST time to “test” a backup is when you desperately need it.

Q15: Do they insist on backing up your network BEFORE performing any type of project or upgrade?

Our Answer: We do, and that's simply as a precaution in case a hardware failure or software glitch causes a major problem.

Q16: If you were to experience a major disaster, do they have a written plan for how your data could be restored FAST and/or enable you to work from a remote location?

Our Answer: All clients receive a simple disaster recovery plan for their data and network. We encourage them to do a full disaster recovery plan for their office, but at a minimum, their network will be covered should something happen.

Backups And Disaster Recovery:

Q17: Is their help-desk U.S.-based or outsourced to an overseas company or third party?

Our Answer: We provide our own in-house help desk and make sure the folks helping you are friendly and helpful. We consider this one of the most important aspects of customer service, plus we feel it's important to keeping your data secure.

Q18: How experienced are their team members ? Do they have 1-2 highly talented individuals and the rest of their team has to rely on them to help support you?

Our Answer: Each member of our senior team has over 20 years of experience in the industry. Every client is assigned a primary and secondary senior team member. Our Tier 1 and Tier 2 team undergo regular training each week by our senior team members so they can expand their skills.

Q19: Do their technicians arrive on time and dress professionally?

Our Answer: Our technicians are true professionals that you would be proud to have in your office. They dress professionally and show up on time, and if they cannot (for some odd, unforeseen reason), we always notify the client immediately. We believe these are minimum requirements for delivering a professional service.

Q20: Are they familiar with (and can they support) your unique line of business applications?

Our Answer: We own the problems with all lines of business applications for our clients. That doesn't mean we can fix faulty software — but we **WILL** be the liaison between you and your vendor to resolve problems you are having and make sure these applications work smoothly for you.

Q21: When something goes wrong with your Internet service, phone systems, printers or other IT services, do they work with your vendor on your behalf to ensure the issue gets resolved?

Our Answer: We prefer to provide your phone, internet, and printer services so that we can monitor systems and fix issues promptly. However, even if we are not your provider, WE will work with the vendor on your behalf our clients don't have to try and resolve any of these issues on their own — that's just plain old good service and something many computer guys won't do.



Kloud9 is a CMMC Level 2–certified Managed Services Provider (MSP) delivering enterprise-grade IT support to small and mid-sized businesses — all for a predictable, flat monthly fee.

Founded in 2006, we've evolved from basic IT support into a strategic partner for organizations that value uptime, cybersecurity, and long-term growth. From fully managed IT to co-managed solutions, secure cloud infrastructure, VoIP systems, and business internet, we take care of it all — so you can focus on running your business.

**Our philosophy is simple: we succeed when your systems run smoothly.
That's why our team works proactively to prevent issues before they
impact your business.**

We also offer hosted VoIP solutions with 24/7 support, ensuring seamless communication across desktop, mobile, and tablet — wherever your team works.

Kloud9 is led by Trent Milliron, an Amazon best-selling author and a recognized leader in cybersecurity. He serves on multiple cybersecurity advisory boards and brings unmatched insight to clients in regulated industries.



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