



STG-CARE

Return on Investment

A comprehensive case study comparing self-managed, IT support for small business on T&M and **STG-CARE**.





Overview:

This document is a comparative study of different methods you can employ to support and maintain your IT infrastructure. For the purpose of comparison, we look at three different options to include: in-house staff management (Self-managed), manage through an IT support vendor charging you on a “Time and Material” basis or you can rely on **STG-CARE**. The document discusses various facts related to achievable hard dollar savings and soft ROI benefits for each option. For illustration purpose, we will present a case study of a typical small or medium business having 40 user desktops, three servers (one Mail server, one Database server and one File/print server), one firewall, one router, two switches and one network printer. Below you will find a detailed analysis of the options available to you:

Self-managed:

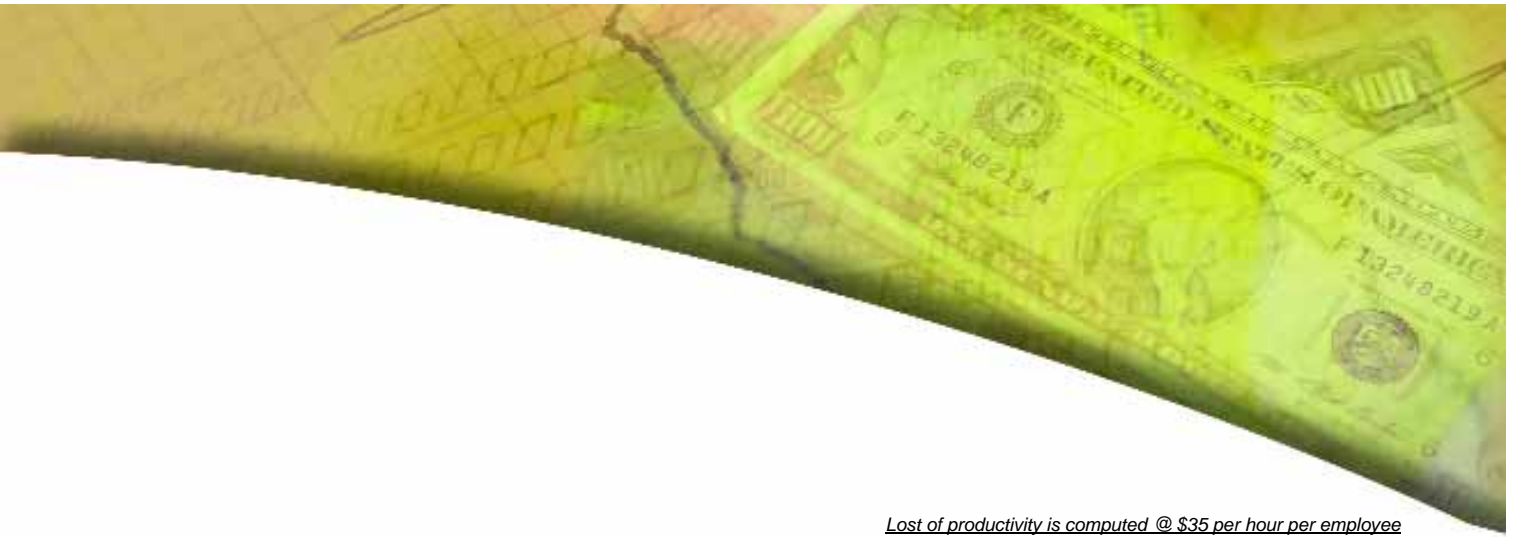
Consider a case in which you decide to manage your IT network by hiring your own staff which comprise a single IT administrator. It will cost you between \$40,000 and \$60,000 depending on your industry, location, and labor rates. For this illustration, we will fix this cost at an average of \$45,000. Additional costs for staff including benefits, sick and vacation leaves plus 7.5% payroll tax is about \$12,975. Since one person can't know how to fix all advanced technical problems, you might spend \$5,000 a year for outside consulting help. Furthermore, you will need to purchase IT management tools, systems, services, ticketing, buy additional licenses to support purchased tools, and invest in required hardware and services notify staff during emergencies; we assume its one-time investment of \$10,000 for most small businesses. Staff training on the management, spam, and antivirus solution might cost you \$2,500 more. You end up spending \$60,475 annually and about \$15,000 as a one time expense.

IT support on Time & Material basis:

Suppose you decide on a third-party vendor to manage your IT infrastructure on a Time & Material basis. They would charge you approximately \$140 per hour for engineering and \$100 per hour for desktop support with an average call time of 1.5 hr per incident and \$75 towards travel charges. Assuming one call logged per server per month, a total of eight calls for workstations per month and an additional two calls per month to attend to problems related to Firewall, Switches and Network Printers. You end up spending @\$3,300 per month or @\$39,600 annually on this option. In this model, on an average 40% of the IT issues are managed by the vendor, the balance being handled by end users themselves.

STG-CARE:

STG-CARE service would include proactive monitoring your Servers and manages your Mail Sever and Database Server. It carries out preventive maintenance and security management on your Desktops along with maintaining Network devices for optimal performance. End-users can call our help desk to inform us their day-to-day operational issues, which would be attended by our expert help desk staff. We charge \$460 per month for regularly scheduled on-site engineering services, for our Full services @\$30 per month per Desktop, @\$100 per month per Server, @\$5 per month for Network devices, @\$100 per month per Database server and @\$100 per month per Mail server, @\$100 per month per Firewall, \$100 per month for anti-spam service, and @\$5 per month per aggregating our total annual charges to \$24,960. Additionally, any projects or large-scale upgrades will not require costly assessments since we already understand your environment.



Lost of productivity is computed @ \$35 per hour per employee

Pricing	Self-managed		T&M IT Support		STG-CARE	
	Annual	One-time	Annual	One-time	Annual	One-time
IT Staff	\$45,000	\$0	\$0	\$0	\$0	\$0
Staff Benefits	\$12,975	\$0	\$0	\$0	\$0	\$0
IT Management System	\$0	\$10,000	\$0	\$0	\$0	\$0
Staff Training	\$2500	\$0	\$0	\$0	\$0	\$0
Managed Services cost	\$0	\$5000	\$0	\$39,600	\$26,160	\$0
Total	\$60,475	\$15,000	\$0	\$39,600	\$26,160	\$0

Soft ROI factors	Self-managed	T&M IT Support	STG-CARE
Average time to response	Immediate except when outside help is needed	2-4 hours depending on time to travel to site	Immediate through STG-CARE 24x7x365 NOC.
Percentage of IT problems addressed	95%, Most problems are attended to By the in-house team and 5% of remaining problems are handled by outside consultant's incident response.	40%, End users try to fix some issues by referring to their colleagues to avoid the cost of calling for IT help. They sometimes live with the problem till the next visit of the IT support engineer	99%, Using our call-center and unique ticketing-support portal, end users report a problem. With remote control techniques, STG-CARE resolves 99% of all issues.
Loss of productivity per year Per employee (hours) Total (hours) Estimated Dollar Cost	25 Hours 1000 Hours \$35,000	50 Hours 2000 Hours \$70,000	10 Hours 400 Hours \$14,000
Type of Support	Reactive during business hours only (might work on problems at night)	Reactive to down situations during business hours.	Proactive care on a 24x7 basis, with comprehensive service.

Summary

The table given below presents the comparison of advantages and disadvantages of **STG-CARE**, Time and Material IT support management and Self-managed IT support management. It shows the benefits realized by your organization when you use **STG-CARE** services to manage availability and security of your IT infrastructure.

Managed by:	Advantages	Disadvantages
STG-CARE	<ul style="list-style-type: none"> ▪ Proactive management of IT infrastructure ▪ 24 x 7 monitoring by group of experts ▪ Remote Management: reduces mean time to repair ▪ Comprehensive management related to Desktops, Servers, Networks and Email protection ▪ Reporting portal - access to wealth of information related to inventory, availability and performance. ▪ Enterprise Class IT management platform using Industry best practices. ▪ Predictable monthly billing ▪ SLA based 	<ul style="list-style-type: none"> ▪ Dependency on third party ▪ Slightly Higher cost than some alternative options ▪ Most work performed off-site so customer does not see the tech/engineer
Time and Material IT Support	<ul style="list-style-type: none"> ▪ Classical Model ▪ Friendly vendors ▪ Eliminates headache of hiring staff, training and system maintenance 	<ul style="list-style-type: none"> ▪ Reactive management: ▪ No 24x7 monitoring ▪ Pay as you use (unpredictable bills) ▪ Billing on systems "Down" ▪ Lack of expert group support ▪ Delay in attending to problems due to physical travel to-site ▪ Dependency on third party
Self Managed	<ul style="list-style-type: none"> ▪ Complete control on the IT management process ▪ Choice of management tools 	<ul style="list-style-type: none"> ▪ IT management not a core business activity ▪ Retaining IT experts may be difficult ▪ High cost of training manpower



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