



What is a Managed Service Provider?

A managed service provider (MSP) provides delivery and management of network-based services, applications, and equipment to business, enterprises, or other service providers. Managed service companies can be hosting companies or access providers that offer services that can include fully outsourced network management arrangements, including advanced features like IP telephony, messaging and call centers, virtual private network (VPN'S), managed firewalls, and monitored/reporting of network devices. Most of these services are performed from outside a company's internal network with a special emphasis placed on integration and certification of internal security for applications and content. MSP's serve as out-tasking agents for companies, especially other service providers like ISP's, which do not have the resources to constantly upgrade or maintain faster and faster computer networks.

Additional Services

In addition to such basic communication service as leased line wide area network (WAN) an MSP can manage and integrate a range of activities associated with enterprise networks. The range of outsourcing services includes basic transport and access, managed premises, web hosting, VPN, unified messaging, video networking or other more sophisticated services. The market for managed services is anticipated to grow about 230% annually, according to the Yankee Group, due largely to the need for enterprises to be more flexible and timely in getting to market and communicating with customers.

Internet IT assets should Focus on Strategic Issues Not Routine Tasks

New technologies and standards and new economic drivers are opening the door for companies to leverage the benefits of managed services. With the ability to maintain control, minimize capital investments, increase functionality and reduce total cost of ownership, managed services can give companies a significant competitive edge.

This seminal moment will not come about because companies do not have faith in their own IT people to accomplish the transition tasks, but rather because to shear totality of the endeavor is going to force them to consider what kind of investments they want to make with their IT dollars. Across the entire IT landscape the one reframe you hear most often is customers saying they need to focus more of their limited IT assets on strategic applications that drive business processes. What often goes unsaid is that in order to achieve that goal, companies have to spend less time managing their IT infrastructure.

This disruption is driven not only by the mere fact that it seems like eons since Microsoft released major new platforms, but more importantly by the fact that upgrades to confront the inertia that has been holding back a lot of the movement to managed services. That inertia largely driven by cultural rather than technical IT issues, is going to have to come with financial realities being driven by the changing business agendas set at the top echelons of the company.



In short, while managed services has been receiving a fair amount of hype lately, the technology shifts underway in the market are going to make managed services an imperative that nobody can afford to ignore.