



Liquid Web™



## Share the Load

Why Outsourcing Managed Web Services is Better for Your Business

## Share the Load: Why Outsourcing Managed Services is Better for Your Business

Digital marketing and web design are increasingly competitive fields. New businesses open their virtual doors each day, amidst ever-increasing demand for sites offering engaging content and positive user experience. These client demands combined with rapidly evolving technology increase the workload of firms struggling to stay current to ensure the needs and requirements of new and old clients alike can be met.

In a time when your business is fighting to stand out on the crowded industry field while trying to maximize your limited resources, how will you give yourself the advantage that your business needs?

**The answer is simple:** offload your workload. Partner. Outsource. We are not talking about sending your workload offshore to a team in a different time zone that you never communicate with.

When we say outsourcing, we're referring to partnering with a managed hosting provider that can lighten the load a little bit. Many small businesses lack the budget to maintain a staff of in-house IT experts, and even large enterprises are facing rising costs where hosting technology is concerned. Rather than choosing a hosting provider that only provides... well, hosting, teaming with a managed hosting provider can offer your organization its own dedicated team of IT experts.

# Here are the top 5 reasons why outsourcing managed services is better for your business:

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## Staying Current

The hosting industry is experiencing unprecedented growth, and even large enterprises with dedicated IT staff may find it difficult to stay current with the rapidly evolving technology.



**Do you want to expend your resources, whatever they may be, on constant training and upgrading in order to stay competitive?**

One of the greatest benefits of a managed service provider is, simply, that it's their job to keep you current. Their livelihood depends on keeping their finger on the proverbial industry pulse. When performance-enhancing new hardware hits the market, they'll have it. When innovative new software comes out that streamlines processes and improves end user experiences, you'll be well-positioned to take advantage of new innovation.



**A Managed Service Provider keeps you up to speed with the latest and greatest installs, upgrades and patches.**

And what about all the training that's required to know exactly how to get the most from all of this wonder tech? Yup, they're on that too.

Relying on a managed service provider to keep you current is sort of like hiring a mechanic to take care of your car and getting an automatic vehicle upgrade every time a new model comes out. You don't have to worry about shopping for which features you need any more than you think about how the engine works—you just get in and drive.



## Hardware and Software Savings

Aside from the fact that it can be overwhelming to try and navigate the ever-changing world of hosting technology on your own, it can be expensive too. It's easy to think that the DIY approach to hosting is a cost-effective one; after all, you've checked out managed hosting plans before and they all came with a pretty hefty price tag. But simply comparing the cost of managed hosting to the price of an unmanaged plan or purchasing a server of your own is not a fair comparison.

Let's look at purchasing your own server and the costs associated with that. Sure, there's the initial outlay for the hardware, but after that, you're on the road to big savings right? Not so fast.


You may not be factoring in some of these additional costs.

 **A secure, temperature-controlled environment to house your servers.**

 **A supply of power to run the servers and other equipment.**

However, don't forget about the following:

 **Purchasing of software and ongoing updates.**

 **Hiring and training of experts to install and regularly check for updates and patches.**

To deploy your own server can cost thousands of dollars in hardware and software alone, and those initial expenses typically only account for about 15 - 25% of the average cost of installing, maintaining and supporting your own server.

After it's up and running, you'll still need to deal with these on going costs:

 **Repairing and recovering data if your server crashes or is hacked.**

 **Upgrading your hardware when yours becomes obsolete.**

None of your websites are working and you have no one to turn to. The price of managed hosting, on the other hand, includes the technical support to put things right quickly, as well as all of those other expenses that cropped up on your road to savings. When you consider everything that's included in a managed hosting package, it's really quite a deal and can result in significant financial savings for your team — whether it's hardware, software or staffing costs.



## Business Growth

Your plan is for your business to grow. As a business owner trying to develop and expand your market, managing staff costs is an important factor. As your business increases in size and acquires new clients, adding an in-house IT support team may seem like an obvious choice – a level of achievement, even. But consider the overhead of hiring, training, and employing an in-house team, and how it compares to the cost of outsourcing to a managed hosting provider.

The median salary for an IT team member in the US today is just over **\$71,000**<sup>1</sup>. The national median for an IT manager's salary is over **\$80,000**<sup>2</sup>. When you factor in employee benefits, and the cost of the extra office space and hardware you'll need to house this new department, it can take a long time for you to reap any sort of financial benefits from having an in-house team – especially when you compare those costs to the average cost of outsourcing managed services:



over  
**\$71,000**  
IT team member



over  
**\$80,000**  
IT Manager's Salary

**Small in-house IT team: 1 manager + 2 support techs**

Average figures<sup>3</sup> suggest you should expect to add 40% to your budget for recruitment costs, \$65 per employee per month in perks, \$46 per square foot in monthly office space costs, plus an additional 44% for employee benefits and vacation pay

### Let's add that all of that up



Salary for two IT consultants, one manager

+ = \$222,000 or \$18,500



Office Space, 150 sq. feet per consultant, 400 per manager

= \$32,200 per month



Recruitment costs, 40% of a manager's salary

= \$2,667 per month



Health benefits and vacation pay

+ = \$8,140 per month



Employee perks

+ = \$195 per month



The monthly total for an in-house IT team adds up to a staggering

+ = \$61,702 per month

In contrast, a fully managed dedicated server, complete with 24-hour support starts as low as

\$199 per month

<sup>1</sup>Information Technology (IT) Consultant Salary (2016, May 5). Retrieved from Payscale.com

<sup>2</sup>Information Technology (IT) Manager Salary (206, May 5). Retrieved from Payscale.com

<sup>3</sup>Bryce Maddock (2013, March 29). 5 Employee Costs Founders Often Forget. Retrieved from <http://huff.to/1SRBLNk>

## Enhanced Security

Do you know how many businesses fall victim to cyber attacks each day? Let's just say, it's a heck of a lot —



cyber crime costs the global economy an estimated **\$445 billion** annually<sup>4</sup>

It's one thing to take risks with the security of your own business — few self-respecting business owners would do that, even — but it's entirely another to take risks with the security of your clients' businesses.

When your customers' vital or sensitive data is compromised by a virus or cyber attack, are you prepared to take responsibility? Beyond that, do you have the capability to address the damage and make things right? Imagine the situation in terms of physical space — if you were arranging leases for your customers in an office building, would you opt to patrol the grounds yourself, or rely on a professional security company? As vigilant as you may be, you simply cannot provide the same service as a team of security experts, familiar with the property and equipped with security cameras and motion sensors, right?

Making the choice to put your own site security in the capable hands of an experienced professional will save you time, prevent stress, and ensure that your customers' chances of being affected by a cybersecurity breach remain as low as possible. That's worth more than just money.

<sup>4</sup>Cybercrime Loss as a Percentage of GDP (2014). Retrieved from <http://intel.ly/1TuNCRa>



## Opportunity Cost

Every time you stop what you're doing to address a technical issue with your site or hosting, you lose that time (and then some!) from the tasks you really want to be focusing on: growing your business and building relationships with your customers.



In fact, research suggests it takes an average of

**23 minutes and 5 seconds<sup>5</sup>** to get back on task each time you are interrupted.

No matter how ready you are to handle all your IT and hosting needs alone, there is a cost to going it alone beyond the hardware and staffing expenses we have discussed earlier in this post: opportunity cost. You can wear as many hats in your business as you choose to, but the reality that you can't wear them all at once. If you're battling technical issues, you're delaying your response to that new potential client who's reached out to you.

**If you're spending money on upgrading software or patching security systems, you're not spending it on building relationships that will win your clients' loyalty.**

By outsourcing managed services to a reliable hosting provider, you can free up time otherwise spent working for your business to work on your business, and this can provide you with benefits that are more than just financial. Too often, we overlook the emotional benefits that can be derived from partnering with a managed hosting provider. While the bulk of a hosting provider's marketing efforts are devoted to promoting the functional and economic benefits of their services, the sense of security and feeling of support that comes from having a team of experts at your side 24/7 is a tangible benefit that deserves consideration.

The lightning-fast speed at which hosting technology is changing combined with the limited resources and technological expertise that more and more businesses are faced with today makes outsourcing IT an increasingly logical choice. Your managed hosting provider can offer you much more than just web hosting — count on them for a wide range of services and partner with them to get your very own IT department, there for whenever you need them.

<sup>5</sup> Kermit Pattison (2008, July 28) Worker, interrupted: The Cost of Task Switching. Retrieved from <http://bit.ly/1ngk91H>



## Company Profile:

Liquid Web is one of the most successful and well-respected names in cloud and web hosting, worldwide — ranking regularly among luminaries such as Apple, Costco, and Ritz-Carlton in 3rd party brand loyalty and customer appreciation metrics. We have been recognized among INC Magazine's 5000 Fastest Growing Companies for the last nine years, running. With over 30,000 customers spanning 150 countries, we have assembled a world-class team, global data centers and an expert group of 24/7/365 solution engineers.

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