MILESTONE 360° MAGAZINE

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FOREWORD

As a Managed Services Provider (MSP), Milestone Technologies Inc. partners with large, global enterprises to deliver comprehensive IT support. For 20 years, we've evolved and grown our organization in pursuit of our mission – to revolutionize the way IT is deployed and supported worldwide.

From our creative people to our innovative culture, our mission guides every aspect of what we do. We are passionate about our role as an MSP, using our knowledge and expertise to bridge the gap between people and technology. In working with our customers to make them more connected, scalable, and efficient, we enable them to focus on their own missions.

Milestone360 is a biannual magazine for CIOs and other IT industry leaders. Through our educational content, we aim to equip our readers with a comprehensive perspective on Managed Services. Our collection of work offers insight on overcoming IT challenges, adapting to technological advancements, exploring considered risks, and making informed, successful business decisions.

The tech industry is fueled by the spirit of spreading innovation, and *Milestone360* is our way of sharing our ideas with you. We hope you find this knowledge as valuable as we have on our continued mission to revolutionize IT.

Three IT Trends to Have on Your Radar in 2017

As we enter the new year, we are poised to see some of the most innovative and revolutionary changes from the technology sector yet. With businesses making rapid innovations, it's important for your company to be cognizant of how to take advantage of these technology advances. Here are three IT trends that can enhance your company's performance in the next year:

1. ARTIFICIAL INTELLIGENCE

The market for Artificial Intelligence is expected to grow to $16.06 billion by 2022, representing a Compound Annual Growth Rate (CAGR) of 62.9% from 2016 to 2022.[1] Applications based on AI have already made their way to the healthcare, transportation, educational, and entertainment sectors, and are expected to penetrate a growing number of other industries. Current popular use cases of AI include:

- Siri (Apple)
- Alexa (Amazon)
- Self-driving cars (Tesla)
- E-commerce (Google)
- Face recognition (Facebook)
- Personalize music playlists (Spotify)

As AI gains momentum, enterprise IT leaders would be well served to evaluate AI use cases to improve end-user support. Business leaders are constantly challenged with reevaluating their customer service processes and technology to see if there is room for improvement, especially in Remote Help Desks and Contact Centers. To be competitive in today's market, businesses must deliver an exceptional end-to-end customer experience. That means providing superior support throughout every stage of the customer journey.

AI introduces the potential for predictive behavior by tracking the callers' past issues and history prior to making a diagnosis. This capability can enable businesses to deliver better customer service by fixing ongoing problems, determining the root cause of an issue, and reducing time spent getting up to speed with customers. With the ability to harness natural language processing, AI apps such as ChatBots and automation not only redirect calls, but have machine-learning mechanisms to diagnose and troubleshoot even the most advanced issues – potentially without constant human intervention.

2. VIRTUAL REALITY

The continued rise of globalization coupled with the millennial workforce has created a demand for the opportunity to work remotely. Currently, 3.7 million employees work from home 50 percent of the time, a number that has grown by 103 percent since 2005.[2] Imagine a future when everyone is working remotely. How will this impact your company beyond just the tools and applications it currently uses? Accommodating a remote working model poses new challenges for the people, processes, and technology behind traditional IT service delivery – Will your employees require a 24/7 global support plan? What level of flexibility will your business need for delivering assets? Are you prepared to invest in automation tools and secure self-service solutions? The rising trend of the remote workplace demands a comprehensive internal IT support model to ensure strong communication and culture among team members.[3]

Cutting-edge technologies like Virtual Reality (VR) have the potential to increase in the workforce in 2017. Businesses that have not already adapted to remote working may argue that existing collaboration technologies such as Skype or WebEx cannot match the immersive experience of an in-person interaction. Yet, as VR technology continues to mature, it will enable remote colleagues to be completely immersed in any setting. For IT teams, this can prove incredibly

useful for troubleshooting or training purposes. If a technician in a remote location needs to be trained on how to use a specific technology, VR can give that employee the capability to enter and assess the situation up close and from multiple viewpoints. Hence, the potential for VR to improve IT service delivery for remote working models is well within reach for businesses.

3. CYBERSECURITY AWARENESS

An unprecedented number of cyberattacks plagued both businesses and consumers in 2016, the most significant of which involved Dyn and Yahoo. A total of 980 data breaches were accounted for in 2016, an increase of over 200 versus the prior year.[4] With the ever-increasing frequency of security breaches like these, companies must prepare themselves by constantly refactoring their security plans. So, what should businesses be doing to bolster their cybersecurity for 2017?

As cybersecurity awareness becomes more important, businesses should place more emphasis on increased and improved training on warding off phishing schemes – the leading cause of security breaches over the past year.[5] Common phishing schemes include impersonations of legitimate organizations or executives via fraudulent e-mails or hosted websites that use threats, hacking attempts, or a sense of urgency to trick users into releasing sensitive information. While every business should ensure that its applications, operating systems, and anti-virus, spyware, and malware software are up-to-date, the reality is that most cybersecurity breaches result from human error.[6]

Internal end-user education is often an overlooked method of securing data – yet every employee exchanging sensitive information over email, VPN, or document-sharing must be viewed as a potential vulnerability. As part of every business' security program, employees should be advised to:

- Implement two-step verification for all logins
- Inspect URLs when redirected to a website
- Be aware of typos or grammatical errors
- Avoid authorizing financial transactions via email
- Refrain from publishing personal information on social media

As phishing schemes become more adept at targeting end-users, internal education will become a major priority for enterprises looking to bolster their cybersecurity in 2017.

IS YOUR BUSINESS PREPARED?

In order to capitalize on these trends, businesses need advanced IT support from specialized or highly skilled employees. Thus, as your business evaluates its strategy and processes going into 2017, it's crucial to consider whether or not you have the capability to accommodate new technologies. Can your IT team automate using AI software, develop an innovative,

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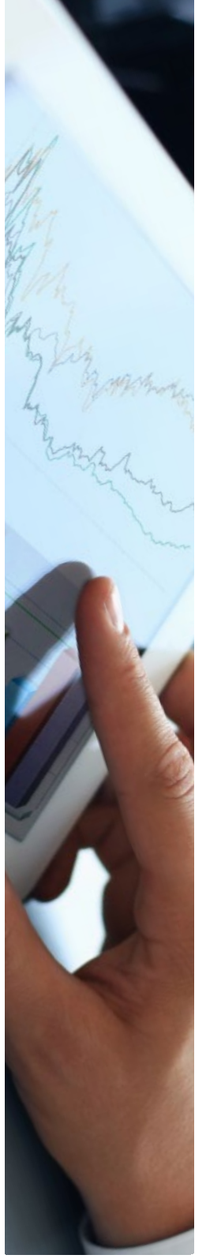
global model to support a remote workforce, or leverage new cybersecurity awareness programs? If not, then what gaps can you identify, and how can your business close them?

According to Computerworld's Forecast 2017 survey, 61% of rising employment in the IT industry will be driven by the need to accommodate new systems and projects.[7] This indicates that many companies are focused on investing in resources that can help them leverage the latest technologies. By creating employee roles focused exclusively on innovation or outsourcing for specialized IT talent, priming your organization's skill set to support the above trends can position your business for greater success in 2017. To learn more about relevant issues in the IT industry, read our post on the Five Challenges that IT Leaders Face.

[1] Artificial Intelligence Market worth 16.06 Billion USD by 2022
[2] Latest Telecommuting Statistics
[3] Why Remote Work Thrives in Some Companies and Fails in Others
[4] 2016 Data Breach Category Summary
[5] BakerHostetler LLP, 2016 Data Security Incident Response Report
[6] Ibid.
[7] 10 hottest tech skills for 2017



FIVE Challenges IT Leaders Face

Information technology provides solutions to countless business problems. It allows us to work more efficiently, process massive quantities of data, and communicate more effectively across large organizations. But, as helpful as technology can be, anyone who interacts with it on a daily basis understands that IT poses as many challenges as it does opportunities.

IT challenges are often nuanced and specific to individual companies, but all IT leaders can expect to identify with at least one of these five challenges.

1. STAYING CURRENT

Businesses need to remain agile to succeed, but many IT leaders are unprepared for the rapid change rate that accompanies technological advancement. The tech environment is shifting to a mobile, remote workplace, with access to IT service from anywhere. This means a shift in IT needs for managing, monitoring, and supporting this new mobile workforce. If IT is not prepared, or enabled for success, workers will be affected, ultimately impacting productivity and the bottom line. IT must be enabled with the skills, technology, and infrastructure to succeed in this new agile workplace.

2. SPENDING WISELY

Coming to grips with the new normal is a big hurdle for IT to overcome. While new technology often runs more efficiently on a tighter budget, the initial spending shock of migration poses a challenge for many

> "When we expand the idea of 'the customer', to include end users, end-user service becomes yet another priority that businesses need to consider."

businesses. Refactoring IT can be disruptive to an enterprise, and even after new technology is deployed, additional funds most likely will be spent on training and ongoing support. Today's tech landscape requires incremental, precise, surgical change that caters to a society searching for instant gratification.

3. OPTIMIZING CUSTOMER EXPERIENCE

Customer demands are a moving target that businesses have to hit. But now that customers are more tech-savvy than ever, their demands change as quickly (and as often) as technology itself. IT leaders must have the foresight to implement products and services that support the customers' needs, versus forcing them to adapt to standard platforms.

When we expand the idea of "the customer" to include end users, end-user service becomes yet another priority that businesses need to consider. As end users consume internal services, businesses must learn to capture, analyze, and improve upon IT service levels in addition to satisfying their external customers' needs.

4. MAKING TACTICAL DECISIONS

Most companies can testify that issues with technology can grind business to a halt. IT leaders must be proactive to effectively manage and support their infrastructure. However, many companies do not have access to the information needed to perform strategic and tactical analysis of their environment. The majority of IT environments rely upon reactive alerting, email notifications, or end users notifying IT of an issue.

There are great platforms out there for ingesting and analyzing systems and infrastructure data in multiple formats. The goal is to develop, automate, analyze, and trend your company's data, and then create events based on the potential impact of the analysis. Your IT Engineers need actionable information that allows for quick analysis of an event, prior to an incident occurring. The days of parsing through emails, traps, and log files are gone. Aggregate, analyze, and then assign. These platforms enable efficiency and potentially eliminate that call from your user.

5. FINDING THE RIGHT TALENT

The increasing prevalence of the mobile worker and information sharing has certainly made the IT landscape more challenging. Knowing which technology is right for your business can be difficult, and it's possible to become so bogged down in the decision-making process that you lose track of your goals.

Once you have found the right technology, you need the right people to harness its full potential. Technical skills need to be matched with the appropriate soft skills. Time spent on maintenance shouldn't outweigh the amount of time spent on innovation, and IT teams must find a way to focus on making the business better rather than simply making it work. When it comes to evaluating new IT business applications or services, customer satisfaction and end-user experience have now become critical factors to consider.

Each of these challenges is made even more complex when you consider how closely intertwined they are, and most businesses are likely to experience multiple challenges at the same time. In order to alleviate these issues, many businesses are turning to Managed Services Providers (MSPs) for help.

What's the Difference Between Managed Services and Staff Augmentation?

Managed services and staff augmentation are often used interchangeably, and that's understandable—considering that they both have their roots in IT outsourcing. In reality, comparing managed services and staff augmentation is like comparing a telescope to a microscope; despite a couple of basic similarities, the two are entirely different in both form and function.

MANAGED SERVICES

Much like a telescope helps you see the big picture and observe objects in the distance, managed services help companies make large-scale personnel decisions to guide them toward their long-term goals.

Following a managed services model, management responsibilities and strategic functions are outsourced to a Managed Services Provider (MSP) under a pre-determined contract. Services and prices are defined and negotiated between the client and the provider. The services provided are considered "managed" because the MSP is responsible not only for the work, but also for the delivery model, people, training, processes, and tools used to complete the work.

When an MSP offers a service, it establishes a series of formal commitments to the client. Together, the MSP and the client use key performance indicators (KPIs) to measure the provider's performance against the Service Level Agreements (SLAs) tied to those commitments. This process not only creates an important level of accountability for the MSP, but it also creates a sense of ownership for the employees who represent the provider.

MSPs play a proactive role, focusing on finding opportunities for ongoing improvement. As a result, they consider the existing situation as well as the business's future goals, which often lead to a strong partnership between the MSP and the client.

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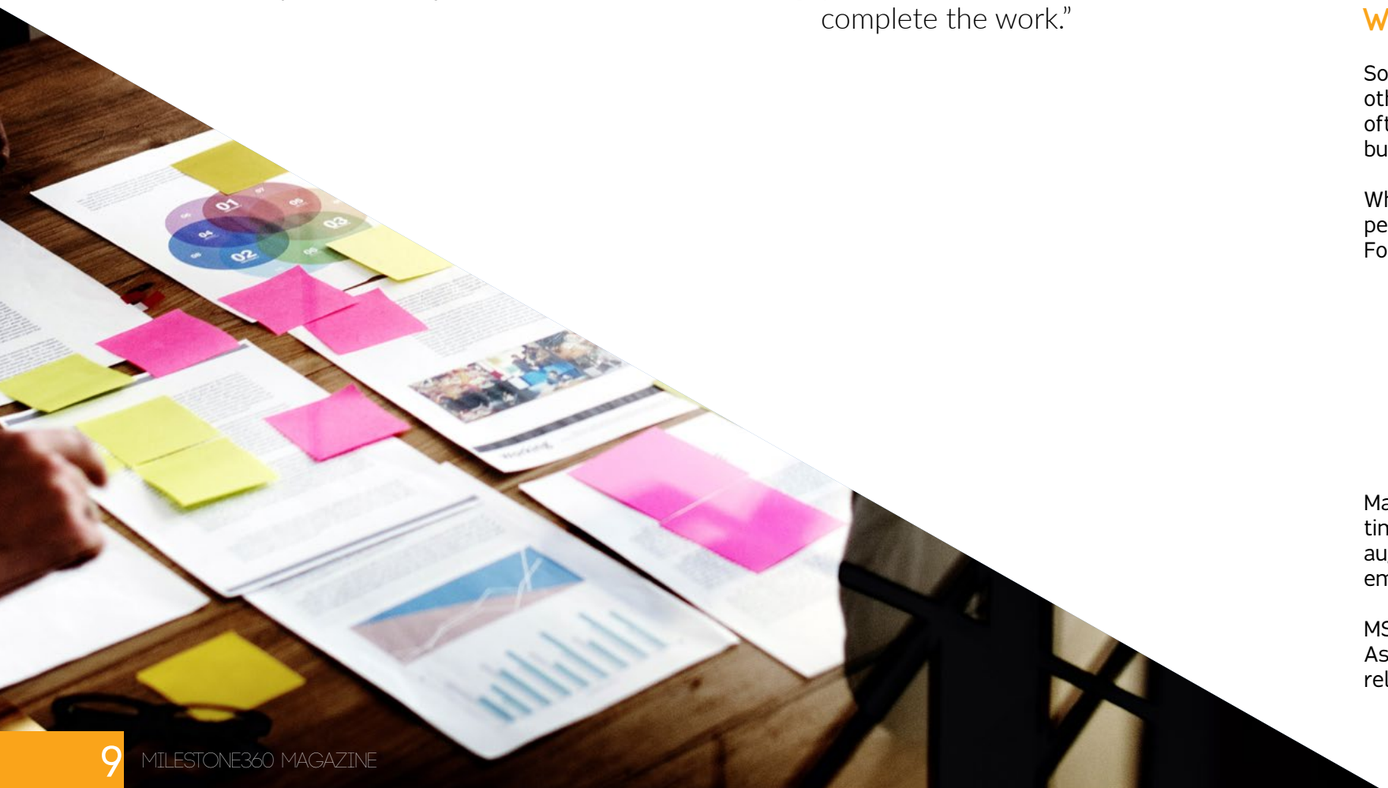

STAFF AUGMENTATION

Staff augmentation behaves more like a microscope; rather than scanning the horizon for areas of improvement, staff augmentation narrows in on one identified focus area to solve a problem.

Staff augmentation is aimed at closing skills gaps among the client's existing employees for a specific project. Staff augmentation firms provide personnel based on their clients' needs. Because they sell time-in-seats rather than services, costs are often assessed incrementally—either per resource or per hour worked. Typically, resources are managed by the client—not by the firm—which can sometimes provide a greater sense of control for the customer.

If a business is struggling to meet looming project deadlines, staff augmentation can be a quick and effective source of momentum. The extra resources can help complete projects without incurring many of the additional costs and risks associated with hiring internally.

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WEIGHING THE OPTIONS

Some IT leaders may be concerned about the potential loss of control often associated with adopting an MSP; others may worry about transitional disruptions or resistance from their internal IT teams. These businesses often prefer staff augmentation because of perceived cost savings and notions of greater control. And, for businesses who only need help with one or two quick projects, working with an MSP may not be the right option.

While there are some benefits to staff augmentation in the short term, staff augmentation over an extended period of time—or across multiple projects—has several hidden costs compared to managed services. For example:

- Specialists may not require subject-matter training, but every new staff augmentation resource must be trained in client-specific processes and tools. Once an MSP understands your environment, they train their resources.
- Even though you may save money associated with hiring internal employees, staff augmentation increases management overhead. MSPs manage their own resources, which reduces both of these cost areas.
- If you need more staff augmentation resources, your rates increase significantly because you pay roughly the same price for each additional resource. With an MSP you're paying for a committed service at a set price.

Managed services are also a more attractive option for IT leaders looking to receive improved results over time across all IT projects. Staff augmentation is about getting projects done, but it can be difficult for a staff augmentation resource to produce results using the same, flawed internal processes that prevented internal employees from solving the problem on their own.

MSPs offer not only people to solve problems, but also people who understand why the problems are occurring. As a result, IT projects get done and clients proactively improve the way they work through careful guidance related to industry best practices—all under a predictable cost structure.

Why Work with an MSP?

THE CHANGING FACE OF IT

As the momentum of advancing technology propels us toward newer possibilities, companies must take longer strides to avoid being left behind in the dust. A strong information technology (IT) structure isn't just about keeping the gears turning—it's about enabling innovation and maximizing the potential of every employee.

Managed Services Providers (MSPs) help businesses grow by not only maintaining, but also improving and streamlining crucial IT systems. With 61% of IT leaders aiming to invest in contracted managed services over the next two years, businesses with an MSP partnership will have a competitive edge at tackling the vast field of IT challenges and clearing room for growth.

ADVANTAGES OF MANAGED SERVICES

By alleviating the stress of IT management from the shoulders of tech leaders, businesses can focus on innovating and developing their core competencies while enjoying the many pros of working with an MSP. These advantages include:

INCREASED PROFITABILITY

According to CompTIA, 46% of companies using MSPs have cut annual IT costs by at least 25%, and of companies with 100 or more employees, 33% considered ROI and cost savings to be a significant factor in their decision to work with an MSP.

- **Better Tools** – Most MSP agreements include access to new technologies, resulting in fewer resources spent on research, product acquisition, training, and implementation.
- **On-Call Experts** – Because consultations with expert technicians are part of the predictable pricing model of MSPs, CIO's can avoid onboarding individual experts to solve complicated issues.
- **Operational Savings** – Predictable pricing models also help reduce operational expenses, eliminate training costs, prevent downtime, avoid maintenance interruptions, and improve inventory management.

IMPROVED SERVICE QUALITY

Of those surveyed by CompTIA, 47% of small companies and 56% of large companies considered improvement in efficiency and reliability to be a major deciding factor when choosing to work with an MSP.

- Proactive – Managed services anticipate problems and take preemptive action to avoid time-consuming and costly disruptions.
- **Automated** – Smart MSPs automate daily tasks, such as system support, monitoring, inventory, and interoperability, to speed up and streamline workflows.
- **Secure** – Responsible MSPs use automation to phase out the potential security risks of human error. 38% of companies in 2015 actually chose to work with one for enhanced security purposes.
- **Experienced** – MSPs that have experience with businesses of every size and industry are ready for any problem your business may face, and can leverage valuable technical resources in the field.

> "Managed Services give IT leaders peace of mind knowing that their technology is being maintained, studied, and improved by seasoned and qualified experts."

ADVANCED SCALABILITY

Every business wants to expand. By minimizing transitional turbulence and creating time and room for scalability, MSPs make IT infrastructures work at their greatest capacity and continue to serve businesses as they grow.

- **Simplify** – MSPs envision the big picture of IT and understand how different platforms and devices interact to create a centralized and efficient system.
- **Adapt** – Companies need experienced MSPs that can help businesses stay relevant and adaptable to industry trends by introducing proactive upgrades that minimize disruption.
- **Focus** – Managed services free up internal IT teams and allow companies to focus on strategizing corporate initiatives and driving business-specific results.

WHAT BUSINESSES HAVE TO GAIN

For companies looking to strengthen and grow, an MSP is a valuable partner. Managed services give IT leaders peace of mind knowing that their technology is being maintained, studied, and improved by seasoned and qualified experts. MSPs also redirect attention away from daily operational functions, allowing internal IT teams to focus on developing their core competencies. When it comes to reaching new milestones without sacrificing great service, Managed Services Providers are the smart and strategic move.

The Managed Services Journey

TEN FACTORS TO CONSIDER WHEN SELECTING A MANAGED SERVICES PROVIDER

Selecting an MSP is one of the most important choices your company will make. Be sure to consider these 10 criteria before you make your decision.

Read Article

YOU'RE WORKING WITH AN MSP: NOW WHAT?

Your MSP is already having an impact at your company, but how will they keep the momentum going? Learn how Continual Service Improvement can help.

Read Article

BUILDING A SUCCESSFUL MSP RELATIONSHIP

Building a successful MSP relationship can turn a simple project into a lasting partnership. Find out how these best practices can help.

Read Article

ITSM AND ITIL: WHAT ARE THEY?

Companies often have trouble distinguishing between ITSM and ITIL, but that doesn't have to be the case. What are ITSM and ITIL, and how do they work together?

Read Article

ITSM: START CLOSING THE GAP

You're ready to transform the ITSM processes at your organization, but you're unsure where to start. Close the gap with assessment, design, and implementation.

Read Article

Help Desk vs. Service Desk

If your company relies on IT, chances are you've heard the terms Help Desk and Service Desk used interchangeably. But what exactly is a Help Desk? What does a Service Desk do? Aren't they the same thing?

The answer is no. While the Help Desk and the Service Desk both address IT concerns, the two have been considered separate services since ITIL V3 was published nearly ten years ago. At a high level, a Service Desk is a planning, decision-making entity that dictates operations that will achieve a goal, and a Help Desk is a group that performs specific actions to act out those operations.

In short, Help Desks and Service Desks differ in purpose:

A Help Desk is tactical.

A Service Desk is strategic.

To illustrate this fundamental difference, you can think of a Service Desk as an architect and a Help Desk as a construction worker. An architect draws out the plans for a building, taking care to address concerns related to compliance, safety, and aesthetics; then, a construction worker performs the specific, concretevactions that make the architect's plan a reality. Similarly, a Service Desk determines which processes need to be followed for IT to function, and the Help Desk performs those processes.

HELP DESK

An IT Help Desk provides actionable IT troubleshooting, incident management, and support for end users at an organization. Successful Help Desks follow a customer service approach, under which end users ("customers") solicit support for software applications, devices, and hardware endpoints. While some Help Desk functions can be provided virtually, end-user needs are typically resolved quickly via walk-up support or desk-side support.

Under a walk-up model, end users take their devices to a pre-determined physical location and either sit down with technicians or drop off their devices for support. Under a desk-side model, technicians travel to an end user's location and guide the user from there.

Effective Help Desks use ticketing software to manage issues, incidents, and requests. This software allows the Help Desk to keep track of the kinds of services they provide, as well as gather metrics related to response times and time-to-close data. This not only enables the Help Desk to provide evidence of SLAs, but also facilitates proactive resolutions and root-cause analysis. Finally, the Help Desk is often responsible for Active Directory management software, which allows them to maintain all of the users and systems in their corporate network.

SERVICE DESK

Rather than focusing on the needs of individual end users, a Service Desk focuses on the needs of the entire organization. Instead of providing support for tangible hardware and devices, Service Desks make strategic decisions about processes to support the business's overall goals.

Service Desks are designed for process improvement, so they often drive IT Service Management (ITSM) decisions within an organization. Specifically, the Service Desk plays a key role in each of ITIL's core five service components: Service Strategy, Service Design, Service Transition, Service Operation, and Continual Service Improvement (CSI). In other words, the Service Desk is responsible for creating, executing, and refining IT services consistently and cross-functionally.

Because end-user support falls under the umbrella of ITSM, many Service Desks contain a Help Desk component for incident, request, access, change, and problem management. While it is common for a Help Desk to exist without a Service Desk, the inverse is far less common.

LET'S REVIEW

While the line between Help Desk and Service Desk can be blurry, there are several distinct differences between the two, particularly in terms of purpose. Below is a high-level guide to help you remember which is which.

Help Desk

- Offers tactical support
- Solves individual issues
- Focuses on Incident Management
- Often exists independently

Service Desk

- Offers strategic support
- Solves organizational issues
- Focuses on Service Management
- Often includes a Help Desk component

ABOUT THE AUTHORS

Jay Preston | EVP of Sales and Services

Jay Preston has served as EVP of Sales and Services at Milestone since 2012. Jay began his technology career at Quantum Corporation and has worked with startup companies like Panasas and ONI Systems (acquired by CIENA). Most recently, Jay completed a six-year term at Cisco, where he served as a Director in the Services Sales Organization and earned the Chairman's Club Award—a distinction reserved for the top 2% of Cisco sales executives personifying leadership, teamwork, innovation, and customer satisfaction.

Jay's responsibilities at Milestone include global sales, marketing, and engineering. He holds a Bachelor of Science degree from Cornell University and a Master's degree in Industrial Engineering and Engineering Management from Stanford University.

Rob Pfeifle | VP of IT Managed Services

Rob Pfeifle has been a technology leader at Milestone since 2007 as a Service Delivery Executive and Director of Organizational Development. Prior to Milestone, Rob served in various IT consulting and operational design roles at companies such as Chevron, Lawrence Livermore Laboratories, and Cisco Systems.

In his current role, Rob is responsible for building and managing IT service delivery teams across Milestone's global customer base. Rob received his degree from the University of Denver.

ABOUT MILESTONE

At Milestone, we've been transforming IT since 1997, when President and CEO Prem Chand founded Milestone Technologies, Inc. Then, Prem's goal was to solve a growing problem for Silicon Valley businesses: IT relocation. Nearly two decades later, we are growing as quickly as the high-tech industry, with more than 1,700 employees serving a client base of over 200 companies in 18 countries. Today, Milestone's goal is to shape the way technology is delivered.
Every solution we provide is driven by experienced people who are determined to understand your business goals and align your IT to help you achieve them, ultimately streamlining your path to success.

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