

WHAT YOU SHOULD EXPECT TO PAY FOR **IT SUPPORT** IN THE GREATER GREEN BAY & FOX CITIES AREA



The Green Bay and Fox Cities
Small Business Owner's Guide
To IT Support And Services

2024 EDITION

**PROVIDED AS AN
EDUCATIONAL
SERVICE**

Dear Colleague,

If you are charged with the success of a business in Northeast Wisconsin that is currently looking to outsource some or all of the IT support for your company, this report contains important information that will be extremely valuable to you as you search for a competent firm you can trust.

My name is Kari Renn, President of Loyalty. We've been providing IT services to businesses in the Green Bay and Fox Cities area for over 19 years. You may not have heard of us before, but I'm sure you're familiar with one or more of the other local businesses that are clients of ours.

One of the most common questions we get from new prospective clients calling our office is "What do you guys charge for your services?" Since this is such a common question – and a very important one to address – I decided to write this report for three reasons:

1. I wanted an easy way to answer this question and educate all prospective clients who come to us on the most common ways IT service companies package and price their services, and the pros and cons of each approach.
2. I wanted to bring to light a few "industry secrets" about IT services contracts and SLAs (service level agreements) that almost no one thinks about, understands, or knows to ask about when evaluating IT services providers that can end up burning you with hidden fees and locking you into a long-term contract when they are unwilling or unable to deliver the quality of service you need.
3. I wanted to educate our community on how to pick the right IT services company for their specific situation, and budget and needs to be based on the VALUE the company can deliver, not just the price, high OR low.

In the end, my purpose is to help you make the most informed decision possible, so you end up working with someone who helps you solve your problems and accomplish what you want in a time frame, manner, and budget that is right for you.

Dedicated to serving you,



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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 with another, you need to understand the three predominant service models most of these companies fit within. Some companies offer a blend of all three, while others strictly offer only one service plan. The three predominant service models are:

- **Time and Materials:** In the industry, we call this “break-fix” service. 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 e-mail latency issues, or it may encompass a large project, like a 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 fully outsourced “IT department” and not only installs and supports all the devices and PCs that connect to your network, but provides on-site support, antivirus, cyber 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 some form of managed IT is essential for every small business.

Managed IT services take a proactive approach to IT management. Instead of waiting for something to break or malfunction, managed service providers (MSPs) actively monitor and maintain your systems, identifying and addressing potential issues before they become major problems. This approach helps minimize downtime and ensures a more reliable and stable IT environment. With managed IT services, you typically pay a fixed monthly fee for comprehensive IT support. This predictable cost structure allows for better budgeting and financial planning since you know exactly how much you'll be spending on IT services each month.

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 nor expertise to implement (such as migrating to a cloud-based solution, implementing a cyber security plan, 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.

At Loyalty, we offer two different plans to fit the needs of our clients. For our small to mid-sized clients, we offer a fully managed approach where more comprehensive IT services are covered in a managed plan. By doing this, we can properly staff their accounts and ensure they get the fast, responsive support and expertise they need. Our other option for our larger clients is a co-managed approach. This is for companies with IT staff. We will manage a defined part of the environment and work with internal IT staff in a supportive role.



WHY REGULAR MONITORING AND MAINTENANCE IS CRITICAL FOR TODAY'S COMPUTER NETWORKS

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 that work around the clock to do one thing: hack into your network to steal data or money or to hold you ransom.

As you may know, ransomware is at an all-time high because hackers make millions of tax-free dollars robbing one small business owner at a time. But that's not their only incentive.

Some will attempt to hack your network to gain access to bank accounts, credit cards, or passwords to rob you (and your clients). Some use your computer network to send spam using YOUR domain and servers, host pirated software, and of course, spread viruses. Some even do it just for the “fun” of it.

Don't think for a minute these cybercriminals are solo crooks working alone in a hoodie out of their basement. They are highly organized and well-run operations employing teams of hackers who work together to scam as many people as they can. They use advanced software that scans millions of networks for vulnerabilities and use readily available data on the dark web of YOUR usernames, passwords, e-mail addresses, and other data to gain access.

Of course, this isn't the only IT danger you face. Other common “disasters” include rogue employees, lost devices, hardware failures (still a BIG 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 75 employees to hire a full-time IT person for a few reasons.

First of all, no one IT person can know everything there is to know about IT support and cyber security. If your company is big enough and growing fast enough to support a full-time IT lead, you probably need more than one guy. You need someone with help-desk expertise as well as a network engineer, a network administrator, a CIO (chief information officer), and a CISO (chief information security officer).

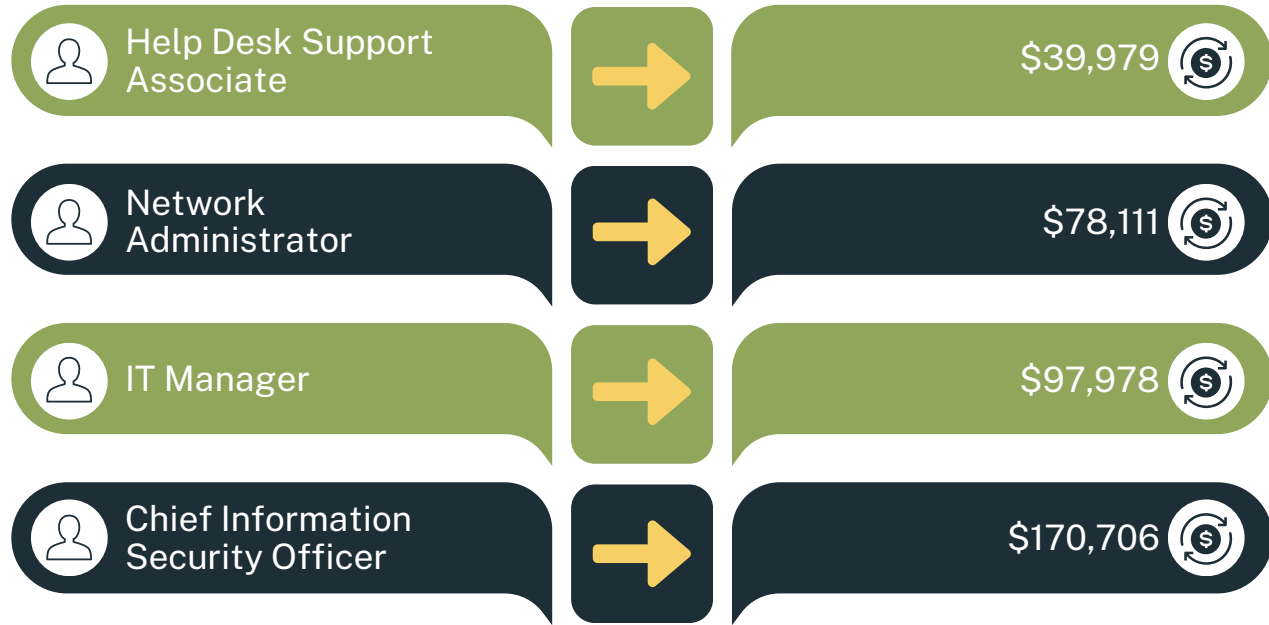
Therefore, even if you hire a full-time IT person, you may still need to supplement their position with co-managed IT support using an IT firm that can fill in the gaps and provide services and expertise they don't have. This is not a bad plan; what IS a bad plan is hiring one person and expecting them to know it all and do it all.

Second, finding and hiring good people is difficult; finding and hiring skilled IT people is incredibly difficult due to the skill shortage in IT. And if you're not technical, it's going to be very difficult for you to interview candidates and sift and sort through all the duds out there to find someone with good skills and experience. Because you're not technical, you might not know the right questions to ask during the interview process or the skills you need to do the job.

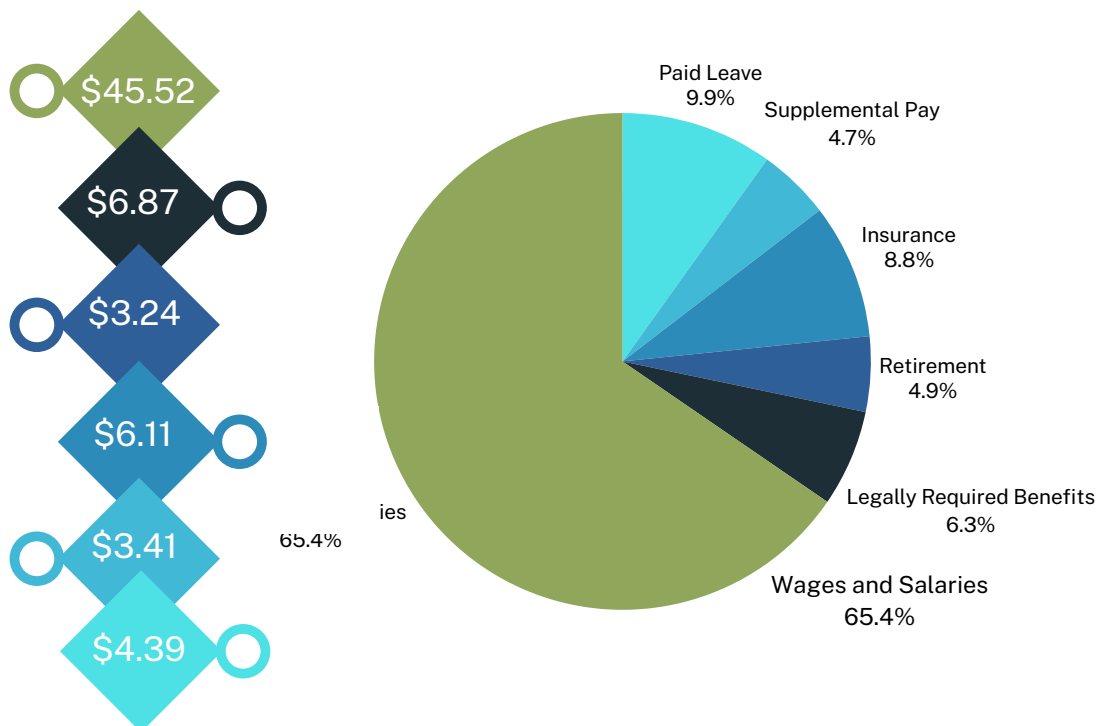
More often than not, the hard and soft costs of building an internal IT department for general IT support just don't provide the best return on investment for the average small to midsize business. An internal IT department typically doesn't make sense until you have closer to 75 employees OR you have unique circumstances and need specialized skills, a developer, etc., but not for day-to-day IT support and maintenance.

To further illustrate the financial implications of hiring an internal team to support your network, review the market conditions reporting provided to give you context around the full cost of salary and benefits for companies in Wisconsin.

Wisconsin Salary Data



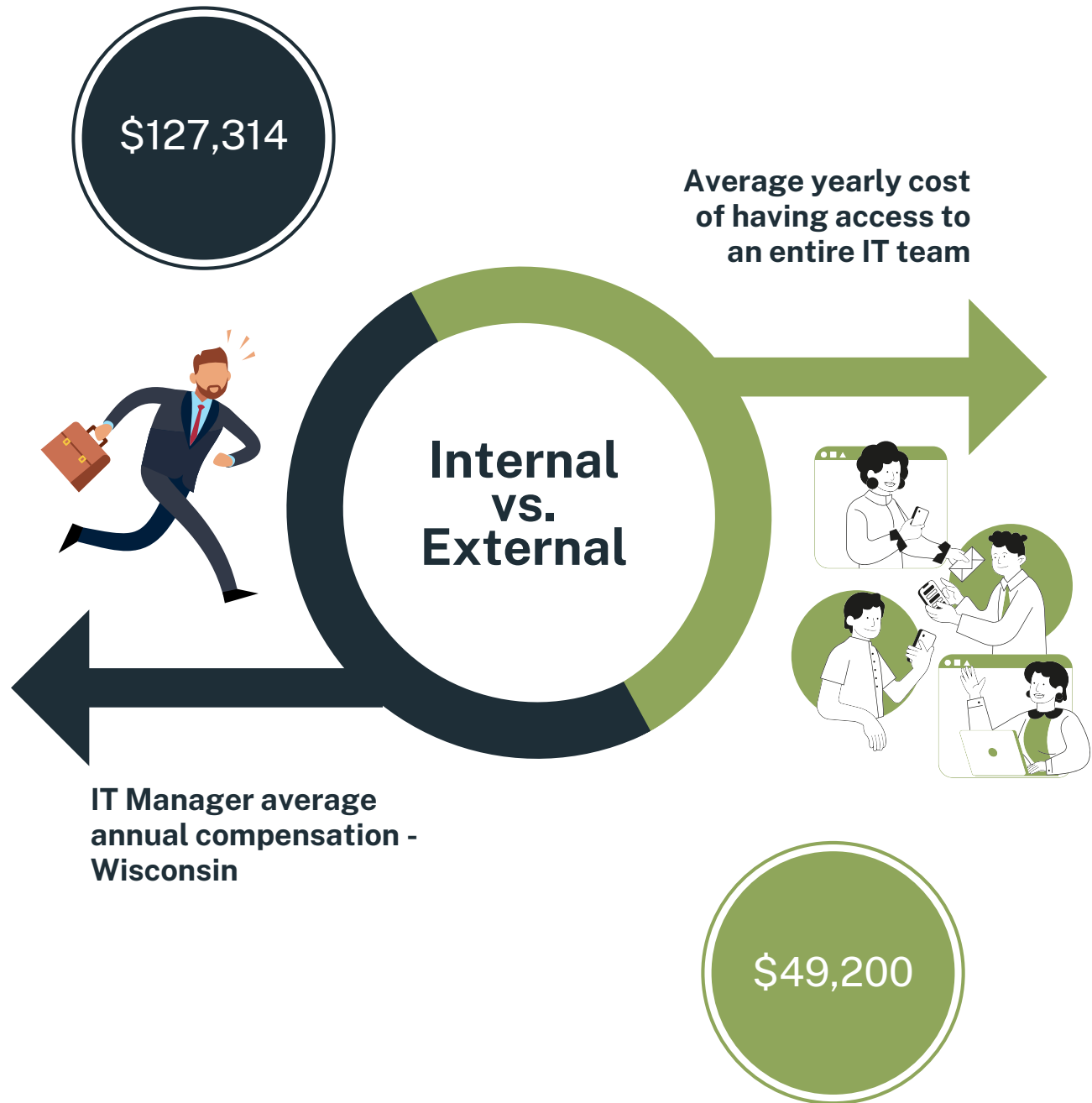
Hourly Compensation Cost: Information Technology



About Our Data

ZipRecruiter salary estimates, histograms, trends and comparisons are derived from both employer job postings and third party data sources. Employer Costs for Employee Compensation (ECEC); Data for this reference period were collected from a probability sample of approximately 27,800 occupational observations. Additional and historical ECEC estimates are available in the ECEC database query tool at www.bls.gov/ecec/data.htm

Cost Comparison



About Our Data
Kaseya annual MSP Benchmark Survey - November 2022

About Our Data
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WHY “BREAK-FIX” WORKS IN THE CONSULTANT’S FAVOR, NOT YOURS

Under a “break-fix” model, there is a fundamental conflict of interests between you and the IT firm. The IT services company has no incentive to prevent problems, stabilize your network, or resolve problems quickly because they are getting paid by the hour when things stop working; 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. Managed IT services often include service-level agreements (SLAs) that outline guaranteed response times for resolving issues in your contract. In contrast, with break-fix solutions, response times can vary depending on the availability of IT technicians, potentially leading to longer periods of system disruption.

Under this model, the IT consultant can take the liberty of assigning a junior (lower-paid) technician to work on your problem – one who may take two to three times as long to resolve an issue that a more senior (and more expensive) technician might resolve 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 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). If your intention to outsource a portion of your IT is driven by the desire to concentrate on other aspects of your business and expand its scale, constantly monitoring and overseeing a break-fix consultant would undermine any anticipated time advantage you believed you would achieve. Opting for a solution that fails to prioritize and address your business needs is a significant drawback and can be detrimental to the success of your business.



WHAT SHOULD YOU EXPECT TO PAY?

At LoyallTy, our pricing structure is based on the package you choose and the number of devices you require support for. We offer a range of packages, and even our minimum package is designed to ensure that you can successfully pass the Cyber Security Insurance annual questionnaire. This questionnaire is essential for obtaining Cyber Security Insurance coverage and accessing the necessary security toolset to protect against cybercrime.

While our pricing may be higher compared to some competitors, we firmly believe in providing the toolset required by Cyber Security Insurance as a minimum standard. Additionally, our pricing reflects the value of having knowledgeable technicians available to assist you and your employees when IT issues arise. Quality technical expertise comes at a cost, but it ensures that problems can be resolved efficiently and effectively.

On average, our fully managed offering typically ranges between \$140 and \$200 per device per month, depending on the specific package you select. For co-managed services, the pricing usually falls between \$100 and \$160 per device. It's important to remember that when it comes to IT services, the adage "you get what you pay for" holds true.

If you come across an IT company offering services at a lower price than the ranges mentioned above, it's worth questioning the quality of the toolsets they utilize and whether they have enough technical resources to provide prompt responses. In some cases, lower-priced providers may rush through issue resolution, potentially neglecting to address the root cause and leading to repeated problems. Alternatively, they may lack the budget to hire experienced technicians, resulting in longer resolution times for your IT issues.

At LoyallTy, we prioritize delivering comprehensive solutions, knowledgeable support, and prompt assistance to ensure your IT needs are met effectively. We understand that investing in the right resources and expertise is crucial for maintaining a secure and efficient IT environment for your business.



It is important to note that the price quotes mentioned below are industry averages derived from a comprehensive IT industry survey involving more than 750 IT services firms. We present this information to provide you with a general understanding of the typical charges in the industry. It also highlights the significant variations in service agreements that you need to be mindful of before finalizing any contractual commitments.

However, we want to emphasize that the pricing model and approach we adopt differ from these industry averages. Our primary objective is to thoroughly understand your goals and requirements before tailoring a solution that precisely aligns with your unique needs, budget, and circumstances. We believe in providing customized services that are specifically designed to address your individual business challenges and objectives.

Hourly Break-Fix Fees: Most IT services companies selling break-fix services charge between \$165 and \$200 per hour with a one-hour minimum in the greater Green Bay and Fox Cities area. 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 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, workflow, costs, security, access, etc. The more detailed you can be, the better. Detailing your expectations upfront will go a long way toward 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 upfront aligns both your agenda and the consultants. 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 and bill accordingly. We also have a Project Manager dedicated to the projects to communicate with you and keep your projects moving along.

Managed IT Services: Most managed IT services firms will quote you a MONTHLY fee based on the number of users they need to maintain, back up, and support. In Green Bay and the Fox Cities area, that fee is somewhere in the range of \$101 to \$250 per user. Managed IT service firms quoting >\$100 generally live in extremely rural areas or have an internal staff of >3 employees.

PER-USER RATES

Under this pricing model, MSPs charge a flat fee per user, per month for ongoing support and maintenance of all devices used by each user. This can include support for office PC, home PC and mobile devices such as smartphones, laptops, and the like.



PER-DEVICE RATES

MSPs charging per-device rates charge a flat fee per device, per month for ongoing support and maintenance. The price of each device varies based on the complexity involved in managing it. A common example is charging more per device for managing a server than a desktop.



PER-MONTH RATES

As the name suggests, under this model, MSPs charge their customers on a monthly basis depending on the services provided.

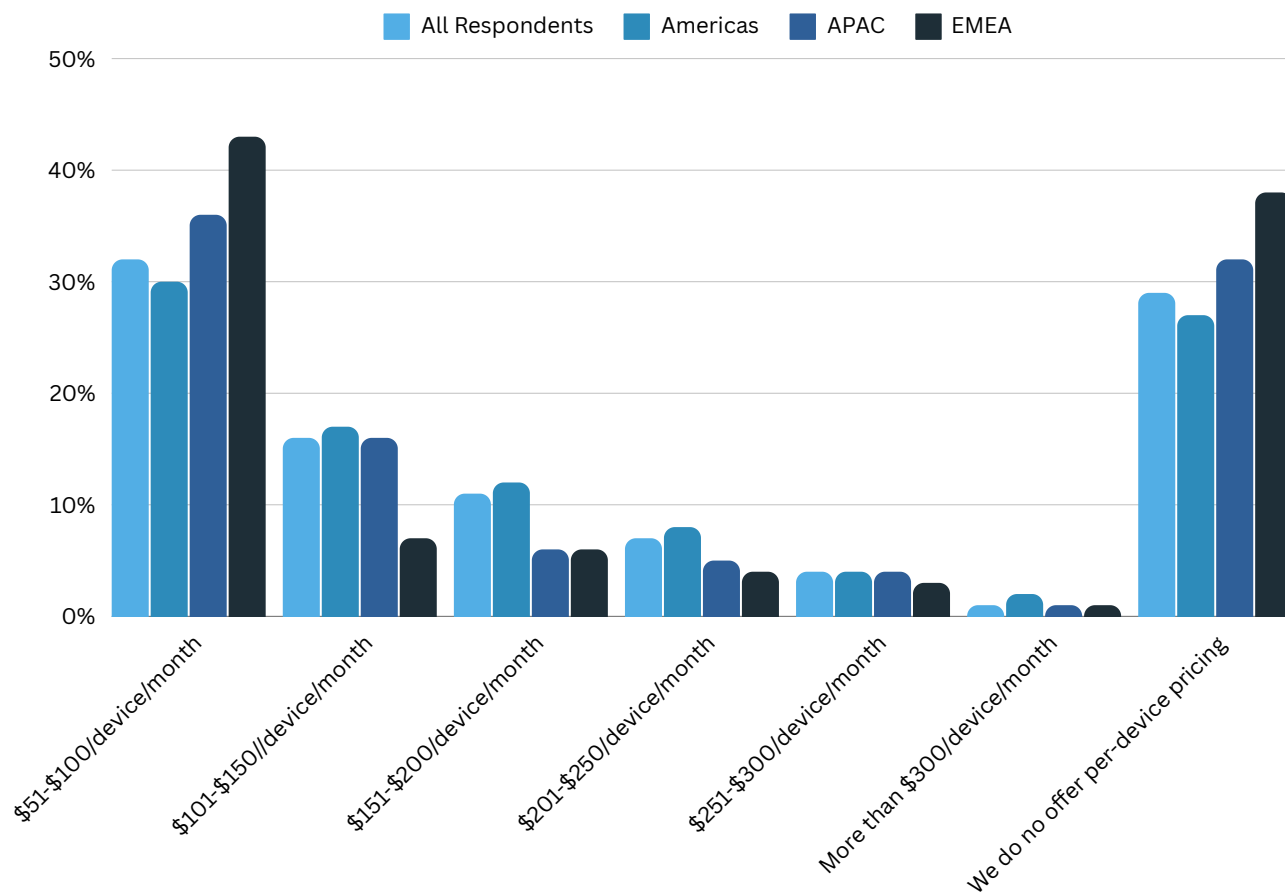


PER HOUR RATES

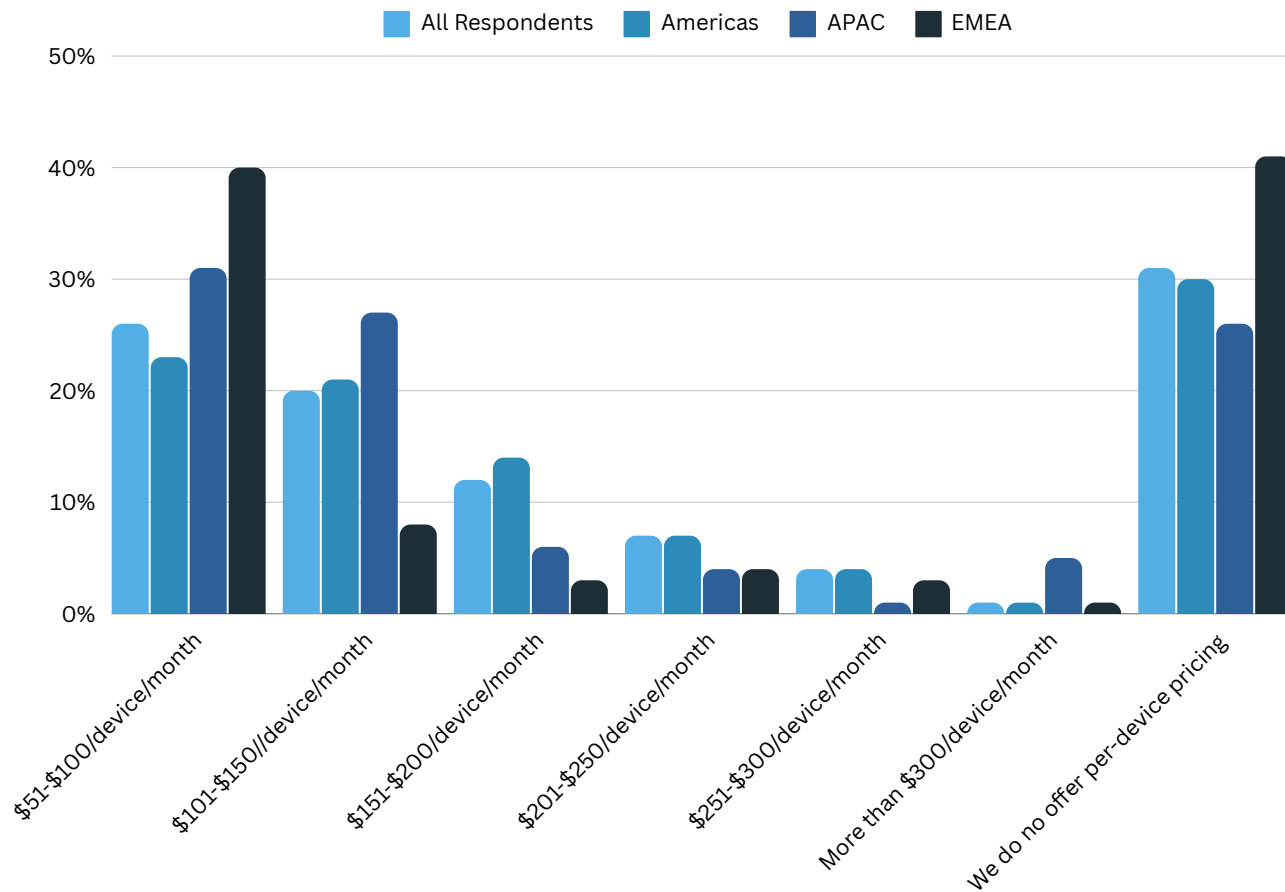
Under this model, MSPs charge customers on an hourly basis, depending on the services provided.



PER-DEVICE PRICING MODEL



PER-USER PRICING MODEL



When evaluating proposals from IT services firms, it is very evident that each proposal differs significantly from one another. This disparity makes it challenging to compare and decipher the complex language, technical jargon, and terms used, which often results in difficulty in determining whether the price is fair or if the proposal is misleading. Opting for the "cheapest" or less expensive IT provider can prove to be a costly mistake due to their exclusion of essential components and hidden fees in their contracts. The comparison between a cheap IT provider and proactive IT Solutions clearly demonstrates the shortcomings of choosing the inexpensive option. The seemingly minimal savings can quickly turn into losses when billable services are frequent.

If you hire an IT consultant and sign up for a managed IT services contract, here are some things that SHOULD be included as the bare minimum (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
- Monitoring workstations and servers for signs of failure
- Optimizing systems for maximum speed
- Documentation of your network, software licenses, credentials, etc.
- Best practice and alignment assessments at regular intervals
- 24/7 support availability
- Business and strategic planning at regular intervals
- Ticket reporting and metrics
- US-based support

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
- Special projects
- Disaster Recovery Tests
- Technical Writing requests.. example: Disaster Recovery Plans
- End-user application training
- Home PC and home network equipment troubleshooting
- Cell phone troubleshooting, outside of email connectivity
- Third-party software support

It is important to note that the points discussed here are not exhaustive, and we recommend asking thorough questions to any managed service provider during the bidding process. This resource serves as an educational tool to enlighten you about potential pitfalls and to emphasize the significance of comprehensive IT services that prioritize your business's security and operational efficiency.

I sincerely hope that the information provided in this guide assists you in making the optimal decision for your company. By enabling you to choose a reputable and proficient firm for IT support outsourcing, we aim to contribute to the prosperity of not only your business but also our entire community. Together, let us foster an environment where all organizations thrive and achieve their full potential.

Would You Like to Set Up A Free Call With Us?

If you have any questions about what you read today, we'd like to answer them. On this call we can discuss your unique situation, and any concerns you have, and of course, answer any questions you have about us. If you feel comfortable moving ahead, we'll schedule a convenient time to conduct our proprietary Network Assessment.

This Assessment can be conducted 100% remotely with or without your current IT company or department knowing (we can give you the full details on our initial consultation call).

At the end of the Assessment, you'll know:

- Where you are overpaying (or getting underserved) for the services and support you are currently getting from your current IT company or team.
- Whether or not your systems and data are truly secured from hackers and ransomware, and where you are partially or totally exposed.
- If your data is actually being backed up in a manner that would allow you to recover it quickly in the event of an emergency or ransomware attack.
- How you could lower the overall costs of IT while improving communication, security and performance, as well as the productivity of your employees.

Fresh eyes see things that others cannot – so at a minimum, our free Assessment is a completely risk-free way to get a credible third-party validation of the security, stability, and efficiency of your I.T. systems.

To claim your free discovery call, please email me directly at krenn@loyalty.com
OR call our office at 920-489-3187.

OUR MISSION:

To make IT work at work so our clients can focus on their company goals without interruption.



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