



What will pay off?

1

Do you invest in an **employee** to help you with your IT challenges?

2

Go for a **Time & Materials** based IT support service?

3

Find a remote monitoring group to **service** our IT infrastructure?

→ **A comprehensive study** comparing Return on Investment for three IT service options: self-managed IT support, Time & Material based IT support, and Crystal Communications Managed Services.

Return On Investment



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This document is a comparative study of different methods you can employ to manage your IT infrastructure. For the purpose of comparison, we look at three different options in which you can manage your IT infrastructure – manage it yourself (Self-managed), manage through an IT support vendor charging you on a “Time and Material” basis, or you can rely on Crystal Communications Managed Services.

The document discusses various facts related to achievable hard dollar savings and soft ROI benefits for each option. For illustration purposes, we will present a case study of a typical small or medium business having 30 user desktops, five servers (one Mail server, three Database servers and one File/print server), one firewall, one router, two switches and five network printers. Below you will find a detailed analysis of the options available to you.

THREE CHOICES

➔ Self-managed

Consider a case in which you decide to manage your IT network by hiring your own full-time staff which comprises a decent network or IT administrator. It will cost you between \$40,000 and \$60,000 depending on your location and the local 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. Furthermore, you will need to purchase IT management systems and required hardware; we assume a one-time cost of \$10,000. Your staff training on the management software would cost you \$2,500 more. In sum, you end up spending \$60,475 annually and about \$10,000 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 \$125 per hour with an average call time of 2.5 hr per call and \$25 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 @\$3,713 per month or @\$44,556 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.

➔ Managed Services

Crystal Communications Managed Services would include proactive monitoring of your Servers and manages your Mail Server and Database Server. It carries out preventive maintenance on your Desktop along with maintaining Network devices for optimal performance. End-users can call on a toll-free number to inform us of their day-to-day operational issues, which would be attended by our expert help desk staff. We also provide third-party Vendor management so you don't have to. We charge for our remote care services @\$32 per month per Desktop, @\$299 per month per Server, @\$100 per month for Network devices, @\$299 per month per Database server, @\$299 per month per Mail server, @\$150 per month per Firewall, and @\$100 per month per Network printer aggregating our total estimated annual charges to \$40,860.

COMPARE



Pricing / Models	Self-managed		T&M IT support		Crystal Communications	
	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	\$0	\$44,556	\$0	\$40,860	\$0
Total with Supervisor	\$60,475	\$10,000	\$44,556	\$0	\$40,860	\$0

SOFT ROI FACTORS	Self-managed	T&M IT support	Crystal Communications
Average time to response	Immediate	2-4 hours depending on time to travel to site	Immediate through NOC
Percentage of IT problems Addressed	100% All problems are attended to by the in-house team	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 until the next visit of the IT support engineer	100% Using a toll free number end users report a problem. With remote control techniques, Crystal Communications resolves 93% of issues instantly.
Loss of productivity per year Per employee (hours) Total (hours) Estimated Dollar Cost	25 hours 750 hours \$26,250	50 hours 1500 hours \$52,500	10 hours 300 hours \$10,500
Type of Support	Reactive for 8 hours	Reactive to down situations	Proactive monitoring on 24x7 basis, toll free number for help desk

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

SUMMARY

The table given below presents the comparison of advantages and disadvantages of Crystal Communications Managed Services, Time and Material IT support management, and Self-managed IT support management. It shows the benefits you get when you opt for Crystal Communications Managed Services to manage your IT infrastructure.

	✦ ADVANTAGES	✦ DISADVANTAGES
Crystal Communications Managed Services	<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"> • Classic 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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