



***An Executive Brief for IT and  
Business Decision-Makers in  
Multinational Companies (MNCs)***

**Your Checklist for Evaluating  
Global Managed Services,  
including Cloud Services**

An Independent Analysis Published on Behalf of Virtela.



## Introduction

Multinational companies (MNCs) are facing a unique combination of escalating customer, competitive and operational pressures which are forcing them to fundamentally change the way they do business and manage their IT infrastructures supporting network, security and mobility needs.

Varying customer demands, intensifying global competition, and supporting an increasingly dispersed and mobile workforce in the face of continued economic uncertainties are driving IT and business decision-makers to pursue more cost-effective methods of managing their IT infrastructure resources without making additional capital investments or adding more staff.

These escalating pressures are pushing an increasing proportion of MNC corporate executives to offload, or 'out-task', various aspects of their day-to-day management responsibilities to skilled third-parties that can perform these functions more cost-effectively.

These trends have fueled the growth of managed services over the past decade, and most recently, the emergence of a new generation of managed cloud services.

The good and bad news is that there is no shortage of service providers, managed services and cloud solutions available in the market today. As a result, it has become increasingly difficult for IT leaders at MNCs to select the right service provider to meet their needs.

This Executive Brief will:

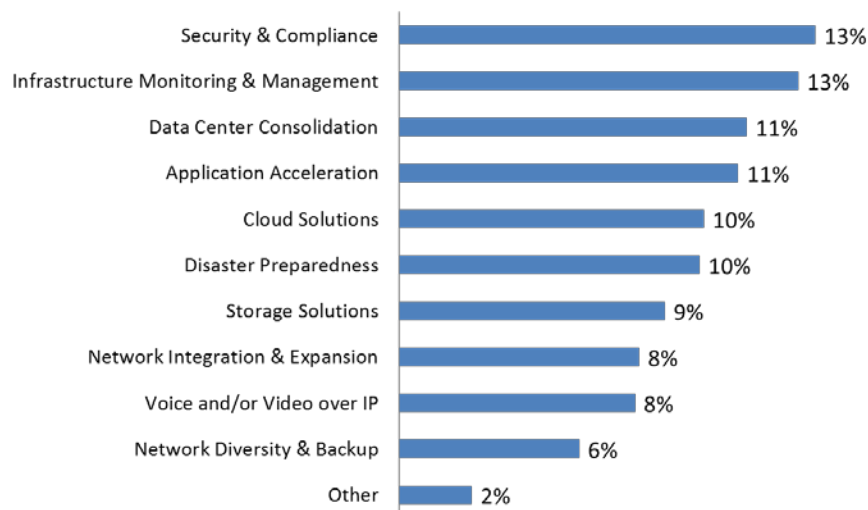
- Discuss the unique business challenges and IT requirements that MNCs have for networking, security and mobility.
- Explain how managed cloud services can help MNCs address these unique needs.
- Provide practical advice regarding how to evaluate managed service providers (MSPs) to ensure they can satisfy your global IT and business requirements.

## MNCs' Unique Business and IT Infrastructure Challenges

Virtela recently conducted a survey of 400 IT professionals from a variety of MNCs to better understand their changing needs and evolving strategies. The survey found that the respondents' priorities for 2011 are evenly split between two areas: "security and compliance" and "infrastructure monitoring and management". Not far behind on their priority list is data center consolidation, application acceleration and cloud solutions. (See, Figure 1)

In THINKstrategies' view, these priorities are inter-related. Employees, customers and business partners globally are relying on more mobile, interactive and time-sensitive applications, and transferring larger data files to foster more rapid transactions or effective collaboration. As an example, ensuring that workers at manufacturing and technical centers in China, Brazil, and Spain are just as productive as employees at the main office in Michigan demands a secure, high availability and low-latency infrastructure.

Figure 1

**“What are your top IT infrastructure priorities for 2011?”**

Source: Virtela Technology Services Incorporated

Security and compliance of these highly distributed resources is critical to safeguard against outside attacks, internal disruptions and regulatory violations. Some MNCs may also face compliance issues specific to each country in which they operate, depending on the type of business. Hence, this is a top priority for IT leaders.

Infrastructure monitoring and management which extends to the end-users' mobile devices is essential for MNCs to optimize the performance of their increasingly complex, multi-vendor, global networks to properly support their remote employees and business locations. Imagine the variety of local providers, access options, hardware devices, and technologies MNCs have to manage across many countries. On top of that, think about onsite resources needed as well as customs and even cultural issues these IT managers face with global deployments.

And application acceleration ranks in the top five due to greater latency issues because of the longer distances between offices, a challenge not as significant with companies with primarily local, national or regional presence.

Not surprisingly, MNCs have also prioritized cloud solutions. Beyond cloud-based storage and compute services from companies like Amazon, Terramark and Rackspace or SaaS solutions like Salesforce.com and Google Apps, MNCs are considering cloud solutions for WAN optimization, application acceleration, security, remote access and even mobile device management.

However, today's continuing economic uncertainties are placing financial constraints on MNCs, which are compounded due to intensifying price competition and escalating operating costs internationally. As a result, MNCs must smartly allocate funds for strategic investments and tightly manage their operating budget. They must figure out ways to do more with their limited resources and capital dollars.

## Leveraging Managed Services to Overcome Top Challenges

Addressing these challenges is no easy matter. In fact, MNCs require highly specialized skills, dedicated resources and capital investments to provide services quickly and deliver high performance consistently across all locations and end users, which few MNCs can afford. And, in today's tough economic environment, most MNCs must focus their in-house IT staff on strategic initiatives and core competencies.

More decision-makers are recognizing the value of selectively offloading, or out-tasking, specific management responsibilities to managed service providers (MSPs). In fact, thirty-one percent of the CIOs and other IT decision-makers surveyed by Enterprise Management Associates said that an IT operation run entirely by MSPs would be acceptable. That proportion rose to more than half when only responses from executives were considered. Those IT leaders were driven primarily by a desire to cut costs, as 41 percent of respondents said MSPs were an attractive option for that reason. Close behind, at 37 percent, was superior technical expertise, something specialized MSPs can frequently offer because of their focus on specific services.

## Selecting the Right MSP to Meet Your Global Needs

THINKstrategies has developed a checklist of evaluation criteria to help MNCs select the right MSPs for their global needs. The checklist is grouped into three categories: Services, Infrastructure/Platform and Customer Support.

### Services

❑ **Scope of Managed Services** – MNCs should consider MSPs that offer a range of managed services that support the most critical IT needs that cannot be served well with in-house resources. Remote sites typically are the most constrained for resources and budget and hence, may dictate the range of services required from an MSP. Some of the most critical requirements include:

- **Networking.** MPLS, IP VPN, Application Acceleration, Secure Remote Access services to connect locations and users around the world.
- **Security.** Firewall, Intrusion Prevention, Web Filtering, Mail Defense and Security Information & Event Management (SIEM) services to secure the network and applications.
- **Mobility.** Mobile Device Management to secure and manage mobile devices, including employee-owned devices.

And there are some MSPs that provide infrastructure assessment, monitoring and management of the IT infrastructure. MNCs can choose to out-task their entire IT infrastructure or parts of it (e.g., the security devices, the WAN and LAN, or IP telephony infrastructure) to an MSP. Companies should look for MSPs that can support a variety of networks from various carriers, devices, technologies and vendors. These MSPs should have the necessary certifications, processes and tools, 24x7 worldwide support, partnerships and proven track record in managing global deployments.

With an MSP that offers these services, MNCs gain the flexibility of migrating between services, adding services quickly as needed and managing a single vendor. MNCs can also achieve economies of scale and have more leverage to negotiate deeper discounts.

❑ **Cloud Services** – Another key criterion for MNCs in evaluating MSPs is the availability of cloud-based options for the services mentioned above. Managed cloud services do not require CPE, can be turned up faster and are generally offered with low recurring fees. Companies can achieve even greater cost savings as they layer on multiple cloud-based services. These solutions are simpler and much easier to manage compared with appliance or CPE-based deployments.

❑ **Flexible, Personalized Services** – When asked what MSPs can improve with their service offerings, according to Virtela's survey, the top responses from MNCs are: have a better understanding of their needs and offer personalized solutions. MNCs must consider MSPs that have partnerships with various carriers and vendors so that they can choose the best solution for their needs for various lines of business, applications, or even locations. In today's environment, MNCs can't afford to be constrained by a particular carrier's network and a handful of devices or vendors it supports.

Additionally, MSPs that offer both managed CPE and managed cloud services give companies the ability to deploy whichever solution makes the most sense. Or, they can decide to mix-and-match (e.g., CPE for the larger sites and cloud for the remote sites) for a hybrid design. A hybrid solution is often the ideal solution for most companies.

❑ **Worldwide Coverage** – Naturally, MSPs that offer a wide geographic reach have an advantage. MNCs should consider not just their current locations but also regions planned for future growth when choosing an MSP. More than likely, for a company with locations in two or more continents, an MSP would need multiple partners to support all of the MNCs' locations. Companies should consider service providers that have partners around the world. This also gives MNCs several options for access, diversity and backup.

❑ **SLAs** – MNCs should no longer be satisfied with just the traditional service availability, repair and response time SLAs. Consider MSPs that offer more meaningful SLAs based on end user experience or application performance, as examples. Free trials and money-back guarantees are all fair game.

### **Infrastructure/Platform**

❑ **High Performance Network** – MSPs should evaluate how the MSP has architected its network to ensure high availability and performance globally. MNCs also need to understand how the MSP ensures high performance, even across partner networks. Connections between carrier networks are common in global deployments. MNCs need to think about the level of redundancy they want. MNCs would be wise to choose an MSP that has already built that level of redundancy versus doing it themselves. There are some MSPs that have built multi-carrier backbone networks with intelligent routing. This type of backbone routes traffic on the best performing paths across multiple carriers and can hence withstand even complete carrier network failures.

❑ **Cloud Platform** – Not all cloud platforms are created equal. There are cloud platforms that are designed to better meet the global needs of MNCs. MNCs should consider MSPs that have multiple data centers deployed around the world, close to the end users. This ensures that the cloud can service traffic and support real-time applications immediately at the point of entry versus having to route it to a far-flung data center. Also consider MSPs that employ an open architecture that's vendor, technology and even carrier independent. Open architectures allow MSPs to deliver a wide variety of services to any location, using the best solution for a specific service. Lastly, the cloud platform should use virtualization technology, not rack-and-stack (multiple boxes at the data centers) implementations, to provide more cost effective services and faster service activation.

❑ **Customer Portal** – MNCs need to consider MSPs that offer a single customer portal for all services to help them manage the various phases of the service lifecycle: order entry, service activation and make changes, enter and track trouble tickets, view reports and status, inventory management, as well as view and pay bills.

## Customer Support

A study by research firm Chadwick Martin Bailey found that when it comes to MSPs companies tend to view customer support as one of the key aspects of the service. The study, which surveyed 342 enterprise decision-makers, found that customer support was deemed the most important part of selecting an MSP. In fact, according to the report, customer support was ranked four times as important as some technical parameters, such as network architecture.

Similarly, Virtela's survey found that MNCs are generally satisfied with MSPs. However, the MNCs noted that the MSPs that are most likely to meet their needs are those that focus on the following support elements:

- Understand their unique requirements
- Develop flexible and personalized services
- Communicate status and issues in a timely manner
- Proactively notify them of problems
- Offer more value for the price

Customer Support is important to MNCs because of the potential impact to the business of service performance degradation and downtime. Every minute that a problem is left unresolved could result in lower productivity, dissatisfied end users and even loss of revenue. With a complex global implementation with a myriad of services, technologies, devices, vendors, and carriers, coupled with time zone, distance, communications and cultural challenges, MNCs must carefully evaluate and select an MSP that they can trust to provide exceptional support.

Here's a checklist of the critical components of a quality global support program.

❑ **Track Record of Serving MNCs** – Not all MSPs can serve MNCs well. MNCs need to consider MSPs that have built their business model and operations to serve the needs of MNCs, have many successful deployments, and have customer references in the space.

❑ **Single Point of Contact** – More often than not, MNCs have to manage complex environments composed of multiple vendors. MNCs can and should expect the MSP to serve as the single point of contact for a variety of services and manage all the third-party vendors that make up the solution. Look for a 24x7 follow-the-sun model with redundant operations centers.

❑ **Dedicated Support Team** – Given the unique needs of MNCs, they should look for MSPs that provide a dedicated support team to ensure that they get the personalized attention they deserve throughout the lifecycle. This dedicated support team may include an account manager, solutions engineer, operations team, project manager and even a billing specialist to resolve any billing issues quickly.

❑ **Timely Communications of Status and Issues** – MNCs need to ask the following questions to determine how well the MSP communicates:

- For what types of situations do you send communications? When? How often?
- What vehicles do you use to communicate with your customers?
- Who is responsible for various types of communications?
- Provide some reports and testimonials that attest to the timeliness of your communications.
- Provide samples of your communications.

Timely communications is critically important with MNCs because they largely rely on the MSP to manage a highly geographically dispersed infrastructure that the MNCs may have little to no direct control over due to lack of on-site, in-house IT resources in key remote



locations around the world. The timely communications provides the peace of mind that the MNCs want, even just to know that the MSP is working on solving the issue and nothing has fallen through the cracks.

❑ **Proactive Notifications of Problems** – There are MSPs that have a high percentage of trouble tickets that are opened proactively. MNCs should evaluate the MSP's processes, tools and systems they use to identify issues and problems proactively. Better yet, look for MSPs that can diagnose and fix problems before they severely impact the health of the network. There are MSPs that use predictive analytics to do just that.

However, not all issues can be predicted or avoided. So MNCs will need to alert the MSPs when there's an issue. Companies need to evaluate how quickly the MSP will answer the phone or text/email or page, who answers the phone when they call, and would they need to be transferred to another person or multiple people to get the problem resolved. MNCs should consider MSPs that have fast average times to answer calls, high percentage of tickets resolved at first call, and have engineers rather than trouble ticket takers that respond to customer calls.

Support elements are the hardest criteria to evaluate. However, given the importance of support to MNCs and the impact to their business, MNCs must take the time to talk with customer references, review testimonials, look for industry recognition and awards, review reports that show excellence in support and interview the dedicated account team members.

## Summary & Conclusions

As companies grow, IT groups face the challenge of supporting more end users, applications and locations with limited in-house IT resources and budget. These challenges are further exacerbated with MNCs due to the complexity of the IT infrastructure; latency issue due to greater distances; multi-vendor implementation; lack of technology, vendor and access provider options in remote areas; time zones and even cultural issues.

Many MNCs are turning to MSPs, particularly those that offer cloud services, to address their networking, security and mobility needs around the world. However, MNCs must carefully evaluate MSPs before making their final selection. Not all MSPs have a business and operations model that can serve the needs of MNCs well.

There are key criteria in the areas of Services, Infrastructure/Platform and Customer Support that MNCs should use in the evaluation process. However, of these three, Customer Support has proven to have the biggest impact on the MNCs' business and most MNCs have placed the highest importance on support. Key areas of support include proven track record with MNCs, single point of contact, dedicated account team, timely communications of status and issues, and proactive notification of problems.

By leveraging today's managed services and cloud solutions, MNCs can reduce their operating costs, serve end users more effectively, focus on more strategic initiatives, and gain a competitive advantage in the market.

*This independent analysis was sponsored by Virtela.*

Virtela is the world's largest independent managed network, security and cloud services company. Virtela offers an award-winning suite of services - including managed networks, security, application acceleration, mobile device management and proactive infrastructure management - to mid-market and Fortune 500 customers around the world. Virtela offers unparalleled geographic reach to more than 190 countries through its partnerships with more than 500 carriers. Virtela is headquartered in Denver, Colorado, with globally distributed Network Operations Centers in the U.S., India and the Philippines. For more information, visit [www.virtela.net](http://www.virtela.net).

### About THINKstrategies, Inc.

THINKstrategies is a strategic consulting services company formed specifically to address the unprecedented business challenges facing IT managers, solutions providers, and investors today as the technology industry shifts toward a services orientation. The company's mission is to help our clients re-THINK their corporate strategies, and refocus their limited resources to achieve their business objectives. THINKstrategies has also founded the Cloud Computing Showplace ([www.cloudshowplace.com](http://www.cloudshowplace.com)), an easy-to-use, online directory and resource center of SaaS, PaaS and IaaS solutions worldwide, organized into over 90 Application, Industry, Service and Enabling Technology categories. The Showplace also includes information and insights regarding industry best practices. For more information regarding our unique services, visit [www.thinkstrategies.com](http://www.thinkstrategies.com), or contact us at [info@thinkstrategies.com](mailto:info@thinkstrategies.com).