The Evolving Workplace:

EVERYTHING AS A SERVICE

HOW CAN YOUR BUSINESS BENEFIT FROM AN 'AS A SERVICE' MODEL?

Innovations in technology disrupt traditional business models. One way companies are already starting to adapt is through third-party partnerships. Traditionally, internal support services engaged third parties for cost and process concerns. Today, their needs revolve around improving business workflows, bolstering the bottom line and addressing end-user needs.

To stay competitive throughout this digital transformation, companies must increase agility, develop more streamlined workflows, reduce costs and protect against potential security risks. Rather than solely relying on in-house support services, businesses need to engage strategic partnerships and services. This includes investing time and resources to research, pilot and buy into the expanding service-oriented economy, including "as a Service" (aaS) offerings.

THE SERVICE ECONOMY

As users continue to expect solutions that did not exist before the Internet of Things, cloud storage and mobile computing, businesses will need to find new ways to support and deliver services. Now there's a growing market for serviced-based products within the service economy. For example, consider how many banking functions can be performed online, and how food delivery can be accessed through a mobile application. This digital shift has influenced a variety of industries, resulting in the emergence of a business solutions industry. Under this model, companies deliver services that help other organizations and individuals be more efficient and innovative.

Companies can expect to keep seeing change, which at times will occur faster than expected. A report by Mavenlink and Gigaom found that 58 percent of executives working in the service industry considered the speed of change to be happening quickly.[1] Such change is evident as subsets of the service economy are begging to pop up, expand and innovate existing models.

Still, users remain a primary driver in these economies today, as they demand more push-button simplicity to work where, when and how they want. Meanwhile, businesses are looking to improve efficiencies and bolster their bottom line. In both cases, this is when aaS capabilities within the service economy can help — providing analytics, devices and cloud computing to enable greater automation and connectivity.

Global services revenue is expected to reach $3.8 trillion by 2025.[1]

There are currently more than 5.6 million professional and creative services companies around the world.[1]

THE GROWTH OF 'AS A SERVICE'

A key component driving the success of this new economy is the aaS business model. This is the structure on which companies such as Lyft and Car2Go are based. Rather than owning a vehicle, users can carshare or request a ride only when needed and without the hassle of going through a rental car company. Similarly through this model, businesses are now able to subscribe to services or solutions on flexible terms (typically monthly or annually) via third parties, such as managed services providers (MSPs). This reduces the need to buy expensive tools outright and support them with in-house services. Under the service economy, this concept has evolved beyond traditional third-party engagement into new ventures of using and paying for services on an as-needed basis.

Businesses with these four goals in mind should look to aaS as an option:

- Reduce support costs and IT workload.
- Save on capital cost by cutting down on equipment purchases.
- Improve efficiencies and productivity.
- Meet end-user needs and optimize user experiences.

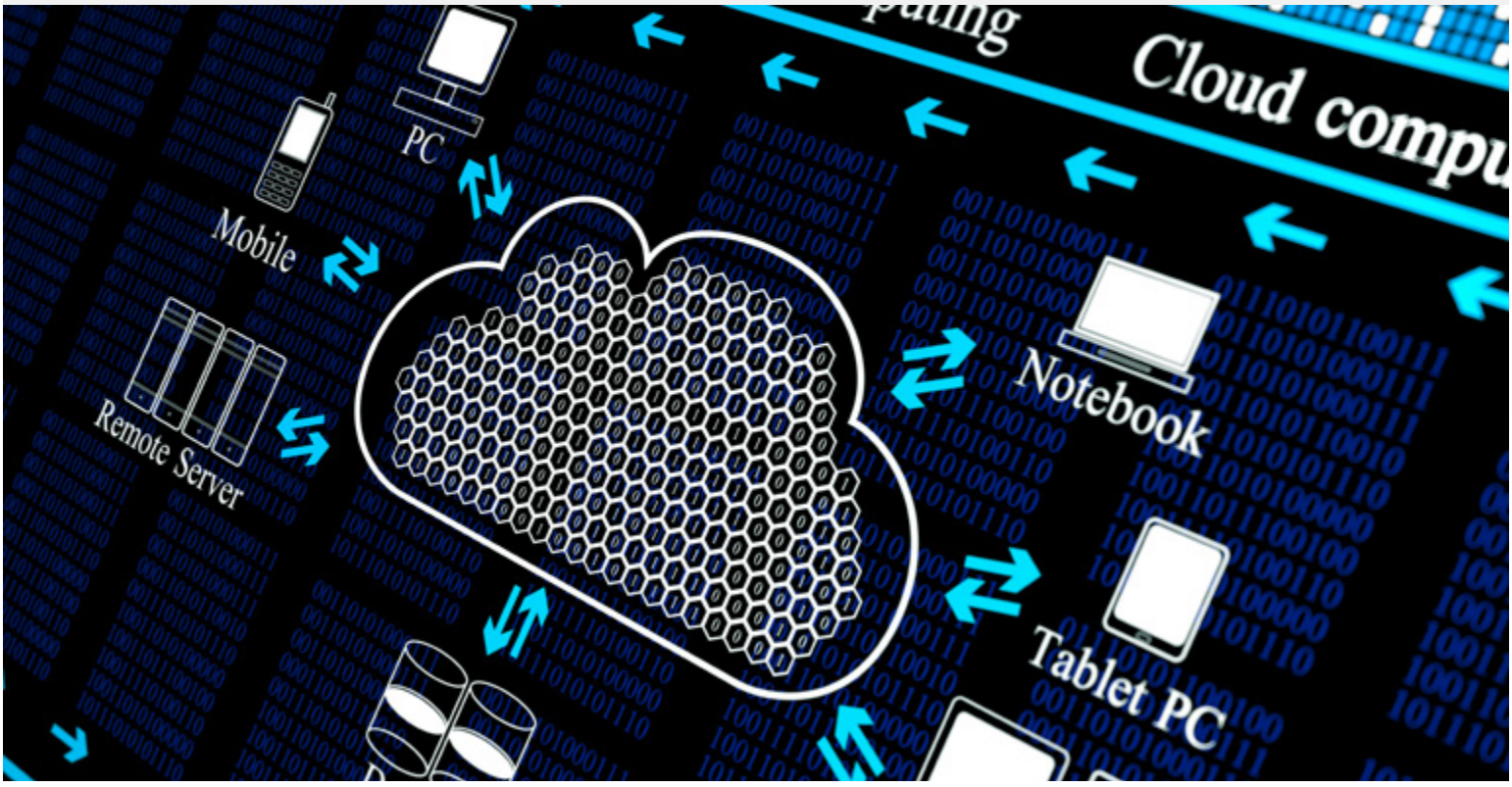
It all started with Software as a Service (SaaS) — now seen as the standard in software procurement. Research firm Gartner defines SaaS as "software that is owned, delivered and managed remotely by one or more providers. The provider delivers software based on one set of common code and data definitions that is consumed in a one-to-many model by all contracted customers at anytime on a pay-for-use basis or as a subscription based on use metrics."[2] In the past, businesses would buy computer software packages from individual software vendors in stores or purchase a license to run these programs. This method required a tedious setup with manual installations and updates — relying on IT resources to run and maintain these systems. SaaS introduced a more affordable, flexible and convenient option. It freed up the workload of in-house IT managers and delegated those tasks to SaaS vendors. With cloud capabilities, SaaS can be accessed from a variety of devices for more mobility than ever before, leading to even more growth in its popularity.

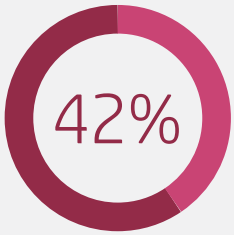
There are other service models that also provide more convenient, on-demand access to networks, including Infrastructure as a Service (IaaS) and Platform as a Service (PaaS). In combination with SaaS, all three fall under the cloud computing services — leveraging the power of the cloud for ultimate agility.[4]

Under the cloud, the possibilities for aaS are virtually endless, especially as it enables pay-as-you-go services and customizable solutions that fit individual business needs. The power of aaS currently reaches beyond the cloud into build-upon services that transform the way business is done, such as Device as a Service (DaaS) and Security as a Service (SECaaS). These two services also can come in a packaged deal where devices, like Printers as a Service, can be secured, optimized and monitored through an MSP.

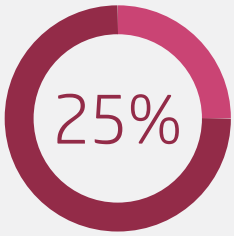
The aaS economy has not only disrupted the traditional business landscape, but it also offers a powerful benefits portfolio that takes businesses to the next level. Supported by analytics and cloud capabilities, aaS has the ability to expand business offerings and enable IT to focus on services that are scalable, on demand, measurable and innovative. However, this aaS business model of paying for services and solutions, as opposed to investing in-house, has become a competitive market for innovation.

Businesses must take advantage of aaS or risk losing the key benefits it delivers in regard to speed, accuracy, flexibility and overall customer service.





of small and medium-sized enterprises



of large organizations

consider aaS critical or absolutely critical to their organizations.[5]

KEY BENEFITS OF AAS FOR BUSINESSES

Agility: Enables nimbler and more efficient operations.

Collaboration: Connects an array of devices and users in a way legacy IT systems cannot.

Plug and play: Provides quick access to services and opportunities on an as-needed basis.

One-to-many: Accommodates a variety of aaS offerings — whether in-house or provided — for a customizable approach to meet business requirements.

Outcome focused: Maximizes combined services to reach desired business goals.

Flexible costs: Operates on consumption-based payments, rather than pre-selected single services, to focus on what's needed and adjust accordingly.

Cloud: Connects anytime, anywhere for optimal productivity and mobility.

THE FUTURE OF SERVICE

Now is only the beginning for aaS products, services and solutions. As innovations in technology continue to disrupt the digital landscape, it's possible that even greater evolutions of aaS will arise. Managed services providers will be challenged to serve up the most effective and customized solutions for businesses. Here are some specific dynamics set to influence the way aaS is engaged and how businesses select a provider:

Customer-first business models

Forrester predicts that in 2017, "more than one-third of businesses will restructure to shift to customer-obsessed operations."[6] This trend is already making waves within the aaS economy and will continue to play a crucial role in MSPs optimizing their offerings for end-user needs.

Security concerns

As the system of cloud capabilities and devices grows, cybersecurity threats will intensify. Businesses will be concerned with defending these threats — and their bottom lines. MSPs are going to have to work harder to provide secure services that still further business objectives and offer return on investment.

Digital transformation

Insight-rich technologies will be even more personalized and predictive in the future. Analytics will become increasingly more relevant to all markets. These insights must be integrated with supporting technologies in order to deliver — whether that's faster speeds or greater efficiencies.

Internet of Things (IoT) data

Forrester predicts that in 2017 teams (or IT leaders) "will search through more than 19 new wireless connectivity choices and protocols to support the company's diverse set of IoT devices."[6] This customer-fueled trend will leave end users demanding greater connectivity and business leaders searching for solutions that deliver.

Cloud evolution

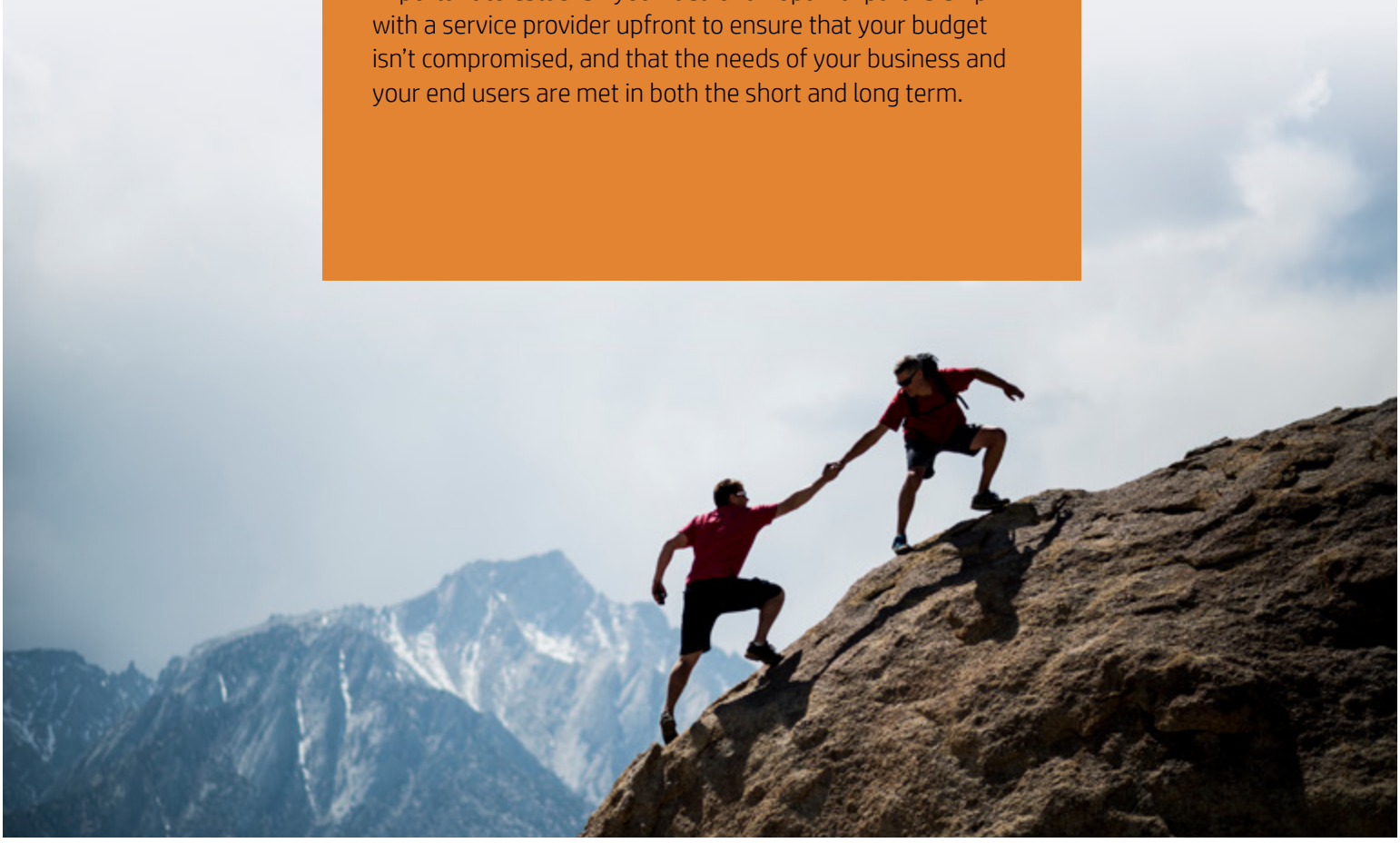
The cloud can be both an innovation and a threat. MSPs will need to ensure cloud capabilities and aaS offerings are secure and able to be fully managed, while future growth of cloud-based services will provide opportunities for IT leaders to move from traditional MSP partnerships to "strategic technology partner[ships]."[7]

MOVING FORWARD WITH CHANNEL PARTNERS

Channel partners, leveraging their extensive customer knowledge backgrounds, will continue to play crucial roles in helping businesses select service models that best fit their needs. Businesses, and even channel partners, are going to have to evaluate the advantages and potential disadvantages of tapping into aaS models. This approach starts with a roadmap and strategy for embracing aaS and using analytics, in addition to in-house expertise, to keep businesses future-proof and adaptable. Whether the goal is cost reduction, security, analytics or scalability, MSPs recommended by the channel partner can help improve key business processes and deliver measurable results.

USING 'AS A SERVICE' IN YOUR BUSINESS

To find the best service model for your business, research potential vendors and discuss options with key decision-makers. An MSP should offer transparency and flexibility — whether that's demonstrating a clear return on investment or access to data, metrics and analytics. It's important to establish your idea of an optimal partnership with a service provider upfront to ensure that your budget isn't compromised, and that the needs of your business and your end users are met in both the short and long term.

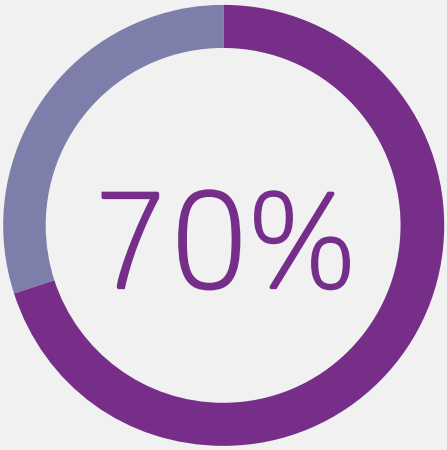


Answer the following questions when searching for a service partnership for your business:

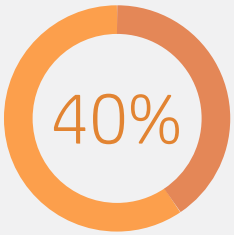
- Does the partner provide services that are scalable and able to adapt to your company's growth?
- Will these services help cut costs? (For example, by reducing manual updates over time and costly equipment upgrades.)
- Does the partner provide industry- and government-compliant solutions?
- Are the services able to secure your sensitive data and protect your network?
- Do the services create redundancies with your current in-house support, or will they alleviate these concerns to free up your IT team?
- Do the partner's services help streamline business processes?
- Do the services include analytics — such as detailed reporting, tracking and billing — that help improve transparency and control costs?

In order to make their services work for you, consider researching MSPs and finding one that does the following:

- Understands your business requirements and long-term vision, rather than focusing solely on short-term objectives
- Views the relationship as a partnership and works with you, providing transparency and valuable insights to identify opportunities for continuous improvement
- Collaborates with IT and uses analytics to better manage costs and reduce redundancies and complexities



of companies are planning for or considering investing in effective analytics tools and skills.



are actually advancing these plans with increased process automation.[8]

MANAGED SERVICES PROVIDERS VERSUS IN-HOUSE SERVICES

Is an MSP right for your business? Or a hybrid of in-house and MSP support? Here are some advantages and disadvantages to consider for each:

USING AN MSP FOR YOUR BUSINESS NEEDS

Advantages

- Stay competitive with scalable aaS offerings
- Streamline maintenance
- Reduce in-house IT workload
- Pay for service performed
- Get around-the-clock vendor support and expert knowledge
- Reduce cost with lower total cost of ownership
- Access the latest devices and security protection services

Disadvantages

- Limited control, depending on contract
- Lack of loyalty compared to in-house IT
- Slower response time (issues may be fixed faster in-house)
- Duplication of some work processes, with one calling on in-house IT and one using MSP

RELYING ON IN-HOUSE SUPPORT

Advantages

- Full control over all systems
- Flexibility to personalize within a given budget
- Dedicated team available during business hours
- Training opportunities for different areas of IT specialization
- Company loyalty and best interests in mind

Disadvantages

- Limited capabilities of current legacy systems
- Hassle of tracking network outages
- Manage accrued cost of full-time, in-house IT staff versus as-needed support
- Budget concerns beyond staffing, including training, equipment needs, etc.
- Heavy workload for IT and less opportunity to make more strategic business decisions

MAKING IT WORK

MSPs and aaS are poised to change the way business is done, but don't jump into the transition blindly. Research potential MSPs to determine if their aaS offerings could help move your business forward. Many offer a mix-and-match option, supplying a contract that's flexible, depending on budget concerns and immediate and long-term goals. A hybrid approach can be a good place to start, enabling businesses to better focus the tasks of IT and seek a partnership for aaS offerings that improve overall business efficiencies. Transitioning to a service-focused model requires knowing what works best for your IT team and end users, and how these solutions can keep your business agile, scalable and profitable in the years to come.

Learn more about workplace productivity

SOURCES

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