



# Benefits of managed services

The management of information and communications technology infrastructure and solutions has become more complex for many enterprises. **FOO EU JIN** looks at the trend towards managed services as a way for enterprises to make sure that their technology infrastructure is managed efficiently while at the same time does not distract them from focusing on their core business.

**A**MONG the major challenges faced by businesses today are staying abreast with information and communications technology advancements, managing obsolescence and maintaining ICT skills and resources. To address these challenges, more companies are now turning to managed services because this will allow them to focus on their core competencies, strategic planning and business development, according to Mesiniaga Bhd's director, maintenance and managed services Noorizan Ali.

"It will allow them to better predict and manage their ICT spending as well as demand for higher service levels from their service providers without having to worry about infrastructure, maintenance and human capital requirements."

Noorizan says with managed services, businesses will be able to leverage on the expertise of their service providers to help reduce costs as there is no longer any need to maintain a large pool of employees for non-core activities.

They also can be more objective in defining the service level agreements for ICT support and services with managed service providers, he adds.

"Among other things, they will be able to benefit from the introduction of industry best practices, process improvements and highly skilled resources. This will ultimately increase their bottom line and enhance their operational efficiencies," Noorizan says.

"The results are already evident from the many Malaysian companies that have taken the step to outsource part of their business operations. As a result, they are enjoying better profitability, and this encourages more companies to reconsider their business model."

There are currently a wide range of managed services being provided by managed services providers in the country, and these involve fully

or partly managing the clients' ICT services. Mesiniaga, for example, is a managed services provider that is able to offer different levels of ICT outsourcing, either in total or partial, for the client's server, network, desktop, data centre and business continuity.

Total support means that Mesiniaga will provide the services and management of Mesiniaga-owned ICT assets while partial support involves providing the services and management of your own or third party-owned ICT assets.

Currently, Mesiniaga provides services for both the public and private sectors such as government agencies, hospitals, financial institutions, manufacturing companies and oil and gas companies. "We intend to grow our managed services business in both sectors as this will fit into our growth plan of developing a more services-based business," Noorizan says.

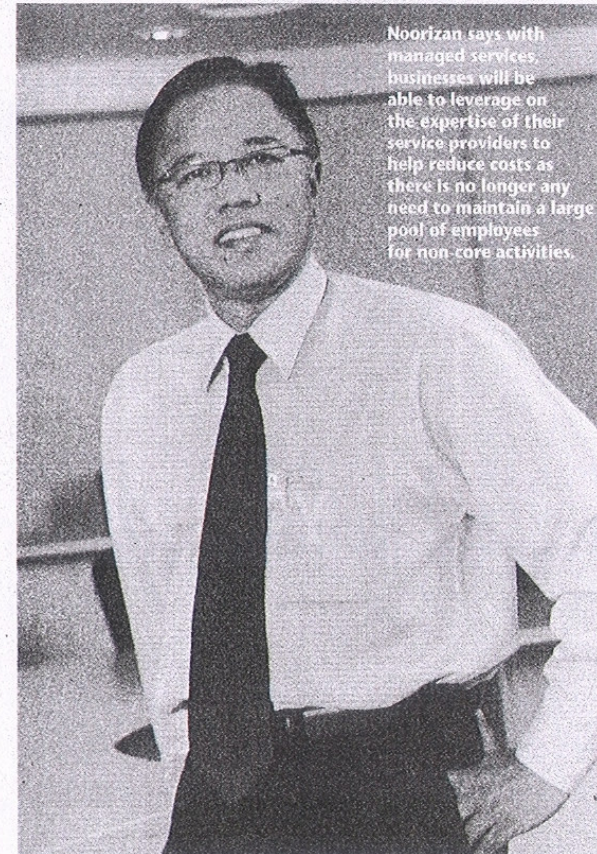
So, what does the future hold for the managed services business?

Mesiniaga believes that the local managed services industry will continue to grow as there has been greater adoption over the past 12 months.

"The market is currently experiencing a shift from being a provider of products to being a provider of services. Companies that are undergoing this shift will always be on the lookout for better and cheaper alternatives to manage their ICT infrastructure in order to fit their new business models," Noorizan says.

"At the same time, service providers will continue to trim their managed services model to suit practically every single vertical, hence making it more attractive to customers. This will further encourage companies to take advantage of the many benefits of managed services."

The business has its challenges, though. Managed services is a resource-intensive business, so supply of the right skilled resources with the right attitude towards service



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excellence and delivery is crucial.

What's more, the convergence of IT and telecommunications has given rise to a talent recruitment war between the IT service providers and telecommunications service providers. Both groups, Noorizan says, are competing more aggressively, especially in network and security managed services, as these are the two managed services areas that either group can

deliver. In addition, they have to compete against global sourcing companies such as shared services centres like DHL and Shell.

To remain competitive, the groups will have to look at global sourcing strategies, or invest in the right automation tools that can improve their productivity without having to add manpower, according to Noorizan.