



# OUTSOURCED IT SUPPORT



The 2025 Guide to Navigating  
the Costs, Benefits and Risk  
Management of Outsourced  
IT Support and Services



## Introduction



In 2024, we noticed some emerging trends affecting how managed IT service providers' (MSPs) role in managing their clients' business and technology needs will change in the coming year. With business costs climbing, business leaders are looking for ways to drive efficiency. Rapidly evolving artificial intelligence technologies will undoubtedly play a significant role in streamlining business processes.





We're also seeing a heightened awareness of the need for risk management. Ransomware declined in 2022, but bad actors turned up the heat in 2023, with payments surpassing the \$1 billion mark, the highest number ever recorded.

This bump in cybercrime, coupled with added pressure from insurance companies to beef up cybersecurity defenses, brings risk management to the forefront of business owners' minds.

Many small and mid-sized businesses (SMBs) are outsourcing IT support to help navigate the complexities of IT management including, cybersecurity protection, technology optimization and upgrades, data management and backups, regulatory compliance, and scalability. Outsourcing IT services, whether some or all technology functions, has benefits over maintaining a full in-house IT staff.

## Understanding the Basics of Outsourced IT Support

Outsourced IT support has morphed into a more beneficial model for the companies that MSPs support. The early days of IT support were more reactive, focusing on fixing problems when they popped up rather than proactively cutting issues off at the pass.

This model is referred to in the industry as Break/Fix – something breaks/IT fixes it. Although some IT companies still offer this type of support, there has been an industry-wide adoption of a more proactive, fixed-fee model.

A proactive approach allows MSPs to address potential issues before real problems crop up and bring business to a grinding halt. An MSP can relieve an SMB of the burden of data security, network management, cloud application management, disaster recovery and business continuity, 24/7 monitoring, and end-user support. This proactive/fixed-fee model also allows the IT provider to serve in a more consultative role to help the business owner or IT manager accomplish their overall business goals.



## In-house vs. Outsourced vs. Co-managed



### In-house/Internal IT Team

With this method, the IT person or team takes on all responsibilities of IT management, including infrastructure design and development, network monitoring, upgrades, updates and patching, backups and business continuity, and help desk support for staff members.

#### Benefits

**Onsite Support:** With an IT person on staff, employees have easy access to help when they need support.

**Familiarity:** Someone on staff will be more familiar with your company's daily operations and processes.

#### Drawbacks

**Skillset Gap:** Unless you have the resources, it's unlikely you'll find just one or two people with the expertise and knowledge to carry out every function of IT management. If you do find an IT hotshot or two, they probably will not be satisfied with tending to the more mundane tasks of IT support.

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## In-house IT Drawbacks

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**Cost:** To adequately staff an internal IT department, you will most likely need to hire more than one person. Hiring full-time employees means paying for salaries, benefits, and training, which can be a substantial expense for small and mid-sized businesses.

**Technology Investment:** In addition to the cost of maintaining an internal IT department, you will need to invest in the latest technology and software to ensure they have what they need to do their jobs effectively. For example, they will need to utilize a ticketing system, backup and monitoring tools, and advanced threat detection, to name a few.

Purchasing the technology is just the beginning of the investment. Your IT team will need extensive training to learn how to use and configure the tools it uses. There is also a considerable amount of strategizing that must be done prior to implementing the tools. For instance, what should be blocked? What should be allowed? Which applications should be able to “talk” to others? What alerts need to be set up?

With technology constantly evolving, this investment can be significant and requires ongoing financial and intellectual capital to keep up with advancements.

**Recruitment Challenges:** Small and midsize companies are at a disadvantage in the highly competitive IT job market. They often struggle to attract the right candidates with the required skills and experience because they might not be able to offer the same salaries, benefits, or other career opportunities as larger organizations.

**Managing an Unfamiliar Skillset:** It’s challenging to manage a team when the C-suite doesn’t fully understand the complexity of technology.

**Risk of Burnout:** Leadership expects in-house IT professionals to handle everything from technical support to strategic planning. This expectation often leads to burnout and decreased employee satisfaction, especially if the workload becomes too great or they’re always on call.



## Outsourced IT Service

With fully outsourced IT support, a managed service provider takes full ownership of managing a business's technology, leaving the business owner and staff to focus on their core business. Given the costs and challenges of developing and managing an internal IT team, many SMBs opt to fully outsource their technology management. This is often a much more cost-effective solution for several reasons.

### Drawbacks

**Loss of Immediate Control:** By outsourcing, you might relinquish direct oversight of day-to-day IT operations.

**Possible Lag Time in Onsite Emergency Response:** Onsite emergencies may take longer to address if your IT provider has to dispatch a technician to your office.

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### Benefits

**Access to Talent:** An operationally mature MSP will have a deep bench of talent with a variety of skills, from basic-level IT support to more advanced cybersecurity expertise. Having a wide range of experience and knowledge ensures that there are people skilled and available to handle any IT needs your business has.

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## Outsourced IT Benefits

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**Scalability and Flexibility:** Outsourced IT affords businesses with the scalability and flexibility they need to adapt to both technological advances and business changes.

Scalability allows businesses to adjust their IT resources and services based on current needs and future growth without the need for upfront investments in hardware, software, or personnel. The ability to scale up or down in response to market demands, seasonal changes, or rapid growth ensures the company only pays for the IT services it needs when needed.

Another way outsourcing IT services can benefit SMBs is by allowing them to adapt to rapidly advancing technology trends and business needs. IT providers have a wide range of expertise and resources at their fingertips that can be deployed to meet new challenges or integrate new technologies, thus helping companies to remain competitive.

The sudden shift to work-from-home mandates at the beginning of 2020 is a prime example of how outsourcing IT can help businesses quickly pivot in times of need. MIS Solutions' Greenlight Cloud clients experienced no downtime because they could connect to their networks remotely. We were also able to help our on-prem clients quickly shift to a work-from-home strategy without missing a beat.

**Cost Savings:** As mentioned earlier, an MSP will already have a ticketing system and backup and monitoring tools to manage all their clients' networks effectively. This sharing of resources amongst all clients helps to further reduce the cost of outsourced IT support.

SMBs can take advantage of the IT company's full range of services, including 24/7 monitoring, patching and updating, infrastructure design and maintenance, end-user support, backup and disaster recovery, and IT consulting.

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## Outsourced IT Benefits

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**Risk Transference:** When you outsource IT functions to an MSP, you're transferring certain risks to the MSP because they assume responsibility for the management, performance, and security of your technology. In the event of a cyber incident, the MSP shoulders the burden of proving to the insurance company that it has all the proper security measures in place.

This risk transference allows businesses to reap the benefits of the managed service provider's expertise, technologies, and processes, which are usually more robust than what the company could achieve on its own.

### Types of risks transferred include:

**Compliance Risks.** An MSP is instrumental in helping those businesses that must operate under strict regulatory requirements remain compliant. The MSP is responsible for ensuring that the IT operations meet the necessary standards, thus allowing the company to transfer the risk of non-compliance and its associated penalties to the provider.

**Cybersecurity Risks.** When an MSP is responsible for protecting your network against cyber threats, they take ownership of implementing and managing firewalls, intrusion detection systems, advanced anti-virus software, the Security Operations Center, and

conducting regular security assessments. Should a cyber breach occur as a result of the MSP's blunder, the provider is typically responsible for the immediate response and mitigation efforts and possibly the costs incurred through these activities.

**Operational Risks.** MSPs manage operational risks, such as downtime and its impact on operations, through proactive monitoring, updating, patching, upgrades, and responsiveness to IT issues. The MSP should clearly spell out in its Service Level Agreement its commitment to maintaining system uptime.





## Co-managed IT Service

Co-managed IT provides supplemental support to your internal IT department. The MSP augments the internal IT team by filling in where there are skills gaps or even taking on everyday tasks such as end-user support so the internal team can focus on more critical projects.

Outsourced IT management doesn't have to be an all-or-nothing scenario. Many organizations, especially mid-sized businesses that prefer to retain some of the IT functions internally, choose a co-managed IT approach.

Co-managed IT blends the best of both worlds. An internal person or team manages certain aspects of their technology while outsourcing other duties to an MSP. The idea behind co-management is to complement the internal team's skills and supplement where needed.

How a business utilizes its outsourced IT partner depends on its specific needs. An assessment of where there are gaps in skills, expertise, and knowledge will help determine how the MSP can best serve the company and its IT team.



## Co-managed IT Benefits

**Access to Required Skills:** One of the benefits of outsourcing to an MSP is your internal team has access to higher-level skill sets for strategic planning, industry compliance, and risk management. An MSP can share best practices and operational standards from their experience working with other companies in your industry. Or, an MSP can relieve your internal team of the daily burden of IT support. If your organization needs help desk support, the MSP can take on that responsibility leaving the internal support team free to focus on other areas, such as implementing new applications, projects, infrastructure upgrades, etc.

**Onsite Support:** Co-managed IT support also works well for companies that prefer to have an onsite IT person for daily tasks, such as end-user support,

minor troubleshooting, or other technical tasks like setting up workstations or assisting with audio-visual needs.

**Reduced Stress:** Perhaps the best reason for adopting a co-managed IT approach is that your internal team doesn't have to be on call 24/7. They can take time off knowing there is a backup if something should go sideways in their absence. Having that kind of assurance could eliminate the eventual burnout from stress.

**Backup Support:** What happens if your internal IT person decides to leave your company, taking all their institutional knowledge with them? With an outsourced IT partner, there is an assurance that the business can continue to operate without much interruption.



# Costs of Outsourced IT Support

MSPs have mostly moved away from the time block or break-fix pricing model of IT support and instead offer fixed-fee services to their clients. This model is more beneficial for the client as it allows the IT provider to proactively manage their clients' IT to ensure security, consistency, reliability, and accessibility.

Fixed-fee pricing also offers more predictability and simplifies the financial planning for IT expenditures. This approach ensures IT support costs are consistent and transparent, and eliminates unpleasant surprises.

Some MSPs offer per-device pricing, which charges a flat fee for each supported device, while others use a per-user pricing model. The latter benefits businesses with employees who use multiple devices, as it simplifies billing and scales with the number of users.



## Factors That Influence the cost of IT Services

**Scope of Services.** The range and complexity of services required impact the cost of support. Suppose your company only needs basic IT support, such as help desk services. In that case, the cost will be less than if more comprehensive services, such as network management, cybersecurity, cloud services, or IT planning, are required.

**Company Size and Infrastructure Complexity.** The size of your business and the complexity of your network will impact the cost of IT services.

**Industry Requirements.** Highly regulated industries have unique IT requirements or regulatory compliance standards that must be met, such as HIPAA in healthcare or PCI DSS for businesses that process credit card

information. Meeting these requirements can add to the complexity and cost of IT services.

**Customization and Integration Needs.** Custom solutions or the need to integrate multiple systems can increase the complexity and, consequently, the cost of IT support. Tailored solutions that require extensive customization or complex integrations with existing systems will incur higher charges.

**Vendor Expertise and Reputation.** The provider's expertise, reputation, and track record can influence costs. Highly regarded MSPs with a proven track record of delivering quality services in specific industries or technologies may command higher prices but can offer greater value through their specialized knowledge and experience.





## Cost Comparison: In-house vs. Outsourced IT

Outsourcing IT can be advantageous because you don't have to pay for the management and leadership of an outsourced provider. The outsourced IT service provider has tools, systems, expertise, and processes to do and manage the work. They also have ways to track, measure, monitor, and prioritize work for you.

Here is a simple way to compare the costs of in-house versus outsourced IT.

If you decide to hire an in-house IT person, you should expect that they will be able to handle 50 to 100 users if they have the proper tools, policies, and procedures in place. An internal IT person will need to be managed so that is a cost to be considered.

A typical salary for an entry-level IT person is \$50,000 per year. If you factor in benefits, etc., you can budget spending \$62,500/year. If an outsourced provider can charge you that amount and also provide deeper skill sets, a team of resources, and access to better tools, then perhaps outsourcing is the way to go.

If you have 20 or more users on your network, outsourcing to a quality IT provider gives you a "proven process" and access to tools, processes, and systems to manage your IT infrastructure. This alleviates the burden and costs of managing, growing, and developing your own processes and internal resources.



# Key Considerations for Decision-makers in 2025

Before outsourcing IT to an MSP or developing an internal IT team, business owners and decision-makers should consider several things, including cost, long-term strategic goals, risk appetite, and security and compliance requirements. It's best to assess your organization's needs to determine which model is right for your business.

## Assessing Your Organization's IT Needs

A third-party business assessment will help you map out your business's strengths, weaknesses, and opportunities. A reputable IT consultant will thoroughly review your current network, technology stack, critical business applications, and security requirements.

They will also go deep to understand your business goals, how your users need to use technology, and your operational processes and procedures. Hiring an IT consultant like MIS Solutions is a great way to experience first-hand how they operate and their level of expertise without making a long-term commitment.



# Making the Right Choice: In-house, Outsourced, or Co-managed IT

Questions you should ask yourself when deciding are:

## **Do you have the right resources and expertise to develop an in-house IT department?**

It takes time and knowledge to hire, train, manage, and maintain an internal IT team. Aside from salaries and benefits, keeping IT professionals updated and trained on emerging technologies is costly. Determining the level of expertise and resources your business requires is essential. Outsourcing will give you access to a deeper talent pool if your IT needs are broad and varied. However, if your business requires constant, specialized IT support – and you have the financial resources – investing in an internal team might be more cost-effective long term.

## **Are your security and compliance requirements complex?**

Businesses that must comply with HIPAA, CMMC, PCI DSS, or other industry regulations might fare better in outsourcing some or all of their IT functions. A co-managed approach, where some sensitive data can be handled internally while outsourcing other IT duties, might work well for those businesses.

## **What is your risk appetite?**

Organizations that retain all IT management in-house assume all the risks associated with the business, including cybersecurity, compliance, operational, and financial risks. Outsourcing allows businesses to shift liability to the provider, but it is vitally important to thoroughly vet and choose a provider with a proven track record and reputation.

## **What are your long-term strategic goals?**

If IT is central to your business strategy, having an internal team might be crucial for innovation and competitive advantage. Otherwise, outsourcing can provide the expertise and flexibility to support your business objectives without the overhead of managing IT internally.



## Tips for a Smooth Transition to Outsourced or Co-managed IT Support

If you've decided to outsource some or all your IT management, here are some tips that will help make the transition as pain-free as possible:

**Leadership buy-in:** A successful IT management strategy must have the blessings and involvement of senior leadership during the process.

**Asset Inventory:** The new IT company should have a complete, documented inventory of all technology assets, systems, applications, users, and mailboxes. This includes the expiration dates of all licenses, and tools.

**Good Backups:** It's best practice to always have a good backup before undertaking any IT project.

**Detailed project plan:** A project plan with milestones will help set

expectations and keep everyone updated and on track. There should also be a "clear expectations" document outlining what success looks like.

**Dedicated Project Manager:** Both the business and new MSP should have a specified person or persons running point during the onboarding process.

**Responsive Communication:** Clear and open lines of communication are imperative to a successful onboarding process. Agreeing on the frequency and best communication channels before beginning the onboarding will ensure a smooth transition.





# Frequently Asked Questions About Outsourced IT Support

## **Is outsourced IT support suitable for small and midsize businesses?**

Definitely! This is especially true for smaller organizations that might not have the financial resources, time, or knowledge to build an in-house IT department.

Outsourcing IT takes the burden of IT management off your plate so you can focus on your core business.

## **Can outsourced IT support be customized to fit my business needs?**

Absolutely. IT management is not one-size-fits-all. Therefore, you will want to find an IT partner who offers flexibility to meet your business's specific needs.

## **When should I outsource IT services?**

You should consider outsourcing your IT management if your business or industry must comply with strict regulatory requirements, you don't have the capacity or time to manage IT internally, you want to transfer risks to a third party, you want to spend more time focusing on your core business instead of managing IT, your internal team occasionally needs access to a deeper pool of talent, such as a Chief Information Officer, or your internal IT staff is overwhelmed.

## **What should I look for when choosing an outsourced IT support provider?**

Look for a managed service provider with a stellar reputation. Comb sites like Clutch and Cloudtango for top-rated IT providers, search for Google Reviews and ask for references. You'll also want to know what their experience is in working with other companies in your industry. Ask how long they've been in business and how many technical staff members they have.

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# Frequently Asked Questions About Outsourced IT Support

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## **What is the process of transitioning to outsourced IT support?**

Once you've made the decision to outsource to a managed service provider (MSP), you will begin the onboarding process. Operationally mature MSPs will likely hand off to a dedicated Projects Team to guide you through the process. You will be assigned a project manager who will be your main point of contact. Your project manager will work with you to set expectations and provide a clear project plan with a documented timeline with milestones.

Book a 15-minute Discovery Call Today

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