

MAX Remote Management™

MAX INSIGHT

Whitepaper

4 signs it's time for a new RMM

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Using the right RMM (remote monitoring and management) platform is critical to building a sustainable and profitable managed services practice.

This whitepaper will cover how to know you are using the wrong RMM platform; highlighting the key problems this can cause and how to see the signs.

In particular it will help you look for:

- Hidden costs hurting your margins
- Unreliable/slow remote connectivity increasing your labor costs
- Limited patch management, alerting functionality driving up your operations costs
- Each new IT service requires new vendor, new pane of glass to manage

Several leading analysts are in agreement that the managed services market is going through a massive growth phase that is projected to continue for the next few years. For example, Visiongain, an independent London based business information provider, reported that the managed services market was around \$55 billion in 2010 and is projected to reach \$86 billion by 2016¹. IDC projects that the business process outsourcing (BPO) market (of which managed services is a subset) will continue growing at a CAGR of 5.3%, reaching \$202.6 billion in 2016².

With any good business opportunity, the levels of success experienced by those looking to capitalize on it will vary greatly. Put simply, some companies try managed services and quickly start realizing the benefits of recurring revenue whereas others experience difficulties achieving the profit levels they expected, which forces them back into their break-fix comfort zones.

A 2012 Trends in Managed Services study conducted by CompTIA sheds light on these varying results. One of the conclusions made in the report — not surprisingly — was that *“A hallmark of any successful managed services practice is a foundation of automation and process efficiency. Without streamlined processes in place that are repeatable across all new and existing customers, the managed services model doesn’t hold up well cost-wise.”*³

One of the biggest challenges break-fix VARs have to make before they can make the transition to a successful managed services company entails coming to terms with the fact that while “hands on” time is what drives revenue up in a break-fix IT practice, it has the opposite effect in a managed services environment. Additionally, any IT service company that’s serious about growing a service-based, recurring revenue business must use RMM and PSA (Professional Services Automation) tools in order to drive down truck rolls and other hands-on IT activities that are the exceptions — not the norm — in successful managed services practices.

For many service providers, choosing a good PSA tool from the few leading choices is an easy decision and leads to a happy and long-term vendor relationship. Not as many MSPs (Managed Services Provider) can say the same with their initial RMM selection.

A critical component of the business process automation required to build a scalable managed services practice, an RMM tool enables the MSP to remotely access, update, and provide routine device maintenance on its clients’ IT assets. However, a deeper look into many managed services practices reveals that this core component of their business is actually working against their company’s efficiency and profit margins. In this white paper, we’ll identify the key problems some RMM platforms cause, and we’ll consider the best practices to follow for making the switch and avoiding a repeat mistake.

¹ Visiongain, Managed-Services-in-LTE-Era-Report-2011-2016

² IDC: Worldwide and U.S. Business Process Outsourcing Services 2012-2016 Forecast

³ CompTIA: Trends in Managed Services Operations 2012

Sign #1: Hidden costs are hurting your margins

Many RMM vendors offer special introductory offers and other promotions to attract new resellers to buy their products. Not all incentives are bad, but don't let these initial good deals blind you from seeing the other costs you'll incur down the road. Steve Pollak, CEO of Cincinnati, Ohio-based managed services provider Computer Xpress is very familiar with what he calls "Shelfware." In fact, Pollak, who's been offering managed services since the early 2000s, has had to switch RMM vendors twice, and the first time was related to extra costs.

In some cases, RMM vendors don't "force" an MSP to pre-buy licenses, but their tiered pricing models and overinflated sales assistance promises make it easy for MSPs to buy down the cost of their RMM licenses.

"As they grew, they changed their business model and required us to pre-buy extra RMM software licenses even before we found new clients to sell the licenses to. Their business model was clearly near-sighted and favored their immediate profit margins at the expense of ours, and that's why we eventually stopped working with them."

- Kaseya (Our first RMM vendor)

There are a number of pricing models RMM vendors use, including varying prices that are dependent upon which kinds of assets are being managed, costs per end user site, costs per customer, and costs per number of software agents deployed. Additionally, these costs are sometimes in addition to lengthy service contract stipulations and obligations to costly training or staff requirements which can be hidden in the engagement. The length of a contract or the number of seats required can drive up costs, as well as make the actual cost of delivery difficult to calculate. For example, if a service provider has purchased 3,000 licenses but only deployed 1,000, the other 2,000 licenses still are a cost to be included.

If these scenarios sound a lot like your experience with your current RMM, you should seriously consider finding another RMM vendor with a more channel-centric business model. The pricing model that's easiest to understand and doesn't disadvantage resellers is a pay-as-you-go model with no minimum seat or license requirements. In this model, the RMM vendor is incentivized to help the MSP grow because that's how the vendor makes more money – not through gimmicky and complicated pricing schemes.

Sign #2: Unreliable/slow remote connectivity is increasing your labor costs

You would think that it would be a given that most RMM tools would perform similarly when it comes to performing their core function: enabling an IT service provider to remotely monitor and manage IT assets such as desktops, laptops, and servers. However, even when it comes to basic core features, there are some significant differences. Eric Brown, CEO of Boston-based managed services provider Remote Technology Management (RTM), tested seven RMM products for Business Solutions magazine. At the conclusion of the test, here's what he noted:

"Because we had several instances where it took more than two minutes to connect to a remote end point and several instances where the connection failed altogether, we would not feel comfortable using Kaseya. It's possible that the glitches we encountered were caused by using an unsupported version of a browser or something else that a firmware upgrade would have corrected, but the reality is that the other RMM products didn't have these problems. Plus, we often use our RMM tool at a customer's site on their computers, so we don't always have complete control over browser versions and the latest firmware updates."

And, Kaseya wasn't the only vendor that fell down during this critical part of the test. Brown noted that LabTech's remote access via its built-in VNC (virtual network connection) was very slow. "Linking to the LogMeln agent was very tedious, too," he found. "Scripting was very powerful but sometimes overwhelmingly complicated for simple tasks. Often we resorted to executing batch files or Visual Basic scripts we created via the command line interface provided by the agent."

Steve Pollak, who was mentioned earlier, found the same performance problems when he switched from Kaseya to LabTech a couple of years ago. "It regularly took our engineers five minutes just to establish a remote connection, and sometimes we couldn't get the tool to connect at all," he admits.

In addition to quickly establishing a reliable remote connection, an RMM tool's management capabilities determine its real value. For example, even if an RMM tool shows and even alerts an MSP that a customer's server is not functioning properly; if the tool requires the MSP to call the customer to walk them through a server restart or send a technician onsite, its value is significantly diminished.

Besides enabling remote management and troubleshooting of servers, workstations, and laptops, a good RMM tool should allow an MSP to perform security patch management tasks on commonly compromised systems and applications (e.g. Adobe Reader, Adobe Flash Player, Mozilla Firefox, and Java). If slow, inconsistent remote connections are the norm for your RMM tool, this is another sign that rather than continuing to waste precious labor hours, it's time to consider switching to a better tool.

Sign #3: Limited patch management, alerting functionality is driving up your operations costs

Although any one of the previously mentioned signs would be more than enough reason to consider switching RMM products, there's one more sign worth noting that's not always as readily obvious as the other two: The patch management and alerting functionality of the tool.

Patch management is a key part of most MSP's practice and most RMM tools include the capability to remotely provide customers with the latest Microsoft Windows and Office patches. However, Microsoft operating systems and apps aren't the only source of security vulnerability your customers face. Some viruses, Trojans, and other malware comes in through sources such as Adobe Reader, Adobe Flash Player, Mozilla

Firefox, Mozilla Thunderbird, and even Java has been a point of vulnerability for some organizations. If your current RMM tool doesn't support patch management for these browsers and applications that means you have to either purchase other tools or write your own scripts and either option means higher costs to your organization.

Additionally, alerting is an important component of an RMM tool. Like patch management, every RMM tool has some kind of alerting, but the problem is that some tools send a lot of "false positives," which was another problem identified by MSP Eric Brown during his RMM test for Business Solutions magazine. Specifically, following his test on LabTech's product.

"The management of alerts was sometimes frustrating, too. There are a lot of alerts generated from this system, and turning them down was difficult."

- Eric Brown

Sign #4: Each new IT service requires a new vendor & new pane of glass to manage

When most IT solution providers make the switch to managed services they start out with just one or two services and add more over time. If your current RMM tool doesn't integrate with other "as-a-Service" offerings like BDR (backup and disaster recovery), Email spam filtering, and network security then you'll need to setup multiple portals for each customer to manage these added services in addition to managing a growing number of vendor relationships. To avoid this headache, be sure your next RMM integrates with these other services mentioned above. Even better yet, choose an RMM vendor that includes as part of its offering these additional services that you can easily turn on as needed and turn off if you don't.

2 tips for making an RMM switch you won't regret

Even if you suspect there are better RMM options for your business, making the switch can be difficult. To make the process as painless as possible, be sure to heed the following two tips:

1. **Try Before You Buy.** Before you ditch your current RMM platform, you should be able to thoroughly test another RMM candidate's platform before making your final decision — at no cost and with no strings attached. The trial period should last a minimum of 30 days and should include a fully functional version of the product. Ideally, the pilot period should run 60 days or more so you have enough data points and real-world circumstances to ensure it meets all the right criteria mentioned earlier.
2. **Choose A True Cloud-Based Solution.** Some RMM vendors want to push you into on premise versions of their products, which require larger capital expenses and lengthier training curves for your engineers to manually set up every configuration detail. You can avoid this unnecessary cost by selecting a cloud-based RMM platform that's ready to go "out of the box."

One point of caution here, however: While every RMM vendor claims to have a cloud version of its platform, the reality is that not all are true cloud solutions. When MSPs use an RMM solution that's merely hosted, the platform's performance degrades when the number of nodes being monitored reaches about 3,500. If you've ever tried using your computer while it's running a system backup or security scan, you can appreciate this frustrating user experience. Be sure to validate that your RMM vendor uses a true cloud platform, which means that computing resources (e.g. bandwidth, processor speed, storage capacity) can expand or contract dynamically to ensure you never experience performance bottlenecks as your business grows.

In Summary

Throughout this white paper, we've looked at the important role RMM tools play in a managed services provider's practice, and we've focused on many of the pitfalls MSPs run into when they use RMM tools that lack key functionality or come with other hidden costs. By heeding the advice presented in this white paper, an MSP can reduce its operating costs while at the same time driving up its efficiencies —two necessary ingredients to building a scalable, profitable, and sustainable managed services practice.

This white paper has been researched and written for MAXfocus by Jay McCall a respected industry commentator with experience in networking, managed services, and storage solutions and how these solutions can help MSPs and IT solutions providers grow their businesses.



MAX RemoteManagement

The MAX RemoteManagement software tool offers a comprehensive range of features that help our partners to scale their businesses and attract new customers. Enabling them to deliver high-value, lucrative and proactive services – whether working with a break/fix model, fully managed services, or a hybrid of the two.

MAX RemoteManagement you can help you:

- Work with any business model
- Sell new services and build recurring revenues
- Win more contracts with Own-Brand System, Client Portal and Reporting
- Deliver an exceptional service that keeps clients loyal
- Boost efficiencies with automation and instant alerts

About MAXfocus

MAXfocus is the platform of choice for the largest community of future-focussed MSPs and IT support companies in the world. The MAXfocus platform empowers MSPs and IT support companies to deliver world-class IT Operations and IT Service management to their customers with a customisable set of services that has the lowest total cost of ownership in the industry. MAXfocus sits at the heart of a global community of more than 10,000 of the world's leading MSPs and an extensive network of partners and industry leaders and delivers the commitment and investment to enable MSPs to evolve their service offerings as strategic, consultative services to their clients.

Learn more about MAXfocus, our products and how you can take full advantage of MAX RemoteManagement by visiting www.maxfocus.com

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