



Managed Services Provider Analysis Report

Deidentified prepared by Dog and Bone

Introduction

Congratulations on being awarded an IT Managed Services Provider (MSP) Assessment.

Over the past 20 years, we've worked with many of Australia's well known not for profit (NFP) organisations. But there are many NFPs that can't afford professional services to enable them to have a greater impact. That's why we created our Impact Program, which since its inception, has contributed a combined impact of over \$26.9M to the NFP sector, via pro bono cost reduction initiatives, technology advice, strategic projects and discounts.

Part of our Impact Program, the IT Managed Services Provider Assessment supports NFPs by advising on ways to improve their managed services partnerships.

Let's get started.



Managed Services in the NFP Sector

As a not-for-profit, increasing demand for cost-effective IT solutions, the growing complexity of digital infrastructure and cyber security, and the need for businesses to focus on core activities while outsourcing non-core functions, are all strong drivers for a highly functional partnership with a capable MSP.

The shift towards cloud computing and the growing reliance on big data analytics or artificial intelligence is driving an increasing need for scalable, flexible, and secure IT management services.

Implementing robust management and security measures, including regular software updates, strong password policies, and employee training on phishing and other cyber risks is essential.

Investing in a highly functional MSP partnership is not just about keeping the lights on; it's about ensuring the continuity and integrity of your services to those who rely on them the most.

In the past, organisations have thought of managed service providers like a helpdesk to call if something breaks. Now it's more widely accepted that they're not just a break-fix provider, but a strategic partner working with you and enabling technology to work for your business.

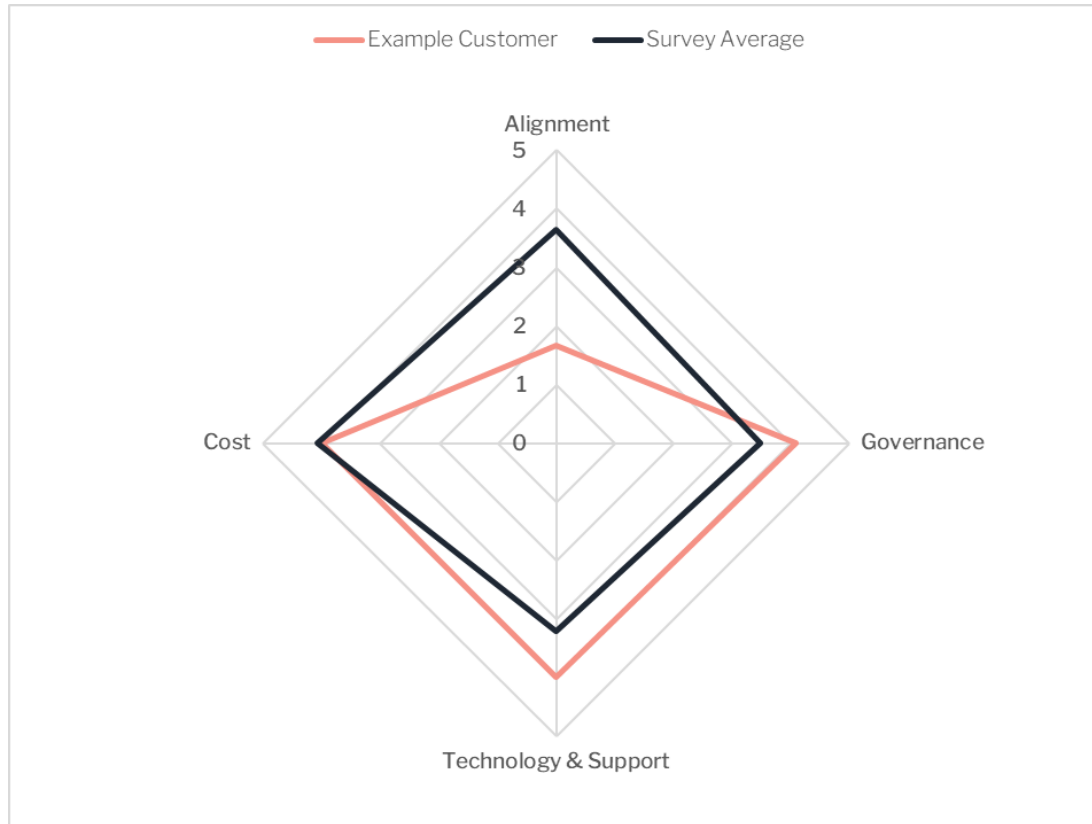
- 47% of Not-for-profit organisations surveyed consider their organisation “basic”, an increase of 10% since 2023 when it comes to digital capability and skills. ⁽¹⁾
- Only 46% of Not-for-profit organisations surveyed believe Our technology environment is “all setup and it's working well”, down from a peak of 69% in 2022. ⁽¹⁾
- MSPs have never been more relevant or critical to the success of their Australian business customers navigating choppy waters as they will be in 2024. ⁽²⁾
- In Australia, the demand for managed services is on the rise as businesses seek to outsource IT operations and focus on core competencies. ⁽³⁾
- The average spend per FTE on external "IT support services" across the Not-for-profit organisations surveyed is 14% of their IT spend, which is higher than all other categories except for "PC's, software and equipment" at 15%. ⁽¹⁾

Sources: (1) “Digital Technology in the Not-for-Profit Sector Report 2024” - Infoxchange

(2) “State of the MSP 2024” – CRN

(3) “Managed Services - Australia” – statista

Your Current State Analysis*



*This analysis is based on the questions answered in the Dog & Bone IT Managed Services Provider Questionnaire. The score for each control group is based on an average of the questionnaire responses for that group.

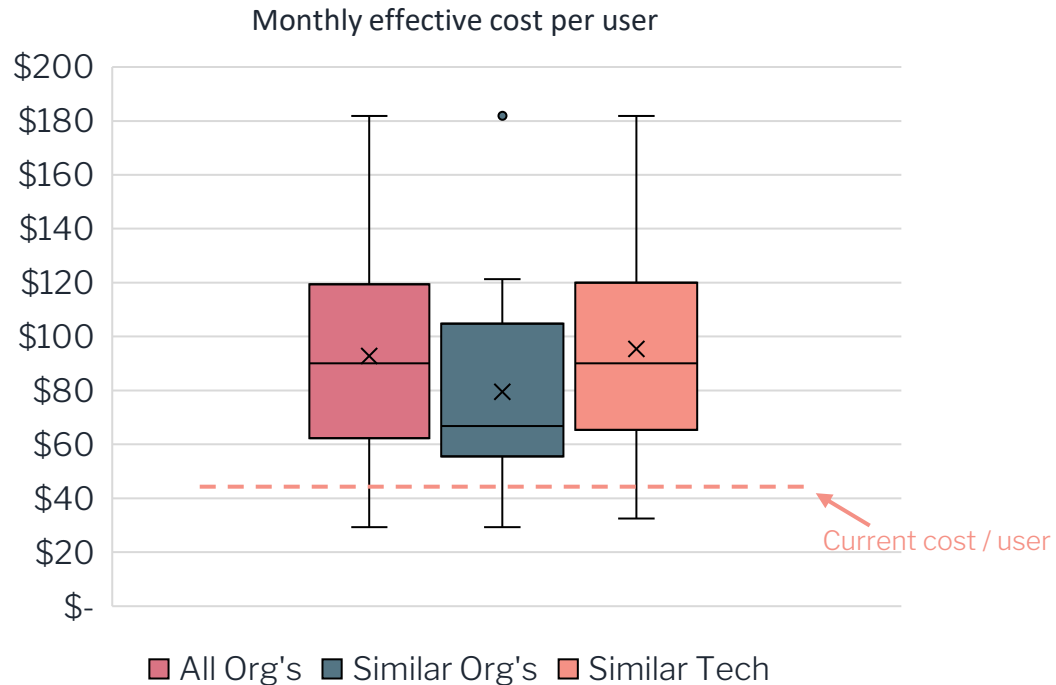
Dog & Bone has adapted the Capability Maturity Model Integration (CMMI) framework to provide a structured approach for organisations to assess and improve their managed services partnerships, processes, and policies. We have grouped the control questions into four sections; Alignment, Cost, Governance, and Technology & Support.

The adaptation of CMMI principles to managed services enables organisations to systematically enhance their IT services posture, manage IT operations and risks more effectively, and align IT services practices with their overall business goals.

Expanding the ratings to be descriptive, each level can generally be described as:

- **Level 1 - Unsatisfactory:** IT managed service efforts are uncoordinated and reactive. There is no standardised approach to managing IT services.
- **Level 2 - Minimal:** Basic processes and procedures are established. The organisation starts to manage and repeat successful practices, though these may not be uniformly applied across all areas.
- **Level 3 - Satisfactory:** Managed Services practices are well-defined and standardised across the organisation. There is a consistent approach to managing IT services that is integrated into business processes.
- **Level 4 - Good:** IT Managed Services practices are measured and controlled. The organisation uses data and analytics to manage risks and improve IT Services and processes quantitatively.
- **Level 5 - Excellent:** The organisation continuously improves its IT Services processes based on a quantitative understanding of its goals and performance, using innovative approaches to address future challenges.

Your Current Cost Analysis*



The pricing comparison analysis shows the current IT service provider cost at \$45 per user per month (based on 700 users) to be below the lower quartile but within the lower extremity for all outsource model scenarios (from Dog and Bone RFP data).

The pricing benchmark analysis assumes relative stability in the technology environment (ie. no transformational change) and excludes any transitional or onboarding costs, licensing costs for systems, optional backup services, or regular scheduled onsite visits from IT support personal.

Although the current in-house model pricing sits within the lower extremity of the pricing seen by Dog and Bone for similar organisations, current resourcing is not meeting business requirements and there are some service value considerations which need to be assessed and are identified on subsequent pages of this report.

- All Orgs:** Represents a collection of pricing data from all MSP RFP's conducted by Dog and Bone.
- Similar Orgs:** Represents organisations similar in user count to Example Org.
- Similar Tech:** Organisations with similar technology stacks to Example Org (although mostly smaller than Example Org in this data set).

Summary of Survey Wide Technology Services

The following set of Service Components are based on a summary of all the responses provided in the Dog & Bone IT Managed Service Provider Assessment Questionnaire. They are summaries of all responses for comparison.

Service Component	Survey Results
Email	100% of survey responses indicated that Microsoft 365 / Outlook was the system of choice for email.
File storage	File storage was mixed with 100% of responses indicating that Microsoft SharePoint and OneDrive were in use within the organisations, however 25% of organisations also used other services such as on-premise file servers or other cloud services such as Dropbox.
Telephony & communication	75% of organisations were already using Microsoft Teams as their communication and telephony platform, with 25% still using an on-premise PABX telephone system.
Cloud v's on-premise server infrastructure	75% of survey respondents were using only cloud services, with the remaining 25% using both cloud and on-premise server infrastructure. No organisations were using just on-premise server infrastructure.
Business systems	All organisations who responded to the survey indicated they used one or more business systems such as CRM, case management, etc... specifically for their business operations with 75% of respondents indicating their MSP provided at least some assistance with supporting their applications.
Full v's Light staff members	On average, survey results showed that the ratio of full staff members to light staff members was close to 2:1 in favour of full staff members.

IT Service Improvement Recommendations

The following set of recommended improvements are based on the responses you provided in the Dog & Bone IT Managed Service Provider Assessment Questionnaire and are aimed at incrementally improving the maturity level of your IT Service posture.

Service Component	Recommendation
On-premise servers	Relocate the workloads currently serviced by the on-premise servers to cloud first systems and applications.
Telephony	Consolidate all telephony services into the Microsoft Teams communication platform and adopt a cloud contact centre platform to enable decommissioning of the legacy on-premise PABX.
MSP performance	Review the current MSP contracts with a view to improve customer (end user) satisfaction and source alternative provider if unable to satisfactorily rectify current service issues.
MSP governance & alignment	Review the current MSP contracts and engage MSP in strategy and alignment review to determine if your MSP is the correct fit for your organisation with view to re-align relationship or seek alternative provider with tighter alignment to your business goals and objectives.

Dog & Bone would welcome the opportunity to work with you to improve your IT Services maturity and ensure IT services are a business enabler.

Next steps

- Review this report and consider how our findings can work for your organisation.
- We'll be in touch shortly to book in your 1-hour pro bono consultation, to discuss the assessment findings.



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About Us



Ethical & Independent Technology Advisors

Dog & Bone's vision is a 'better world through technology'. We're inspired by organisations who exist to make the world better. Supporting these organisations to have a greater impact through their use of technology, is what drives us.

For over 20 years, we've been working with some of Australia's most impactful organisations. We help them identify significant telco savings and create fit-for-purpose technology strategies, allowing them to amplify their community impact.

Our commitment to the community sector is also reflected in our Impact Program, which provides pro bono services to purpose-driven organisations.

Our Impact 2023/24



\$4,141,333

TOTAL DIRECT IMPACT



\$1,101,959

IMPACT PROGRAM & DISCOUNTS



114

NFP ORGANISATIONS WORKED WITH



675

PRO BONO HOURS PROVIDED

Our Clients

We're for organisations that improve the world.

At Dog and Bone, our approach is resolutely purpose-driven when it comes to choosing our partners. We focus on providing support to organisations who are dedicated to making a positive impact so we can help amplify their purpose, enhance their capabilities and collectively work towards meaningful change. Our focus on these sectors enables us to deliver tailored solutions that align with our clients' values and objectives.

We specialise in:

- Not-for-profit
- Social enterprise and B corps
- Government agencies

