

In-House vs Managed IT

A Comparison for Financial Institutions

The idea of Managed IT has become an increasingly popular topic of discussion among financial institutions as IT, security and compliance needs become more complex. The decision to keep your IT resources in-house or outsource them to a Managed Services Provider (MSP) is one that should be considered carefully, and there are pros and cons to both options.

Keeping IT In-House

Pros	Cons
<p>You Don't Need to Pay Another Company</p> <p>By keeping your IT resources in-house, you don't have another monthly expense to add to your budget. You can train existing staff to support your infrastructure or hire a dedicated engineering resource.</p>	<p>Finding the Right Team Can Be Time Consuming and Costly</p> <p>If you keep your IT in-house, you'll need to find resources with the necessary skill set to maintain your IT environment. This can be time-consuming for your HR department, and you'll need to provide continuous training to keep their skills consistent with industry best practices. This is especially important for keeping you abreast of new techniques and strategies, as in-house teams won't be exposed to the same variety of projects and solutions that MSP teams are.</p>
<p>Face-to-Face IT Support</p> <p>Onsite IT staff are able to connect with your employees in ways that a remote MSP may not be able to unless you pay extra money for onsite support. These face-to-face interactions create a level of cohesiveness and trust within the organization.</p>	<p>Paying Top Talent In-House Can Be Costly</p> <p>If you are planning to hire dedicated IT staff for your in-house team, you'll need an engineer with the proper skillset to independently support your IT needs. Engineers of this caliber can be costly -the average salary for a security engineer in the U.S. is \$100k.</p>
<p>You Already Know Your Business</p> <p>You and your team already know your business backward and forward, and bringing an outside team up to speed may sound challenging. However, when you work with an IT team familiar with the financial space, they should have the background and expertise to understand your environment, needs and goals.</p>	<p>You May Be at Risk</p> <p>If you don't have full-time roles dedicated to IT security and compliance, your financial institution is likely at risk. Complex IT and quickly evolving threat landscapes require full-time experts to stay compliant and reliably protected. MSPs can provide these roles at a much lower cost than hiring experts in-house.</p>

Managed IT

Pros	Cons
<p>Access to a Larger Talent Pool and a Team Approach</p> <p>Utilizing an MSP means you'll have access to top talent specialized in IT. The outside company essentially replaces the need to hire all talent in-house, allowing you to scout the top talent in other areas while you focus on your core business strategies.</p> <p>MSPs are also consistently looking for new talent, and typically have a bench of several engineers with a wide range of skills available at any time.</p>	<p>Finding the Right Team Can Be Time Consuming and Costly</p> <p>With Managed IT, your MSP has some control over your environment. With the right provider, this can be a benefit, not a detriment. However, partnering with an MSP you can trust – one with a working knowledge of your industry-specific needs – should be a huge factor in your decision.</p>

<p>Protection in the Event of an Emergency</p> <p>MSPs offer remote monitoring of your business-critical systems. If an outage or breach occurs, they have staff available around the clock to start working on your issue. SLAs contractually obligate MSPs to respond promptly to any issues 24/7/365. An MSP should also have contingency plans in place to keep downtime to a minimum, allowing you to be back up and running quickly.</p>	<p>Communication Gaps</p> <p>There is no onsite point of contact for staff to go to for IT help when there is an MSP. This could impact the comfort level of your staff while they gain trust in an outside IT vendor. Working with a local MSP that prioritizes client relationships can alleviate this stress. Further, an MSP that's the right size for your business will have enough employees that they can handle your needs without being so big that you reach a different person every time you call. Often, businesses get to know their MSP points of contact quite well over time and think of them like extensions of their own team.</p>
<p>Cost Savings</p> <p>With an MSP, costs are predictable and fixed, so you won't be hit with surprise costs during an unforeseen incident. Managed IT staff means you won't be paying out a salary plus benefits for in-house staff. You also won't need to keep up with a costly annual training budget to continue the education of in-house staff.</p>	<p>Remediation Requirements</p> <p>Many businesses put off hiring an MSP because they suspect they may need to overhaul quite a bit at the beginning of the engagement. However, avoidance is no way to approach IT issues that could become serious hazards to your business' security or viability. While the initial onboarding process may be resource-intensive, a good MSP will help make sure you don't feel overwhelmed by explaining everything thoroughly, presenting you with options and advising on planning and implementation.</p>
<p>Breadth of Experience</p> <p>Because of the high cost of hiring a team of professionals, most financial institutions resort to the "jack-of-all-trades" approach to IT, which can lack thoroughness and strategy. MSPs, by contrast, house an entire team of fully trained IT professionals who have worked on a diverse variety of projects and environments. Working with an MSP grants you access to a host of technical experts – without their hefty price tags.</p>	<p>Knowledge and Information Transfer Concerns</p> <p>With IT outsourcing, another company will now have access to some of your confidential information and some control of your network, which can be nerve-racking, especially in the financial industry. However, a quality MSP will improve your security – not increase your risk. An MSP with standardized security best practices will structure access to your business applications so that you have complete control over who accesses what.</p>

The Hybrid Option

Hiring an MSP doesn't have to be an all-or-nothing decision. Many financial institution MSP contracts fall somewhere in the middle, where the MSP handles certain things and the financial institution keeps others in-house. This co-managed IT service is a hybrid option that can strike the perfect balance for addressing both daily tasks and larger projects and initiatives without overloading the bank's resources.

Peters & Associates is an MSP for financial institutions that offers customizable managed services, allowing financial institutions to choose which functions, if any, they'd like to keep in-house. Our breadth of experience allows us to take on the heavy lifting for even your most technical projects while leaving you to manage whichever items you choose. Or, if you'd rather leave it to us, we can fully manage your IT for you.

Partner With A Community Bank MSP in Chicago

With resources in the Chicago area and Greater Midwest Region, Peters has the local support you need to take the IT responsibilities out of your hands so you can focus on what matters most: your business. We offer a full stack of options, from helpdesk and compliance support to full managed services.

Contact us today to learn more.

Contact Us

peters & associates
simplify solve succeed

www.peters.com