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Coevolve's NextGen Series

The changing face of Managed Services

Your guide to your future managed IT needs

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Setting the scene

\$161.37 bn

Value of the global
Managed Services industry
in 2021



\$311.32 bn

Projected value of the
global Managed Services
industry in 2027



The world has changed forever – and so have Managed Services. As more IT decision-makers take advantage of modern cloud environments, data suggests that there are plenty of challenges along the way – namely a noisy macroeconomy, a wider range of vendor options, intense competition for the most knowledgeable experts and effectively deploying a growing spend on software.¹

IT leaders require more dynamic and specialized support for cloud infrastructure and applications. Against this background, it is no surprise that the Managed Services sector is seeing rapid growth. In 2021, the global Managed Services market was valued at \$161.37 billion – but this is expected to double by 2027 to reach a staggering \$311.32 billion.²

Sources:

¹<https://www.gartner.com/en/newsroom/press-releases/2022-04-06-gartner-forecasts-worldwide-it-spending-to-reach-4-point-four-trillion-in-2022>

²<https://www.prnewswire.com/news-releases/the-global-managed-services-market-is-expected-to-reach-a-valuation-of-usd-311-32-billion-by-2027--301486451.html>



PURPOSE OF THIS EGUIDE

This latest eGuide, part of our new *NextGen* series, explores the changing face of Managed Services in the context of the significant digital change over the last few years. Managed Services increasingly allow enterprises to focus on their core business functions by offloading the hassle of keeping core IT systems up and running while reducing IT costs and increasing operational efficiency.

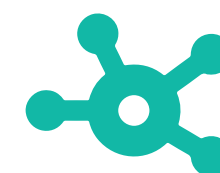
But what is the role of the modern Managed Services provider (MSP) in light of this, what needs to occur to enable effective partnerships with the modern digital business, and what impact will the rise of modern, agile, co-managed digital infrastructure specialists have? We explore all of this plus more in this special eGuide.



THE CHALLENGE

The world has evolved, with the global events of 2020-21 forcing rapidly accelerated technological change and innovation. This has led to an explosion of applications moving to cloud environments, transforming how enterprise networks need to work in the future. The way networks need to be designed and built now is significantly different from previous legacy network infrastructure.

Additionally, traditional network Managed Services are outdated, pushing enterprises to change the way they outsource Managed Services and search for more flexible forms of partnering, where there is an element of co-management. Old-fashioned outsourcing agreements no longer work in this rapidly evolving IT environment. The modern MSP must adapt too. MSPs need to be more dynamic and multiskilled and have their finger on the pulse of emerging technologies and a constantly changing environment.



THE OPPORTUNITY

Today, uncertainty is a given. Traditional long-term contracts are no longer viable. Enterprises now prize flexibility and agility, and want a measure of control over their networks and systems, so they can make changes on a dime to meet immediate business requirements. This requires MSPs to be at the cutting edge to effectively partner with enterprises to share advice and expertise on network infrastructure.

Whether this means knowing the latest trends, being up-to-date with the most recent cyberthreats and how to counter them, or staying abreast of technological advances and software updates, MSPs must move quickly to enable enterprises to in turn take action rapidly. Further, MSPs must be able to provide solutions that work with their clients' existing IT infrastructure. Removing what the client already has and replacing it wholesale is impractical, demanding a great deal of time and resources. Only trusted partners that continually deliver great service will see the opportunity of long-term, sustained relationships with enterprises in this new environment.



WHERE TO START

Taking into account the dramatic changes in the sector, the way you engage with an MSP and what you need to consider when selecting the right-fit partner must be re-evaluated. One thing seems clear: if you want new answers, you can't just be using the same parties you used for previous network reviews and refreshes. We will share with you all you need to know about finding that right-fit digital infrastructure partner in this eGuide.

Modern Managed Services: An introduction

The Managed Services sector has fundamentally changed in recent years. From largely managing enterprise networks and infrastructure remotely, MSPs have had to evolve quickly to keep up with the times and go beyond network management. Here we explore where the industry is at.

What are Managed Services?

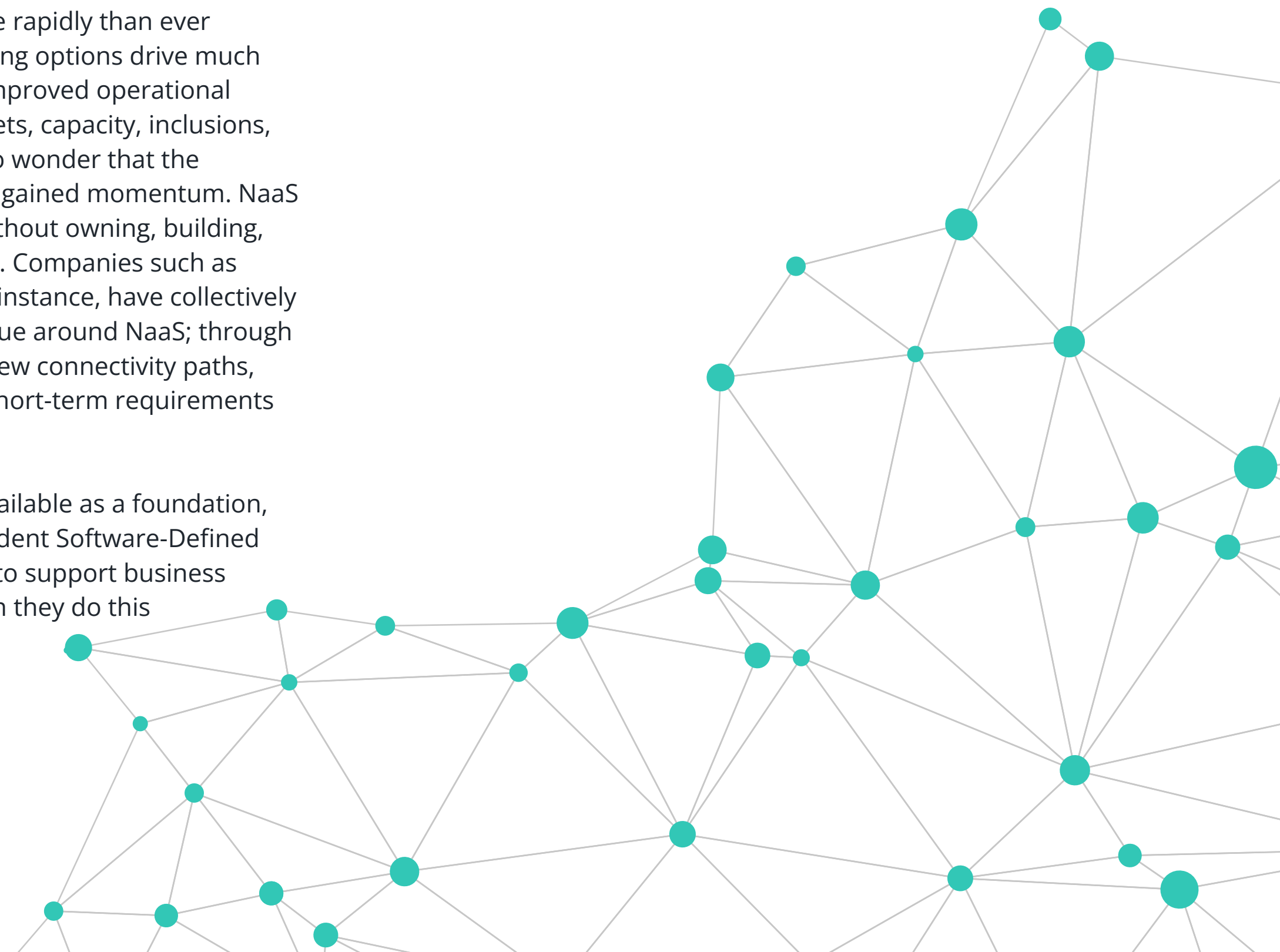
Managed IT services began gaining traction in the 1990s as Application Service Providers (ASPs) helped smooth the way for a dramatic increase in remote support of IT infrastructure. The industry emerged from enterprises' need to outsource the maintenance and delivery of their core IT services, infrastructure and processes to a team of specialists whose primary offering was precisely that. This way, enterprises could focus on their core business functions and not have to worry about the ongoing management of their IT infrastructure. MSPs would oversee everything from end user devices and computers to firewalls, routers, switches, Active Directory infrastructure, Exchange servers, file servers, and so on. MSPs typically operated from a centralized software or technology stack to remotely monitor and troubleshoot.

While Managed Services today still involve the supervision and maintenance of enterprises' IT, the role of the MSP has grown alongside technological advancements. MSPs must play a more active role and think beyond transactional support; they must go deeper and assist with collecting and analyzing data to facilitate optimization of their clients' networks and infrastructure.

What is driving the change?

Network technology is developing more rapidly than ever before. Software-Defined (SD) networking options drive much better technical performance and an improved operational proposition, including speed, feature-sets, capacity, inclusions, interoperability, and automation. It's no wonder that the Network as a Service (NaaS) model has gained momentum. NaaS allows users to operate the network without owning, building, or maintaining their own infrastructure. Companies such as InterCloud, Megaport, and Equinix, for instance, have collectively built billions of dollars of enterprise value around NaaS; through their portals, clients can quickly build new connectivity paths, and flex capacity up or down to meet short-term requirements or align with known patterns.

With such services and technologies available as a foundation, enterprises can leverage telco-independent Software-Defined Wide Area Network (SD-WAN) services to support business growth and development – but how can they do this effectively? Enter the MSP.



What is expected now and into the future?

Moving forward, the modern MSP will need to more actively advise and collaborate with their clients to optimize their enterprise networks to meet fast-changing business needs and improve performance across the enterprise. Furthermore, modern MSPs must overcome market fragmentation by offering an integrated solution that will not only take full advantage of networking technologies but enable a unique solution customized to the enterprise's network requirements.

Beyond solution deployment the modern MSP's in-house experts can help monitor network health and performance, and through data collection, APIs and analytics, help identify network anomalies, automate operational processes, and provide network insights and recommendations.

Driving continuous improvement, the MSP can then use this data-rich platform to provide more valuable insights to the enterprise, identifying business- or industry-specific metrics that are linked to critical business processes. The modern MSP can no longer just focus on keeping endpoints operational, it must demonstrate a greater knowledge of the enterprises and industries it supports to add real value.

This greater level of specialization and industry focus is a trend that has seen success in the enterprise Software as a Service (SaaS) world, with highly tailored enterprise resource planning (ERP) and customer relationship management (CRM) platforms emerging that align with the processes of the industries they support.

However, to date MSPs have largely provided a generic service that ignored the specifics of the enterprises consuming these services. This has limited the value of their offerings. The MSP is ideally positioned to know what combination of circuits, hardware redundancy, bandwidth and security services are required for a critical manufacturing plant versus a small sales office – and tomorrow's MSP will be expected to use this knowledge to deliver more effective services.

“The role of the MSP has grown alongside technological advancements. MSPs must play a more active role and think beyond transactional support; they must go deeper and assist with collecting and analyzing data to facilitate optimization of their clients' networks and infrastructure.”



▣ The challenge

The consistent feedback we hear from enterprises is that the traditional approach to Managed Services does not work in a multi-cloud world. With today's fast-changing business landscape and accompanying shift in business requirements, the modern enterprise requires different support – support that can handle distributed applications and data-heavy workloads, often spread across geographies and providers. But what needs to change?

The way things were

With traditional outsourcing, handing management of IT to an external party (the provider) usually meant the enterprise had little to no knowledge of what was happening behind the scenes. To most, as long as the necessary software and servers worked and companies were operational, there was no problem. But this came with a lack of transparency and visibility and a lack of control. From an end-user perspective, this binary “the service is up or down” world made it difficult to uncover a root cause and develop an improvement plan. Moreover, the underlying technology stagnated and couldn't move the client with the times.

As a result, IT leaders became frustrated that getting necessary changes carried out quickly was near impossible even though their internal experts often understood the inner workings of the network and other IT infrastructure best. In other words, while internal IT teams knew what needed to be done to produce the desired results, the controls to the environment were literally out of their hands. That doesn't work any longer. And this is what needs to change in the modern digital-first world.

The need for strategic partnering to co-manage and collaborate

A combination of the rise of internet-centric models, and the widespread migration to cloud and multi-cloud environments coupled with the rapid growth of global interconnectivity has changed the enterprise network topology irrevocably. Flexibility and fast response times are clearly among the top priorities for IT decision-makers today. Enterprises need immediate access to expert advice and technical expertise 24/7. But more importantly, to enable the agility and flexibility required to thrive, enterprises need their MSP to be a strategic partner who understands their enterprise's problems, requirements, and direction.

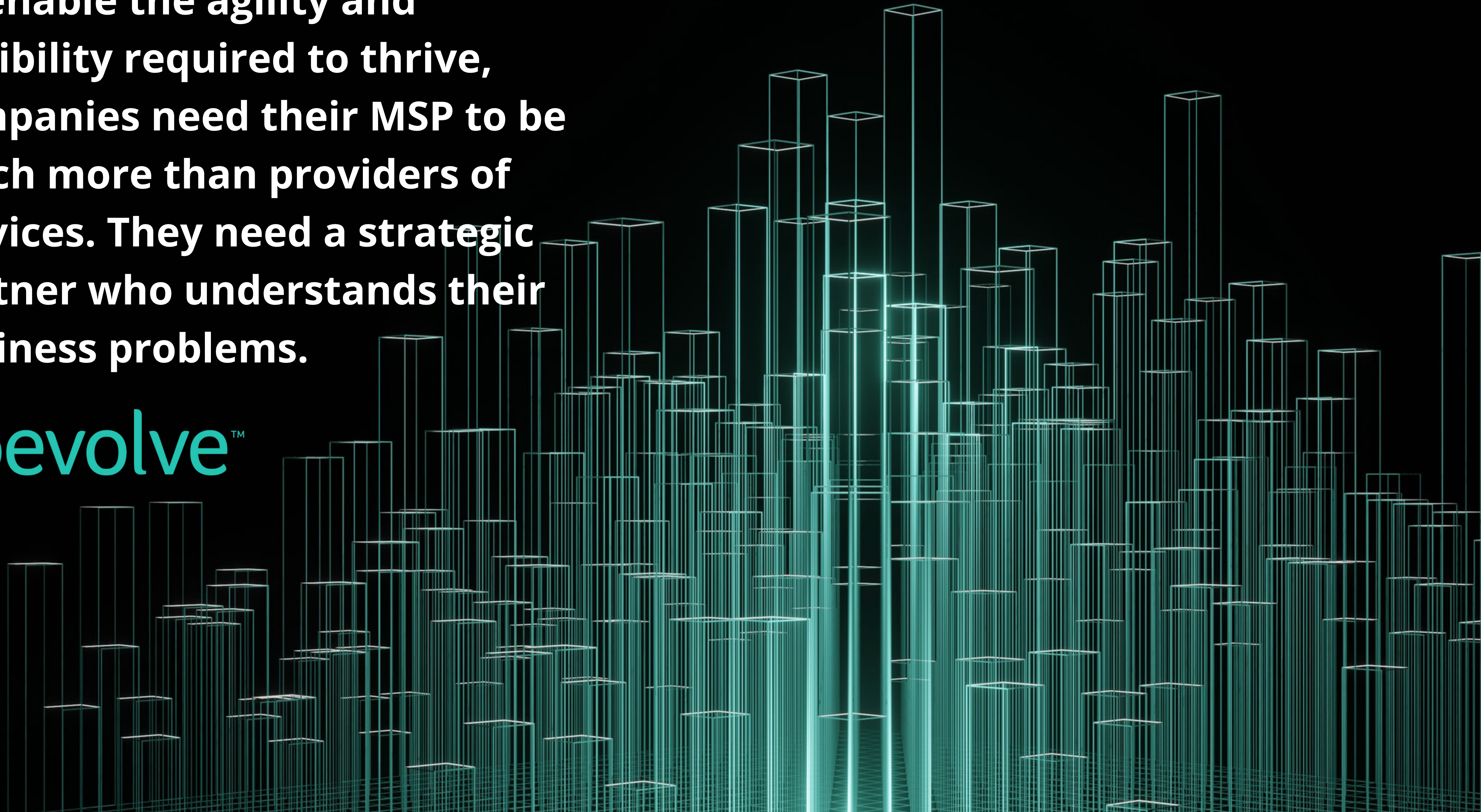
MSPs need to partner with their clients more actively to provide actionable insights and help achieve the best possible outcomes for everyone involved. This highly collaborative approach rests on the MSP understanding the business's core challenges and priorities and providing what we call a “business-critical service”.

There is no question: SD-WAN has the chance to shine in the new world, and can help unlock the operating model that enterprises are looking for. The future of Managed Services is through a co-managed methodology. This shared responsibility model is familiar to enterprises working with the cloud hyper-scalers but is anathema to the telcos and large Systems Integrators (SIs) that ran the largest network and IT services contracts of yesteryear.



To enable the agility and flexibility required to thrive, companies need their MSP to be much more than providers of services. They need a strategic partner who understands their business problems.

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▲ The opportunity

How can MSPs support businesses to drive a high performance and deliver the best possible business outcomes? What are “business-critical services”? As strategic partners and co-managers, modern MSPs need to do more than just oversee a business’s network and infrastructure – MSPs must actively work with the business to drive better, faster, more effective IT to enhance the business’s performance and further their goals. That can take different forms depending on the client and the need.

A specialized approach. Not one-size-fits-all anymore

Just because a new IT product or service typically improves earlier versions, it doesn’t mean that every enterprise can or wants an upgrade. Instead of just promoting the latest products and services, the modern MSP should focus on the business’s needs.

The provision of “business-critical services” demands a client-centric mindset that helps add value to the business, so a deep understanding of the business is necessary. For example, how can an MSP know what’s essential to their client and how to help further the business goals if they don’t have a firm grasp of the enterprise’s core business and the context in which the business operates?

MSPs need to analyze all available data and use it to figure out how to best optimize their clients’ network and infrastructure. In other words, how to get the best possible value out of existing systems and how to upgrade and improve to deliver the greatest return on investment.

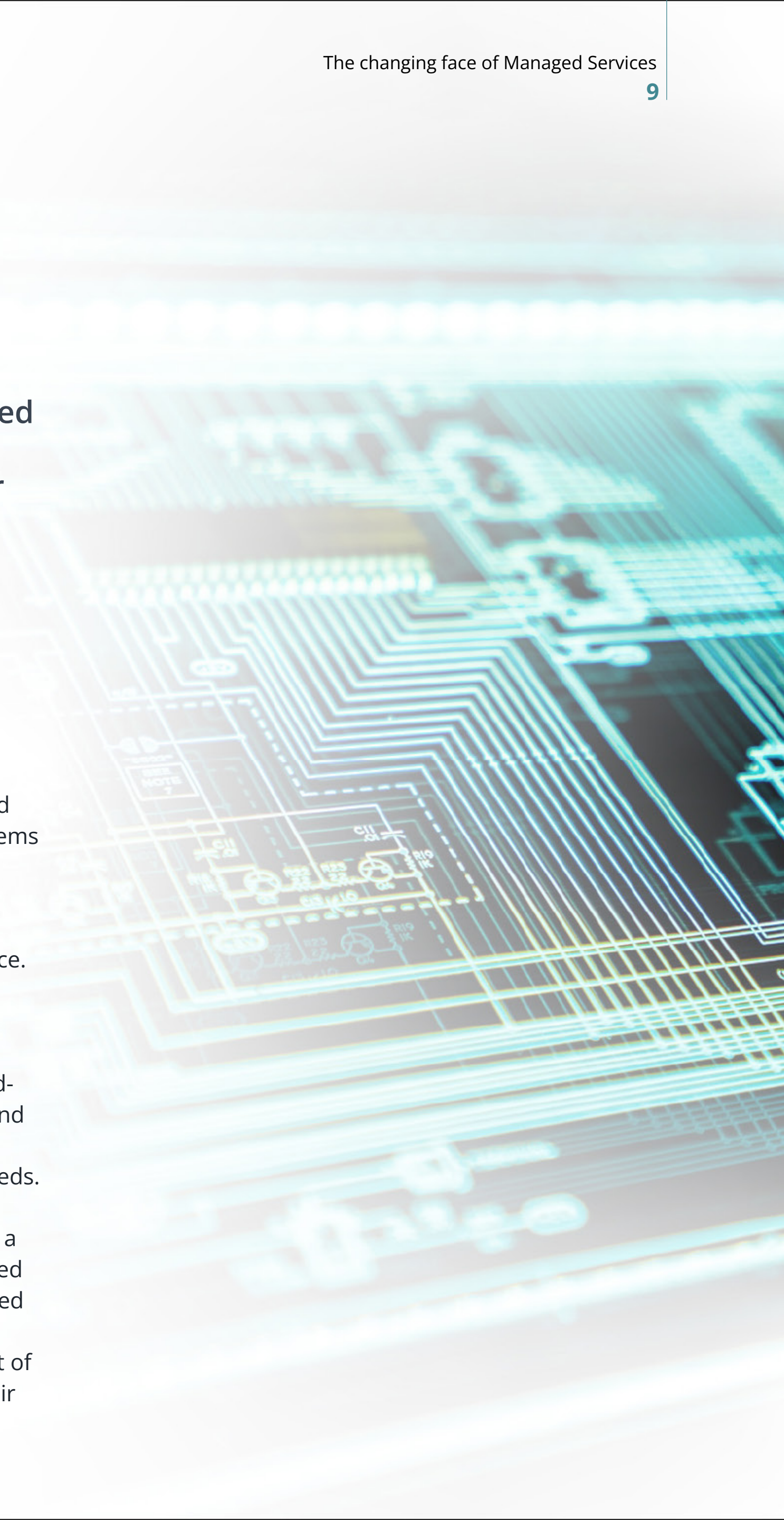
A co-managed digital infrastructure partner must help you shift from the old environment to the new operating model. It is not enough to only understand one of these environments, the old or the new. You need to be both cutting-edge technology experts and fully versed in the old network technologies to transition clients successfully.

A focus on co-management – emphasis on “co”

At Coevolve, we help bridge the gap between where clients are and where they want to be in the future with their enterprise network. Working alongside the enterprise and keeping in mind their goals and available resources, we identify potential problems early on and devise strategies to prevent them.

Central to the way we work is the concept of right-sizing; we tailor our approach and solution to each client and circumstance. This involves accounting for how much or how little support the client wants. Most enterprises already have some in-house technical expertise and may require only strategic advice and recommendations. Other enterprises, though, may require end-to-end IT support and management if they lack internal skills and capability. And still others need something in between. So, we listen carefully and are flexible in meeting clients’ individual needs.

It is important to note that by Coevolve offering our services in a modular fashion, a prospective client who wants a fully managed service is as straightforward to scope and serve as a co-managed alternative. The fully managed client is selecting all service modules whereas the co-managed client is selecting the subset of service modules in a scope that is appropriate to them and their internal resource capabilities and priorities.



Getting started

Like with any IT project or strategic partnership, the multimillion-dollar question is: where to start?

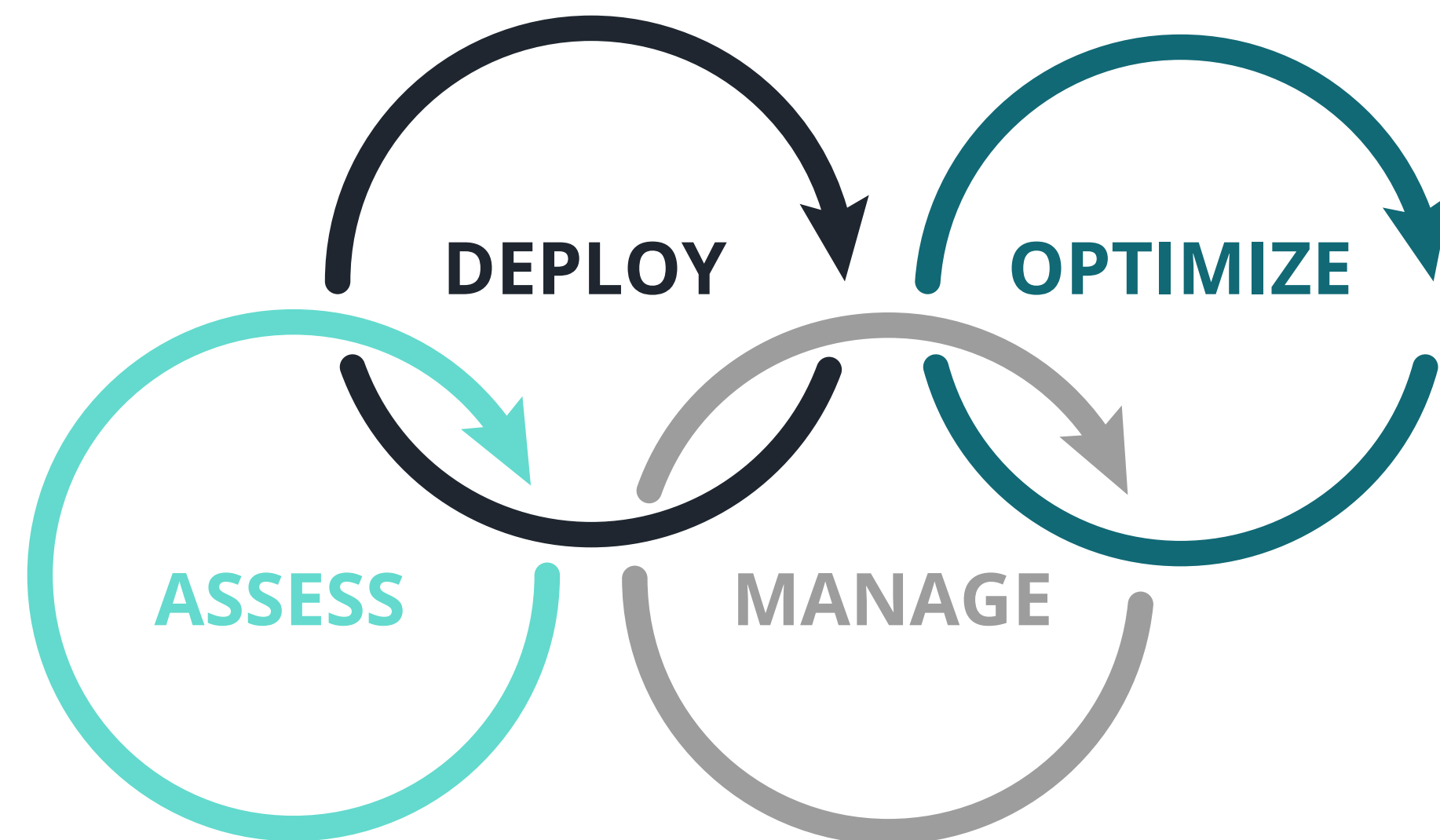
To get started, you should engage a specialist who understands the following:

- ✓ A clear structure is required for the mapping of responsibilities in the new network operating model
- ✓ Well-conceived best practice guidelines will act as guard rails to keep the new learnings focused and smoothly executed
- ✓ API-based techniques for enriched alerting and reporting are essential to scale everyone's time and focus on key results quicker
- ✓ Onboarding and client training is important for long-term success
- ✓ A spirit of transparency will aid all progress where (for example) circuit performance information isn't obfuscated in client views
- ✓ The partner should have a mindset that the automation journey has many iterative steps to deliver results out in the field each quarter
- ✓ A good governance model backed by significant hands-on experience will ensure the best outcomes from ensuring loops of continuous improvement to identifying areas of drift from agreed standards



At Coevolve we use our Network Life Cycle methodology to support digital transformation initiatives for our clients.

Different clients have different needs, and these too will vary across the stages of the Life Cycle.



Coevolve's Life Cycle methodology

Legacy old-world WAN

- Heavily based on private infrastructure
- Operationally complex to manage
- High cost
- Inflexible architecture
- Built for legacy internal apps
- Bandwidth constrained

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- Vendor strengths and options
- Use case options and business case analysis
- Insertion models and migration plans
- Proof of Concept
- Best practices in deployment
- Address nuances in the operating model

Next-Generation WAN

- Any connectivity type, anywhere
- Simplified operational model
- Continually access cost savings in the market
- Agile, flexible architecture
- Fully cloud-ready
- Uses high-capacity broadband services

As a full-stack SD-WAN partner we assess our clients' needs at each level of the service stack against our Network Life Cycle methodology.

This framework lets us determine which of our Service Modules are best suited to meeting our clients' needs, and what value we can add.

Service life cycle		Assess	Deploy	Manage	Optimize
Next-generation WAN service stack	Analytics layer	<ul style="list-style-type: none"> Intelligent network and infrastructure monitoring, alerts and insights, collating, and interpreting data from all layers of the technology stack using API interfaces 			
	Integrated Security	<ul style="list-style-type: none"> Virtual, physical, and cloud-based security services, fully integrated with the WAN to optimize performance and functionality 			
	SD-WAN overlay	<ul style="list-style-type: none"> Constant SD-WAN overlay delivered using physical or virtual appliances, providing seamless connectivity between client sites and cloud environments 			
	Global Cloud Network Infrastructure	<ul style="list-style-type: none"> Software-defined middle mile to replace traditional telco backbones, optimising inter-region connectivity and enabling seamless access to multi-cloud workloads 			
	Edge Underlay Network transport layer	<ul style="list-style-type: none"> Full life cycle management of network underlay, including research, pricing, implementation, and management of internet circuits in all regions 			

The horizontal axis of the framework shows the phases of the Life Cycle while the vertical axis features the various layers of the service stack. We have designed and iterated Service Modules that add value at each layer and at each phase of the Life Cycle

At Coevolve, we help bridge the gap between where customers are and where they want to be in the future with their enterprise network.

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How we can help

Coevolve is a leading global provider of telco-independent SD-WAN and multi-cloud networking solutions to enterprises, with a 100% focus on delivering an outstanding client experience. Coevolve was established in 2014 to drive enterprise adoption of next-generation networking technologies such as SD-WAN. We currently provide services to global enterprises in more than 80 countries on six continents.

Coevolve is the pioneer of telco-independent managed SD-WAN and for almost a decade, our methodology and framework have helped us and our clients pinpoint exactly what they need, and how we can help. Whether you're in the assessment, deployment, management or optimization phase of your Life Cycle, we have a Service Module that aligns with the amount of control you want over the infrastructure management process, to help you either get your team enabled or out-task activities.

We have a set of deployment, management and optimization Service Modules that can be selected as a fully managed package or an optimal balance of shared responsibilities with enterprises' in-house teams. This is complemented by a catalog of self-service, minor and major changes where client teams are free to perform common activities themselves, with extensive training available to facilitate this and with the assurance of having an expert available when needed.

Sources:

³<https://blogs.gartner.com/andrew-lerner/2022/02/27/the-state-of-network-automation-in-2022/>

Coevolve's services are also enriched with an embedded set of software-enabled features and automations. When we compare ourselves to the latest Gartner report on the topic of Network Automation,³ Coevolve has automations on all of the metrics on the checklist set out as good industry practice. All of this is based on many years of hard-earned experience in the field across a plethora of enterprise requirements in many sectors and some 500 telcos and ISPs in the circuit underlays we manage.

We have been part of the new breed of co-managed digital infrastructure specialists since the time the technology first came to market in 2014. We have built a global execution capability, as evidenced by our management of client sites in 80 countries worldwide, all based on great, sustained client relationships.

Contact us to learn more.



Contact us



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