

The CEO's Guide To Co-Managed IT

A NEW Approach To Securing The IT Support
You Need WITHOUT The Cost And Difficulty Of
Hiring A Large In-House IT Department

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SWK
TECHNOLOGIES

The Dilemma

Every day, CEOs and their executive teams are faced with tough investment decisions about where to allocate their financial resources.

Some of those decisions are easier to make than others because they can be based on logical financial analysis with safe ROI expectations. Investing in marketing, a new product line, an acquisition and strategic hires all build equity and future profits. These investments are relatively safe and dependable.

However, CEOs must also deal with a new category of investments that refuse to behave typically and often don't easily secure a direct ROI. These investments involve IT, and they are growing in number, breadth and scope.

I.T. investments are more difficult to estimate, and the ROI or benefit might not be obvious or easily measured. In fact, you hope some NEVER produce a tangible ROI, like investing in cyber security and disaster recovery protections. However, no company can afford to lag behind in I.T. There's not a single department or function of your organization that isn't significantly controlled by, enhanced by, facilitated by and outright dependent on I.T. And if your organization is NOT properly invested in cyber-protection and backup technologies, one cyber-attack or data-erasing event could have serious, long-lasting, costly ramifications – or even put you out of business.

But no one has unlimited funds. **So, what do you do about all of this?**

One option is to ignore it. Keep the status quo, make do with the I.T. staff and technology investments you have today (regardless of how old and antiquated they are) and “hope” everything is going to be okay. Trust that your current I.T. department has it “handled.” But you have to know this is a perilous tightrope. People in New Orleans trusted the dams and levees to hold – and they did – *until* they were hit with a Category 5 hurricane.

Your “Category 5” might be a ransomware attack or a rogue employee. It might be a failed server that went down, taking all its data with it, never to be revived again. It might be a corrupt SQL database that is beyond their expertise to fix. It might even be a pandemic forcing your staff to work from home and relying on old infrastructure that is not able to accommodate the switch.

Maybe your I.T. department truly does have it “all covered.” *Maybe.*

But if you are like most of the CEOs we work with to deliver co-managed IT, your I.T. person or department is significantly understaffed, overwhelmed and simply not able to keep up with the growing demands your company is putting on them. They also may be lacking in specialized

knowledge about any number of things – data backup and disaster recovery, cyber security protections, secure cloud computing, complex database management and more.

No one I.T. person can do it all or know it all.

Fact is, your IT department might NOT be as prepared and capable as you may think to handle the rising complexity of IT systems for your growing company AND the overwhelming sophistication of cyber threats with the current resources, time and skill sets they have.

If true, **your organization IS AT RISK for a significant IT failure.**

To be crystal clear, I'm NOT suggesting your IT lead and staff aren't smart, dedicated, capable, hardworking people.

Fact is, NOBODY likes to go to the CEO with “bad news” or to constantly ask for more money or help, particularly if they've already been told “there's no budget.” It may be uncomfortable or even embarrassing for them to admit they don't have it all covered or that they're lagging behind, not getting things done as well as they could *because* they're just crushed with putting out fire after fire.

Further, it takes a small army to run an IT department for a company of your size and growth – and you may be unfairly expecting too much of them, setting them up for failure.

Signs That You May Be Pushing Your I.T. Lead And/Or Department To The Limit

For the reasons stated above, conscientious IT leaders and staff often WON'T tell you they need more money, more staff, more help. They are trying to be good stewards of your company and budget – so it's up to YOU as the leader of your organization to ensure you are not setting them up for failure or burnout.

Here are early warning signs you may be pushing your I.T. department too hard:

1. **They're routinely working nights and weekends.** Everyone pulls an extended shift once in a while when a deadline is looming or due to a seasonal surge. But if your I.T. leader and department are ROUTINELY working nights and weekends to catch up, that's a sign they are understaffed, which can lead to an unhealthy workplace environment, exhaustion and burnout. It can also lead to important details being skipped and mistakes being made.

You might not even realize this is happening, so ask them. How often are you working overtime to get things done? How caught up are you on major projects? It's not uncommon for I.T. staff to be stressed to the max without the CEO/CFO even knowing about it. *This will end up hurting your organization.*

2. **Projects aren't getting done on time or correctly.** Most CEOs aren't technically savvy, so it's difficult to know for certain if a project is taking longer than it should, costing more

than it should. All too often, a manager will jump to the conclusion that the employee is incompetent or lazy – but that may not be the case at all. It could be they're so overwhelmed with tasks and putting out fires that they can't GET the time to do the project properly.

3. **Heightened emotional display, aggression or resentment.** Some employees will “suck it up” and push through, not wanting to talk to you about desperately needing more help. Or maybe they HAVE brought it up, only to be shut down and told “there's no money.” When this happens, it's easy for an employee to become resentful. You might think that emotion and work don't mix, but your employees are only human, and will only tolerate so much.
4. **They aren't rolling out preventative security measures.** Has your I.T. leader rolled out any type of end-user security awareness training? Do they enforce the use of strong passwords and compel employees to change their passwords routinely? Have they put together an Acceptable Use document or training to make sure employees know what is and isn't allowed with company e-mail, Internet, confidential data, etc.? Have they given you updated documentation on the network and an up-to-date disaster recovery plan?

All of these are essential preventative maintenance that often gets neglected or ignored when an I.T. person or department is overwhelmed – but these are critical for insurance purposes and reducing the chances of a cyber-attack or other disaster that would carry significant financial losses and/or hurt your company's reputation.

This May Be One Of The Biggest Dangers You Face

Without a doubt, the one area that you are most at risk for with an overwhelmed and understaffed IT department is cyber security. One incident can lead to data loss, extended downtime and (potential) liability with a cyber security breach or compliance violation.

As I stated above, the FIRST thing that gets left undone when projects loom and there are multiple fires to put out is preventative maintenance. If your employees are running into your I.T. team's office every 5 minutes needing a password reset or needing help getting e-mail, it's hard to tell that employee “no” because they're working on server maintenance or updating critical documentation.

It's the classic “important not urgent” work that gets neglected.

To make matters worse, the complexity of knowing how to protect your organization against cybercrime and how to be in compliance with new data privacy laws is growing exponentially. These matters require SPECIALIZED knowledge and expertise. They require constant monitoring and attention. CORRECT solutions. Regardless of your organization's size or industry, these are areas you cannot ignore or be cheap about.

In situations where companies were fined or sued for a data breach, it was their **WILLFUL NEGLIGENCE** that landed them in hot water. They knowingly refused or failed to invest in the proper I.T. protections, support, protocols and expertise necessary to prevent the attack.

You'd be foolish to underestimate the cost and crippling devastation of a complete, all-encompassing systems failure or ransomware attack. You don't want to dismiss this as "It won't happen to us." And you certainly don't want to underestimate the level of expertise you need.

One innocent mistake made by an employee. One overlooked patch or update. One missed backup can produce **EXTENDED** downtime, data loss, business interruptions.

Yes, your I.T. department is probably doing everything they can to protect you – **but it's up to YOU to be certain.** Everyone in your company – including your clients – is depending on you.

Exactly How Can Your Company Be Damaged By Failing To Invest Properly In Cybercrime Prevention And Expertise? Let Us Count The Ways:

1. Reputational Damages:

When a breach happens, do you think your [clients/patients] will rally around you? Have sympathy? This kind of news travels fast on social media. They will demand answers: **HAVE YOU BEEN RESPONSIBLE** in putting in place the protections outlined in this report or will you have to tell your clients, "Sorry, we got hacked because we didn't think it would happen to us," or "We didn't want to spend the money." Is *that* going to be sufficient to pacify those damaged by the breach?

2. Government Fines, Legal Fees, Lawsuits:

Breach notification statutes remain one of the most active areas of the law. Right now, several senators are lobbying for "massive and mandatory" fines and more aggressive legislation pertaining to data breaches and data privacy. The courts are **NOT** in your favor if you expose client data to cybercriminals.

Don't think for a minute this only applies to big corporations: ANY small business that collects customer information also has important obligations to its customers to tell them if they experience a breach. In fact, 47 states and the District of Columbia each have their own data breach laws – and they are getting tougher by the minute.

If you're in health care or financial services, you have additional notification requirements under the Health Insurance Portability and Accountability Act (HIPAA), the Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA). Among other things, HIPAA stipulates that if a health care business experiences a breach involving more than 500 customers, **it must notify a prominent media outlet about the incident.** The SEC and FINRA also require financial services businesses to

contact them about breaches, as well as any state regulating bodies.

- 3. Cost, After Cost, After Cost:** ONE breach, one ransomware attack, one rogue employee can create HOURS of extra work for staff who are already maxed out when things are going well. Then there's business interruption and downtime, backlogged work delivery for your current clients. Loss of sales. Forensics costs to determine what kind of hack attack occurred, what part of the network is/was affected and what data was compromised. Emergency IT restoration costs for getting you back up, *if* that's even possible. In some cases, you'll be forced to pay the ransom and maybe – *just maybe* – they'll give you your data back. Then there are legal fees and the cost of legal counsel to help you respond to your clients and the media. Cash flow will be significantly disrupted, budgets blown up. Some states require companies to provide one year of credit-monitoring services to consumers affected by a data breach, and more are following suit.

According to the Cost of Data Breach Study conducted by Ponemon Institute, the **average cost of a data breach is \$225 per record compromised, after factoring in IT recovery costs, lost revenue, downtime, fines, legal fees, etc.** How many client records do you have? Employees? Multiply that by \$225 and you'll start to get a sense of the costs to your organization. (NOTE: Health care data breach costs are the highest among all sectors.)

- 4. Bank Fraud:** If your bank account is accessed and funds are stolen, the bank is NOT responsible for replacing those funds. Take the true story of Verne Harnish, CEO of Gazelles, Inc., a very successful and well-known consulting firm, and author of the best-selling book *The Rockefeller Habits*.

Harnish had \$400,000 taken from his bank account when hackers were able to access his PC and intercept e-mails between him and his assistant. The hackers, who are believed to be based in China, sent an e-mail to his assistant asking her to wire funds to 3 different locations. It didn't seem strange to the assistant because Harnish was then involved with funding several real estate and investment ventures. The assistant responded in the affirmative, and the hackers, posing as Harnish, assured her that it was to be done. The hackers also deleted his daily bank alerts, which he didn't notice because he was busy running the company, traveling and meeting with clients. That money was never recovered and the bank is not responsible.

Everyone wants to believe, "Not MY assistant, not MY employees, not MY company" – but do you honestly believe that your staff is incapable of making a single mistake? A poor judgment? **Nobody believes they will be in a car wreck when they leave the house every day, but you still put the seat belt on.** You don't expect a life-threatening crash, but that's not a reason to not buckle up. *What if?*

- 5. Using YOU As The Means To Infect Your Clients:**
Some hackers don't lock your data for ransom or steal money. Often they use your server, website or profile to spread viruses and/or compromise other PCs. If they hack your website, they can use it to relay spam, run malware, build SEO pages or promote their religious or political ideals. Are you okay with that happening?

Do you think your I.T. team would never let that happen? If hackers can break into companies like First American, Facebook and Capital One, they can certainly get into YOURS. The question is: Will your I.T. team be brilliantly prepared to minimize the damages or completely taken off guard?

Co-Managed IT: How Growth Companies Are Solving Their I.T. Resource Dilemma

Because GROWTH companies face the dilemma of needing professional grade I.T. support but can't reasonably afford to invest in all of the tools, software and staff that requires is exactly why we created a NEW solution we call co-managed IT.

In short, co-managed IT is a way for CEOs of growing companies to get the helping hands, specialized expertise and IT management and automation tools they need WITHOUT the cost and difficulty of finding, managing and retaining a large IT staff OR investing in expensive software tools.

This is NOT about taking over your IT leader's job or replacing your IT department.

It's also **NOT** a one-off project-based relationship where an IT company would limit their support to an "event" and then leave your team behind to try and support it (or give you the option to pay them big bucks afterwards to keep it working).

It's also **NOT** just monitoring your network for alarms and problems, which still leaves your I.T. department to scramble and fix them.

It IS a flexible partnership where we customize a set of on-going services and software tools specific to the needs of your I.T. person or department that fills in the gaps, supports their specific needs and gives you far superior IT support and services at a much lower cost.

Here are just a few of the reasons why CEOs of similar-sized companies are moving to a co-managed approach:

- **We don't replace your IT staff; we make them BETTER.** By filling in the gaps and assisting them, giving them best-in-class tools and training and freeing them to more proactive and strategic, we make them FAR more productive for you. As an added bonus, THEY won't get burned out, frustrated and leave.
- **You don't have to add to your head count.** Let's face it: overhead walks on two legs. Plus, finding, hiring and retaining TOP talent is brutally difficult. With co-managed IT, you don't have the cost, overhead or risk of a big IT team and department. We don't take vacations or sick leave. You won't lose us to maternity leave or an illness, or because we have to relocate with our spouse or we've found a better job.

- **“9-1-1” on-site.** In the unexpected event your IT leader was unable to perform their job OR if a disaster were to strike, we could instantly provide support to prevent the wheels from falling off.
- **You get a TEAM of smart, experienced IT pros.** No one IT person can know it all. Because you’re a co-managed IT client, your IT lead will have access to a deep bench of expertise to figure out the best solution to a problem, to get advice on a situation or error they’ve never encountered before and to help decide what technologies are most appropriate for you (without having to do the work of investigating them ALL).
- **You’ll stop worrying (or worry less!) about falling victim to a major cyber-attack, outage or data-erasing event.** We can assist your IT leader in implementing next-gen cyber security protections to prevent or significantly mitigate the damages of a ransomware attack or security breach. We can also assist in providing end-user awareness training and help you initiate controls to prevent employees from doing things that would compromise the security and integrity of your network and data. **CRITICAL MAINTENANCE WILL BE DONE.**

Scenarios Where Co-Managed IT Just Makes Sense

Scenario 1: Your in-house I.T. staff is better served working on high-level strategic projects and initiatives but needs support in getting day-to-day tasks completed, such as troubleshooting various problems that arise, providing help-desk resources to your employees, software upgrades, data backup and maintenance, etc.

Scenario 2: Your in-house I.T. person is excellent at help-desk and end-user support, but doesn’t have the expertise in advanced cyber security protection, server maintenance, cloud technologies, compliance regulations, etc. As in scenario 1, we let them handle what they do best and fill in the areas where they need assistance.

Scenario 3: A company is in rapid expansion and needs to scale up I.T. staff and resources quickly. This is another situation where our flexible support services can be brought in to get you through this phase as you work to build your internal I.T. department.

Scenario 4: You have an excellent I.T. team, but they could be far more efficient if they had the professional-grade software tools we use to be more organized and efficient, along with our help desk. We can give them the tools, configure them for your organization and train them on how to use them. These tools will show you, the CEO, the workload they are processing and how efficient they are (we call it utilization).

Scenario 5: You have a robust in-house I.T. department but need on-site support and help for a remote location or branch office.

Who This Is NOT For:

Although there are a LOT of benefits to co-managed IT, this is certainly not a good fit for everyone. Here's a short list of people this won't work for.

- **Companies where the IT lead insists on viewing us as an adversary instead of an ally.**
As I stated previously, our goal is not to have you fire your I.T. lead or your entire I.T. staff, but some I.T. managers just cannot get beyond this fear.

As I've said, we NEED an IT-savvy leader in the company to collaborate with who knows how the company operates (workflow), understands critical applications and how they are used, company goals and priorities, etc. We cannot do that job. Co-managed IT only works when there is mutual trust and respect on both sides.

- **IT leaders who don't have an open mind to a new way of doing things.**
Our first and foremost goal is to support YOU and your I.T. leader's preferences, and we certainly will be flexible – we HAVE to in order to make this work.

However, a big value we bring to the table is our 30 years of expertise in supporting and securing computer networks. Therefore, the clients we get the best results for are ones that keep an open mind to looking at implementing our tools, methodologies and systems, and adopting some of our best practices. As I said before, this only works if it's a collaborative relationship. But we cannot – will not – take on a client that is doing things we feel compromise the integrity and security of a network, even if that's "how we've always done things" or because "that's what we like."

- **Organizations where the leadership is unwilling to invest in IT.**
I completely understand the need to watch costs. However, starving an IT department of much-needed resources and support is foolish and risky. Further, some CEOs look at what they are paying us and think, "We could hire a full-time person for that money!" But they forget they are getting more than a single person – they are getting an entire team, a backup plan, tools and software, monitoring and specialized skills.

We can only help those companies that are willing to invest sufficiently in IT – not elaborately or indulgently. In fact, we can demonstrate how a co-managed IT option is a far cheaper solution than building the same team on your own.

What Do Other Executives Have To Say?

“We were in a very difficult situation and your company stepped in and provided us with exceptional service to keep our company operating. The Network Assurance program has actually been a cost savings compared to our past experiences; no hidden costs. We have such peace of mind knowing you’re always behind the scenes should an unforeseen incident arise.”

Nancy Miller
Miller & Sons Builders, Inc.

*Miller & Sons
Builders, Inc.*

“I don’t know if there are other companies around like SWK Technologies, who actually deliver on what they promise. Probably there are, but I certainly haven’t found them if they exist. Friendly Planet will never make a move without SWK Technologies. They are that good.”

Peggy Goldman
President
Friendly Planet Travel



“Just wanted to take a moment and tell you that SWK Technologies has been fantastic to work with over the past five years. Your company understands our business and provides excellent support service when needed, not several days later. We will continue to highly recommend your company as we have in the past. Thanks for the effort.”

Donna Miller
Giuliano Miller & Company, LLC



“I had to take a moment to give extra special thanks to Josh. He has been at our site several times for our onboarding and has also worked with a number of my staff via phone support. I was initially nervous about moving over to the new support system as my staff had become accustomed to someone being in the office most of the time. This transition could not have gone smoother and I have received nothing but good feedback from my staff about our IT Support. Many of them specifically have a fondness for Josh and the help he has given us since we started. He is exceptionally smart and has developed a great rapport with myself and every member of my staff that has had the pleasure of working with him. I want to formally express our appreciation and gratitude for his time, expertise, and demeanor. He is an absolute pleasure to work with!”

Nicole Plath
Chief Executive Officer
Fortune Title Agency



“The quick response. Having SWK is like having your own IT Department that you can count on. Our computer system is a big part of our business and having SWK gives us a piece of mind that if something goes down we have a team of individuals that are going to help us get back up in running in minimal time. Time is money and if the computers/server goes down the clock is ticking. Each “computer guy” we have encountered is extremely knowledgeable and pleasant to deal with.”

Beth Cooper
Cooper Wilbert Vault Co.

The logo for Wilbert, featuring the name "Wilbert" in a stylized, cursive blue font.

“One of the key issues for us is being able to consistently maintain our data, back up, have all information at hand at a moment’s notice, and with that, SWK has performed a very, very big and helpful service to our organization in knowing the stability’s there for us to have that information on an ongoing basis.”

John Scirocco
Scirocco Financial Group

The logo for Scirocco Group Insurance, featuring a blue swoosh graphic to the left of the text "SCIROCCO GROUP" in a serif font, with "INSURANCE" in a smaller sans-serif font below it.

Think Co-Managed IT Is Right For You? Our Free Diagnostic Consultation Will Give You The Answer

If this letter struck a chord and you want to explore how a co-managed IT relationship would benefit your organization, we have complimentary consultations available with our Business Continuity and Cyber Security Specialists to evaluate your specific situation and recommend the co-managed IT approach that would work best based on your specific needs, budget and goals.

We work with your I.T. lead to determine areas that are lacking to unearth potential problems such as 1) inadequate or outdated cyber security protocols and protections, 2) insufficient backups, 3) unknown compliance violations, 4) workloads that can be automated and streamlined for cost savings and more efficiency, and 5) insufficient (or no) documentation of I.T. systems and assets.

These are just a few of the most frequently discovered problems we find that virtually everyone denies could exist in their organization.

We can also answer questions you might have such as:

- **Is my I.T. person or team 100% utilized, efficient and as productive as they should be?**
We have professional tools that will give you visibility into their activities and allow you to track time against work, as well as how efficiently they are performing their job, what

activities they are spending the most time on and whether or not they are maxed out, based on tangible data.

- Do you have sufficient redundancy and documented systems and processes in your I.T. department to avoid a single point of failure?
- Are you overspending and not getting your money's worth in any aspect of I.T.?
- Are you TRULY prepared and protected against a ransomware attack or other cyber security breach? Could you recover quickly? Are you meeting compliance regulations?

The above is NOT designed to make your I.T. team look bad; as we all know, fresh eyes see new things. They also are very unlikely to have the software tools we can provide that would give them insights and help them be FAR more effective for you. All of this will be discussed during this consultation.

To request this consultation:

1. Go online to: www.swknetworkservices.com/landing-page-free-consultation-co-managed-it/
2. Call us direct at 856-956-5800.
3. E-mail your appointment request to Ralph Castro, ralph.castro@swktech.com

One Important Request

We STRONGLY encourage you bring your I.T. lead into this Diagnostic Consultation so they can discuss where they feel they need the most help, and where your I.T. department is underutilized.

Even if you prefer we work with your I.T. leader direct, I also urge you to be involved. I realize that I.T. is not something you might fully understand, and that you are up to your neck in critical projects and deadlines – but decisions about allocating resources and budget DO require your approval and attention.

Therefore, please note that we are happy to conduct a diagnostic evaluation working mostly with your I.T. lead but would request you be involved, at some level, in looking at what we discover and propose.

We look forward to working with you and your team.

Sincerely,

Ralph Castro
Sales Executive – Network Services
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