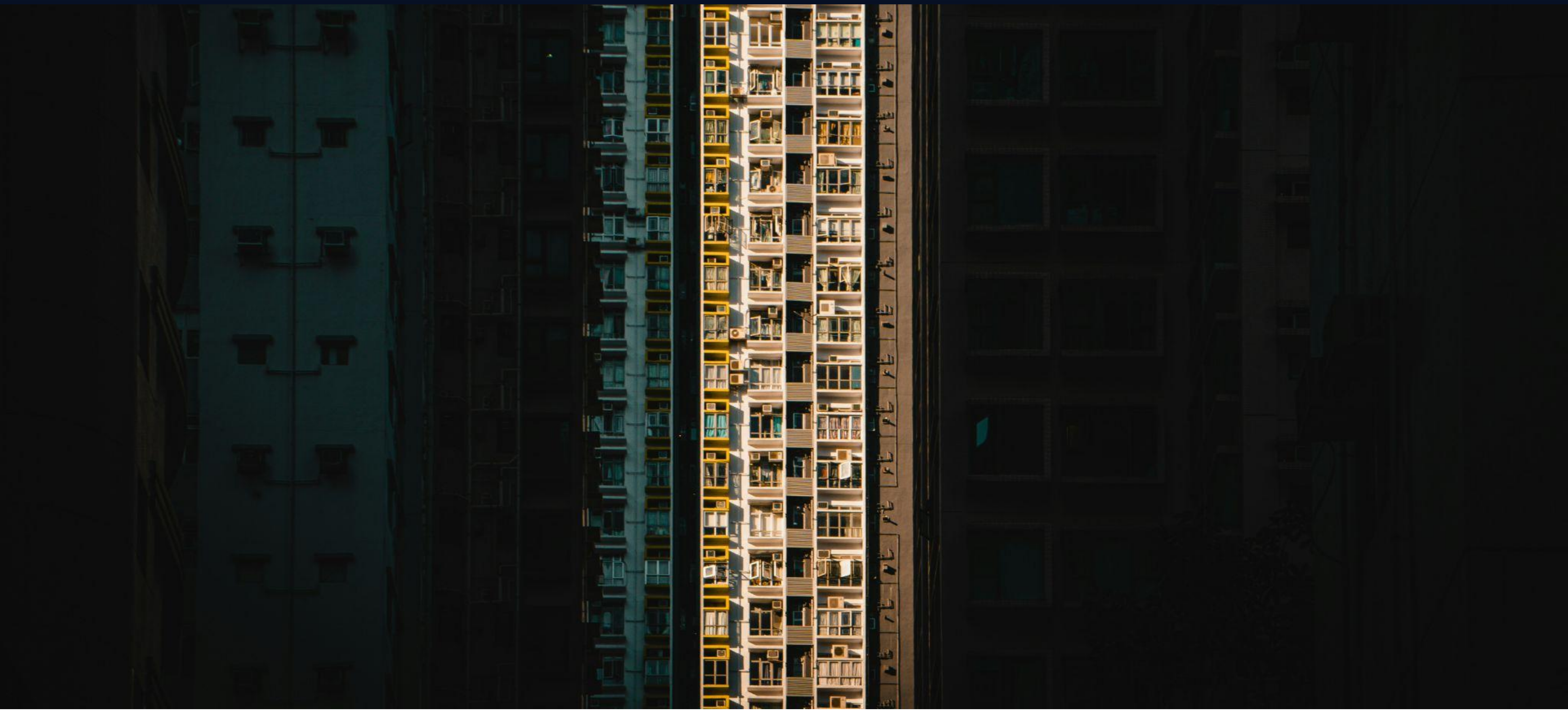
IT Managed Service Provider Strategy

How DayBlink Consulting re-developed an IT organization's operating model to replace its monolithic managed service provider



Introduction

In the face of rapidly evolving business needs and increasing regulatory scrutiny, a prominent IT organization found itself overly dependent on a single Managed Service Provider (MSP) for nearly 90% of its IT services. While outsourcing had initially been viewed as a cost-saving measure, it ultimately led to a significant erosion of internal knowledge, visibility, and control over critical IT functions. Over time, the outsourced model no longer aligned with the organization's strategic vision or operational requirements. The client's leadership recognized that in order to improve service quality, strengthen security posture, and regain accountability over IT performance, a major shift was needed.

To support this transition, the client engaged DayBlink Consulting to lead and manage a full-scale transformation from a fully outsourced IT model to an insourced, internally governed, IT Security Service Operations function. This effort included designing the future-state operating model, building the financial case for change, developing service management requirements, and overseeing the transition roadmap from planning through execution.

Problem

The MSP controlled ~90% of IT services, creating a vacuum of ownership and leadership

The challenges faced by the client were significant deeply embedded in its operating environment. Over time, the MSP had assumed control of the vast majority of IT services - ranging from cloud infrastructure and network management to service desk support and incident response. While this model may have worked during earlier phases of maturity, it eventually created a vacuum of ownership, strategic direction, and leadership within the client's IT team. The lack of in-house capabilities left the client dependent on a vendor that was deprioritizing the account and failing to meet expectations. Inevitably, the Technology & Business teams built internal capabilities to support poor MSP performance and thereby support IT.

Service quality had deteriorated to the point where critical business ops were being disrupted. Clients experienced frequent delays, miscommunications, and outages, eroding trust in IT services. Alignment between the MSP's delivery approach and the client's specific business and regulatory requirements was fundamentally misaligned. In many cases, even routine support requests became long, painful processes that ended in unsatisfactory resolutions.

Moreover, the client had no ownership or oversight of the tools and processes being used to deliver these services. Without administrative control or insight into the MSP's workflows, it was nearly impossible for the client to troubleshoot issues, hold the provider accountable, or ensure compliance with internal standards. Reporting was inconsistent, vague, and reactive, offering little help in tracking KPIs or service level adherence.

The severity of these issues forced the client to begin hiring additional internal staff, not to replace the MSP, but simply to manage and interface with them. This created an ironic and costly inefficiency: the organization was spending more to coordinate outsourced services than it would have cost to build and manage some of those capabilities in-house.

Managed Service Provider Challenges

- **POOR SERVICE:** Lack of quality resulting in business disruption and unsatisfied clients and well below the expectations of the client
- **INCREASED INTERNAL RESOURCING:** To preserve a positive customer experience and avoid business disruption, the client felt it necessary to hire staff to support the vendor and ensure that the organization was not at risk
- **TOOLS & TECHNOLOGY OWNERSHIP:** Lack of ownership of tools & tool processes restricted visibility into operations and presented future service provider transition risk
- **CONTRACT VALUE BREAKDOWN:** General erosion of contract value due to ineffective ability to manage BAU as the vendor was unable to remediate deficiencies as they arose
- **LACK OF INDUSTRY KNOWLEDGE:** Little to no market threat intelligence & vulnerability information, resulting in the hiring of additional resources to support critical capabilities
- **INTER-CONTRACT COST INCREASES:** Continued challenges from the vendor on various aspects of support not being within their scope and subsequent requests to increase monthly support costs

Solution

The client required support gathering details, documenting challenges, and developing a go-forward strategy

DayBlink Consulting guided a structured and strategic transition away from the outsourced IT services model. Our first step was to gain a full understanding of the current state. This involved cataloging IT services currently provided by the MSP, identifying associated tools, personnel, workflows, dependencies, and pain points. The team also conducted interviews with internal stakeholders to understand business requirements, service dissatisfaction, and opportunities for improvement.

A key deliverable during this phase was a detailed current-state documentation package that could be shared with internal leadership and external regulatory bodies. This ensured transparency and compliance while also laying the groundwork for change. Simultaneously, DayBlink Consulting developed a business case and financial forecast to support the transition. This included modeling the comparative cost of insourced versus outsourced operations, identifying opportunities for efficiency and cost avoidance, and articulating the strategic benefits of internal development.

DayBlink Consulting helped design the future-state operating model for the IT Security Service Operations function. This model emphasized accountability, agility, and scalability. Core functions such as IT service management (ITSM), cloud operations, network management, service desk, incident response, access management, and threat monitoring were reorganized into nine support domains, each with clearly defined roles, responsibilities, and service level needs.

To operationalize this new model, the team collaborated with internal stakeholders to manage key functional requirements and “non-negotiables” for each domain. This included ensuring performance standards, response time expectations, compliance checkpoints, and knowledge management. These service-level agreements (SLAs) and operating procedures would serve as the blueprint for building and onboarding in-house teams capable of delivering reliable, high-quality services.

Outcome

DayBlink Consulting aligned the future-state IT Operating Model and conducted the necessary proposal development and review for the new hybrid vendor set

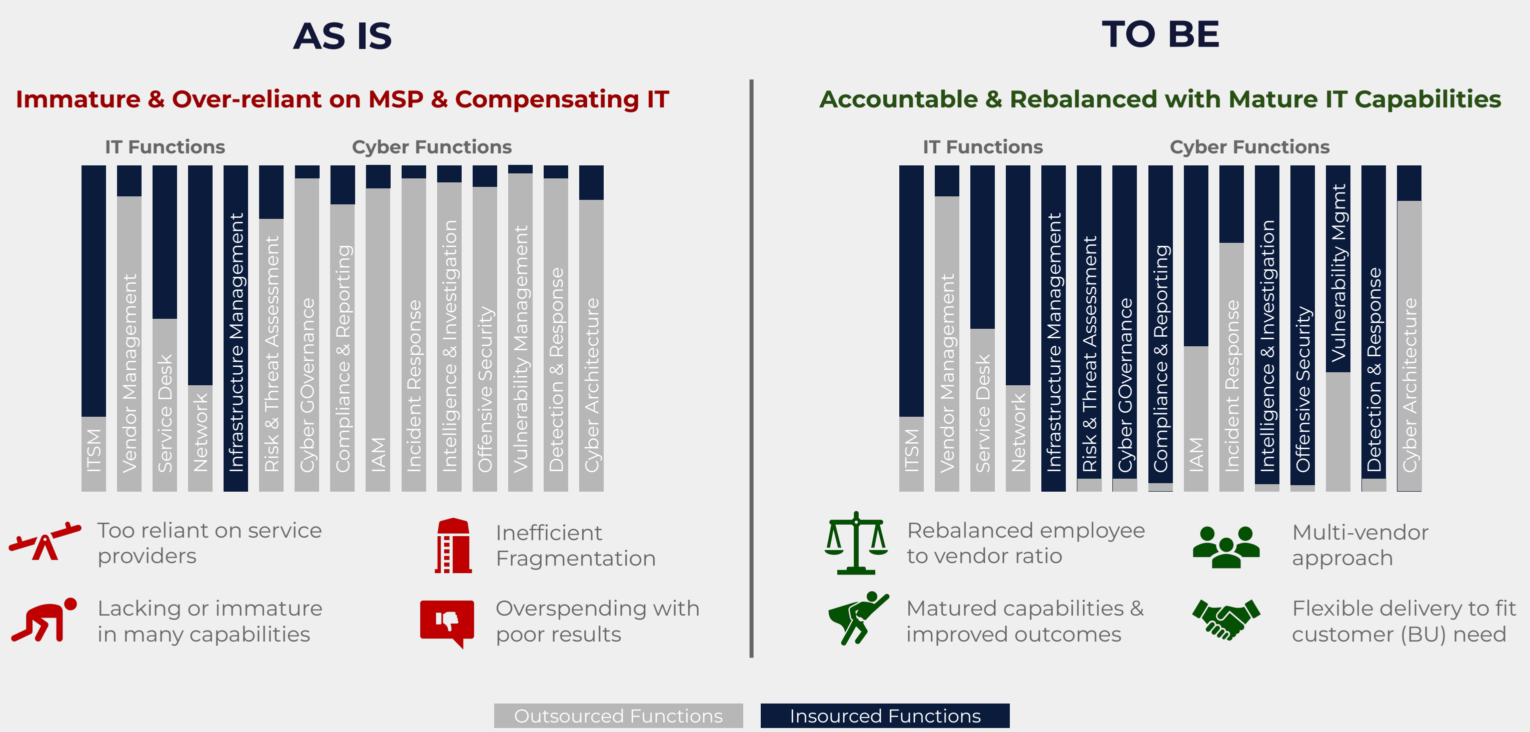
DayBlink Consulting helped the leadership team align on a future Hybrid Operating Model. The model detailed organizational services & sub-services, and evaluated each to determine the best-fit solution, all within a unified governance model. This included insourced, outsourced, and hybrid functions..

The transition empowered the client to regain full ownership of its IT service delivery model, enabling greater operational control, cost transparency, and strategic alignment with business objectives. By successfully adopting a hybrid insource/outsource model, the client reduced dependency on third-party providers while preserving flexibility for specialized external support.

As a result of this transition, the organization experienced:

- Faster response times and improved service quality, particularly in high-impact areas such as cybersecurity, network and cloud infrastructure, and IT service management.
- A scalable internal capability for IT Service Operations, allowing the organization to adapt and evolve as business needs change.

Target-State Insource / Outsource Operating Model



- Clearer accountability and ownership of IT services across the enterprise, strengthening governance and increasing cross-functional alignment.

The initiative also reestablished internal credibility for the IT organization, shifting its role from a perceived liability to a strategic enabler. Executive confidence in the program was bolstered through increased transparency, performance benchmarking, and consistent delivery against milestones.

Ultimately, the client was positioned to manage IT delivery with greater agility, ensure that investments are tied to measurable outcomes, and continuously refine service performance to support future growth.

-2 Months

Reduced estimated time to transition from six months to four months

$5M

Developed a plan with over five million dollars of estimated cost savings

10+

Developed countless preparatory documents including roadmaps, budgets, RFP Requirements, and more

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