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How next-generation managed services give private companies right-sized capabilities

How can private companies address the rapid pace of change in today's business environment while remaining focused on their core mission and preserving their agility?

It's a question the leaders of a privately owned advanced engineering firm asked themselves when looking to amplify their cyber defense capabilities. They knew they needed a turnkey solution that would give them access to best-of-breed technologies—without having to worry about staffing up or perpetually modernizing their cyber risk solutions against an everchanging landscape of threats.

Instead of building or buying the solution, the company effectively leased it to Deloitte. The resulting "cybersecurity as a service" solution, delivered on a single platform by a team with a blend of sector and threat intelligence experience, gave the company immediate access to the same cyber capabilities of the biggest public companies and increased threat visibility from less than 50% to greater than 95%. The technology suite includes around-the-clock threat monitoring, proactive threat hunting, incident response, vulnerability management, and asset mapping.

Welcome to the world of next-generation managed services, in which companies work with outside specialists and leverage their state-of-the-art technology to deliver cost-effective operational support at a scale that flexes depending on the immediate need. Unlike traditional outsourcing efforts focused on gaining cost efficiencies, today's managed services seek to fundamentally transform companies by focusing on business outcomes, effectively embedding a combination of critical skills, industry depth, and technological innovation.

For private companies, next-generation managed services represent an opportunity to replicate the work of whole departments without having to create or acquire them: granting them instant access to talent and technology, when and where they need them; to address key pain points; add business value; and mitigate risk while their internal resources remain focused on and committed to their core business.

Achieving immediate scale

As private companies seek to grow and innovate, they are facing the same acute challenges in today's market as their publicly owned counterparts:



While these challenges are universally shared, the scale and size of most private companies is making it more difficult to combat them. Recruiting top talent is one area where private companies find it tough to compete, given the lack of stock options and other compensatory arrangements often available to big, publicly held employers.

Canadian start-up engages Deloitte's ERP as a service to bridge talent and tech gap and increase operational efficiency

Keeping up with the latest technology can be extremely onerous for private companies as well, amounting to a never-ending battle for already stretched resources. Even when they do find the resources to invest, they lack the foundational systems that generate the data needed to make the most of emerging innovation, such as Generative AI.

That was the situation for a Canadian start-up aspiring to build the next generation of technology for bringing critical therapeutics to people who need them. The company was looking to build its first commercial manufacturing facility and needed an enterprise resource planning (ERP) system to help run it. If they opted to build it themselves, it likely would have taken over a year. They also would have needed to bring in the requisite talent to run it, for largely fractional roles that would be cost-inefficient for the amount of compensation required to land such knowledge and experience.

Instead, the company engaged Deloitte's Operate services. Our firm was already delivering high-quality results and understood the client's business well. The startup migrated from its current small business system to the provider's more sophisticated ERP as a system solution in just four weeks. In that short span, the company gained a mature and scalable solution, advanced reporting and analytics capabilities for generating valuable business insights, and comprehensive financial management services to improve decision-making – all at a fraction of the cost it would have taken for a DIY alternative.

	Do It Yourself ERP	Deloitte ERP as a Service
Length of Time	Over a year	4 weeks
Cost	Large capital investment	New ERP, license, and application management services
		for cost of Finance team
Talent	Requires skilled talent and/or	Services/talent included
	complex acquisition process	
Results	Delays, additional consulting	Best in class solution, automized processes, integrated
	and advisory costs, and limited	controls, built in succession planning and prepared for
	succession planning	audit

Operate to transform

The emergence of next-generation managed services has enabled private companies to address key pain points while transforming their organizations to achieve new insights and enduring gains.

Increasingly, private organizations are looking at shortcomings in areas such as financial management, procurement, data analytics, and customer service as opportunities to fundamentally alter their approaches in a bid to gain new flexibility, agility, and efficiency. In doing so, they are also enabling their own people to stay focused on mission-critical tasks.

Hospital and oncology center work with Deloitte to improve customer satisfaction and stay focused mission.

A hospital and oncology center had an incredibly important mission – diagnosing and treating cancer – but needed to improve its customer service platforms. When patients called, they were subject to long wait times and often hung up when it took too long. It was turning into a costly distraction for the company until it contracted with Deloitte. Our Operate services team evolved the customer relationship management (CRM) system to improve call response times by giving agents quick and easy access to key patient information. The new system was also able to integrate Generative AI technologies to aid in data retrieval and analyze patient sentiment. As a direct result of the engagement, wait times and abandoned calls were cut in half, and customer satisfaction jumped above 90%.

Set up for success

While private companies may face more daunting challenges due to limited size and resources, they also enjoy certain advantages over their larger, public counterparts that make it easier to deploy managed services quickly and efficiently.

For one, such firms tend to move at high velocity due to their streamlined, entrepreneurial nature. When they recognize the need for additional resources, there typically aren't layers of middle management to wade through before a solution can be approved. Rather, they are often run by a small core of leaders who want to move their company forward and are willing and able to see every problem as an opportunity for advancement.

Because they are leaner by design – they may not have in-house departments dedicated to areas such as tax, cyber, and digital marketing – private companies tend to have plenty of experience working with external vendors and integrating them seamlessly into their existing organizations. When experts are brought in, they are seen by existing employees as augmenting their work, not replacing it, and tend to feel energized because problems they see on a daily basis are being fixed.

These traits make private companies great candidates for managed services that can help them achieve their growth ambitions without having to allocate significant capital investment or take the time to develop in-house capabilities that are readily available elsewhere.

When such support works to maximum effect, privately owned companies find they can scale their operations quickly while retaining the flexibility to make real-time adjustments as needed depending on market conditions. But how do they ensure they pick the right managed services firm?

Questions to ask

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Not all managed services providers approach their work in the same ways or have the requisite experience and capabilities to benefit private companies. You need to be able to trust that the provider will deliver the right capabilities at the right cost and at the highest quality. As you seek to find a suitable fit, be sure to ask the following questions:

1	How much experience do you have supporting private companies in our specific industry? What measurable impact or outcomes can you show from prior client engagements?
2	How flexible and scalable is your solution? Can we deploy it across our organization as new needs arise?
3	How multidisciplinary is your team? If we need help across tax, finance, smart manufacturing, and analytics, can you fully support that?
4	How do you use new technologies, efficiencies, and relationships to improve cost efficiency and deliver the right capabilities at the right price?
5	What's your plan for technology evolution? What do you do to stay abreast of the latest developments?
6	Who is going to be doing the work? Will you contract outside of your organization?
7	How does your organization backfill when assigned individuals are moved elsewhere or leave the firm?
0	What is the geographic reach of your organization and its knowledge base? If we want to expand







Learn more about Deloitte Operate

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