

October 6-8, 2013 • San Jose Marriott • San Jose, California

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# How to Compete as a Managed Service Provider in a Regulated World

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# Consumers of IT Services Who Are Subject to Regulatory Requirements

- Health Care Providers
- Financial Services
- Governmental Agencies



# Regulatory Requirements Can Extend to Managed Service Providers

- IT MSPs fall within a class of service vendors that often are required to “step into the shoes” of their customers
- When those customers are subject to privacy and data security regulations like healthcare providers, financial services firms or government agencies, MSPs must be prepared to satisfy the same regulatory requirements that apply to their customers



# Compliance May Yield Dividends

- Achieving and maintaining compliance can result in a market advantage for MSPs
- Increasingly, managed services consumers either require that prospective MSPs be able to satisfy regulatory requirements
- Pro-active compliance initiatives hold the potential to open doors to new business



# Major Regulatory Frameworks

- Healthcare Providers: Health Insurance Portability and Accountability Act (**HIPAA**) / Health Information Technology for Economic and Clinical Health Act (**HITECH**)
- Financial Services Firms: Gramm-Leach-Bliley Act (**GLBA**)
- Government Agencies: Federal Information Security Management Act (**FIMSA**)



## HIPAA / HITECH

# Are MSPs Business Associates?

The answer depends on the services provided to the Covered Entity.

- Service examples: consulting, data aggregation, management, administration, financial
- Activity examples: data analysis, processing or administration, and practice management

Covered Entities generally wish to treat most service providers as Business Associates

- If your client insists you sign a Business Associates agreement, you may be contractually obligated to comply with the HITECH breach notification requirements.



# Pro-Active Compliance Implementation

One of the best way for MSPs to be ready for clients who are required to comply with any of these rules is to take steps to review and implement applicable rules internally – doing so will help to familiarize team members with regulatory requirements, which can smooth the transition of responsibility for customers' IT systems





# Transforming Knowledge and Process Maturity into a Differentiator

- Familiarize yourselves with the regulatory requirements that impact your client's businesses
- Implement appropriate processes and procedures
- Get Certified (Unified Certification Standard)
  - Policies and Procedures
  - Data Integrity
  - Physical and Environmental Security



# Maximizing the Value of Compliance

After implementation, use compliance to attract new work and to increase the value of the business:

- Third-party accreditation can be used to demonstrate compliance during the sales process, reducing lag time on new projects and demonstrating competitive ROI for new clients
- New IT solutions can be built or differentiated for compliance-sensitive clients, increasing the value and applicability of those solutions
- Existing clients can be made aware of new accreditations and compliance levels, which helps to maximize opportunities among managed services consumers who are already familiar with the MSP's capabilities



# Questions?



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