

# Staff augmentation vs. managed services

Evaluating each model for the best fit



**WHICH MODEL IS RIGHT FOR YOU?**

## CONTENTS

### **03 | INTRODUCTION**

The challenge

### **05 | STAFF AUGMENTATION MODEL**

6 benefits of staff augmentation

Best healthcare use cases for staff augmentation

Keys to success for a staff augmentation engagement

### **10 | MANAGED SERVICES MODEL**

6 benefits of managed services

Best healthcare use cases for managed services

Keys to success for managed services engagements

### **15 | MODEL COMPARISON**

### **17 | HOW TO DECIDE**

### **18 | CONSIDER A HYBRID APPROACH**




### **19 | SUMMARY**

# Introduction

Healthcare providers are under increased pressure to manage and optimize their information technology infrastructures to support enterprise-wide electronic health records (EHRs) and other connected technologies. Given the robust resources needed to be successful, many organizations supplement the needs of their healthcare teams through staff augmentation or managed services. These two useful outsourcing models can help hospitals and health systems streamline processes, reduce costs, and access specialized expertise.

As IT management in healthcare grows in complexity, it is crucial for providers to evaluate the most effective strategies for optimizing their systems and supporting their teams.

## In this white paper, you will discover:

-  the benefits and differences of staff augmentation and managed services
-  actionable guidance on choosing the best model to meet your goals
-  best practices for managing each type of engagement

INTRODUCTION

# The Challenge

The advancement of digital health continues to drive healthcare modernization. While innovation can bring exciting, new possibilities for patients and providers, there is also pressure to make technology perform for the benefit of the enterprise. According to Gartner®, at least 95% of healthcare providers expect that digital health investments should improve operating margins.<sup>1</sup> With these expectations, providers must find a way to implement and deliver new solutions while also maintaining the high IT service levels required for excellent care delivery. Recent advances in artificial intelligence, data-driven decision making, patient engagement, personalization, and telehealth come with significant financial, talent, and resource burdens. Each initiative requires specially trained professionals for implementation, support, and corresponding infrastructure needs. Organizations must also consider the increased burden on their existing IT support structure such as service desk, application support, identity and access management, cybersecurity, training, IT service management, project management, interoperability teams, and desktop and data center technicians.

New innovative solutions also add their own complexity and specialization. Take for example the current offerings from the major EHRs. All have server and storage requirements that are measured in multiples of what previous generations needed. Additionally, each new solution must be managed by talent who is well-versed in the upgraded technology and can seamlessly incorporate it into existing clinical and revenue cycle workflows.

All types of healthcare organizations, from small clinics and critical access hospitals to large academic health systems, find themselves seeking support from specialized professional services firms to either augment their talent pool (staff augmentation) or to have them assume delivery for entire portions of their IT (managed services). While staff augmentation offers fixed-term, targeted expertise that is flexible and cost-effective, managed services provides comprehensive IT support, predictable costs, and access to diverse expertise for long-term needs. Both models prove to be valuable solutions to providers, but their differences are often misunderstood. **Understanding which model best serves a unique situation helps an organization strategize with that model to produce optimal results.**



<sup>1</sup>Walk, V. (2024, September 11). 2025 CIO agenda: Top providers and technology plans for healthcare providers (G00819547). Gartner.com

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# STAFF AUGMENTATION

## MODEL

- 6 benefits of staff augmentation
- Best healthcare use cases for staff augmentation
- Keys to success for a staff augmentation engagement



## STAFF AUGMENTATION MODEL

# 6 BENEFITS OF STAFF AUGMENTATION

Staff augmentation is a strategic outsourcing model that allows healthcare organizations to temporarily hire external experts to bolster their existing IT teams. This approach is particularly useful for fixed-term projects or filling specific skill gaps.

- ➔ TALENT AND EXPERTISE
- ➔ FLEXIBILITY AND SCALABILITY
- ➔ COST-EFFECTIVENESS
- ➔ TIME EFFICIENCY
- ➔ ENTERPRISE GOAL ADVANCEMENT
- ➔ IMPROVED TEAM DYNAMICS



## STAFF AUGMENTATION MODEL

 **TALENT AND EXPERTISE**

Staff augmentation provides access to a global network of skilled professionals, allowing organizations to quickly fill critical skill gaps with specialized knowledge and leverage niche technologies and expertise without the long-term commitments associated with traditional hiring.

 **FLEXIBILITY AND SCALABILITY**

In today's fast-paced business environment, organizations that can rapidly adjust their workforce size in response to project demands, seasonal fluctuations, or changing market conditions are positioned for success. This agility enables organizations to adapt swiftly to evolving project requirements while maintaining momentum and efficiency.

 **COST-EFFECTIVENESS**

By reducing operational and overhead costs associated with full-time employees, such as benefits and training expenses, organizations can optimize their budget allocation. The pay-for-what-you-need approach allows for precise control over expenses, aligning costs directly with project requirements and timelines.

 **TIME EFFICIENCY**

Staff augmentation accelerates project timelines and reduces time-to-market by streamlining the hiring process and quickly onboarding skilled professionals. This speed can be a game-changer in competitive markets where rapid deployment of new products or services is essential.

 **ENTERPRISE GOAL ADVANCEMENT**

By outsourcing non-core tasks to external experts, staff augmentation allows internal teams to prioritize strategic initiatives and core business functions. This focus can drive innovation and growth, as organizations explore new markets and technologies with the support of diverse expertise. The infusion of fresh perspectives from augmented staff often catalyzes creative problem-solving and innovative approaches.

 **IMPROVED TEAM DYNAMICS**

Alleviating pressure on core teams and preventing burnout creates a more balanced work environment. Staff augmentation also facilitates knowledge sharing and skill transfer within the organization, contributing to the overall growth and development of the existing workforce.



**6 BENEFITS**  
OF STAFF AUGMENTATION



## STAFF AUGMENTATION MODEL

Staff augmentation empowers organizations to become more agile, access specialized skills on-demand, and optimize their workforce to meet evolving business needs. As companies navigate the complexities of modern business landscapes, the flexibility and efficiency offered by staff augmentation make it an invaluable tool for achieving strategic objectives and maintaining a competitive edge.

## BEST HEALTHCARE USE CASES FOR STAFF AUGMENTATION

- ✚ Fixed-term projects requiring specialized skills
- ✚ Quickly scaling teams to meet project demands or deadlines
- ✚ Filling temporary skill gaps in existing teams
- ✚ Maintaining control over project management and execution
- ✚ Addressing fluctuating workloads or seasonal demands



# Keys to success for a staff augmentation engagement

**A well-executed staff augmentation strategy can significantly enhance project outcomes and organizational efficiency.**

**Clear project scope and expectations** foster alignment between augmented staff and internal teams. Well-defined objectives enable augmented staff to integrate effectively and deliver expected results. Ensure that goals and deliverables are clearly communicated, providing a shared vision of success for all involved.

**Effective change management and seamless integration with existing teams** promote strong communication and collaboration. Encourage augmented staff to immerse themselves in the organization's culture and processes, maximizing their effectiveness. Proactively address any concerns from internal staff, emphasizing the value of diverse talent and shared goals.

**Internal oversight** enhances project success as staff augmentation benefits from attentive management from the organization. Proper supervision ensures augmented staff remain aligned with project goals and meet quality standards. Maintain open lines of communication with the vendor to ensure their continued engagement and oversight of deployed staff.

**Embrace the model's flexibility** to address scaling challenges. Healthcare organizations can develop strategies to quickly adjust resources for changing project demands, particularly for specialized skills in areas like EHR implementation or cybersecurity.

**Prioritize knowledge transfer and retention**, especially in short-term engagements. Implement systems to document and transfer critical information and expertise from augmented staff to internal teams, ensuring long-term value from the engagement.

**Foster cultural integration** between augmented staff and the existing workforce to enhance overall team effectiveness. This is particularly valuable in healthcare settings where strong teamwork directly impacts patient care quality.

**Balance reliance on augmented staff with internal skill development** to create a robust, adaptable workforce. Healthcare organizations can use these engagements as opportunities to upskill internal teams, reducing long-term dependencies.

To maximize the benefits of staff augmentation, healthcare organizations should prioritize clear communication, comprehensive onboarding processes, and robust management practices for these engagements. By focusing on these key areas, organizations can create an environment where augmented staff thrive and contribute effectively to project success. Furthermore, healthcare leaders should thoughtfully evaluate whether staff augmentation or managed services align best with their specific needs and organizational structure, particularly when supporting critical IT infrastructure such as EHR systems. This strategic approach ensures that the chosen model optimally supports the organization's goals, enhances operational efficiency, and ultimately contributes to improved patient care outcomes.

# **MANAGED SERVICES**

## **MODEL**

- 6 benefits of managed services
- Best healthcare uses cases for managed services
- Keys to success for a managed services engagement



## MANAGED SERVICES MODEL

# 6 BENEFITS OF MANAGED SERVICES

Managed services involve outsourcing IT tasks to a vendor who takes full responsibility for monitoring, managing, and maintaining IT systems. In healthcare, this can include comprehensive management of IT infrastructure, EHR systems, cybersecurity, analytics, and service desk.

- ➔ END-TO-END IT SUPPORT
- ➔ PREDICTABILITY IN COSTS
- ➔ 24/7 MONITORING AND SUPPORT
- ➔ SECURITY AND COMPLIANCE
- ➔ SCALABILITY
- ➔ PROACTIVE MAINTENANCE AND CONTINUOUS IMPROVEMENT

## MANAGED SERVICES MODEL

**→ END-TO-END IT SUPPORT**

Organizations can offload portions of their IT operations to experienced vendors, allowing internal teams to focus on core business functions and strategic initiatives. This holistic approach ensures that all aspects of IT infrastructure, from routine maintenance to complex problem-solving, are handled by dedicated professionals.

**→ PREDICTABILITY IN COSTS**

With fixed or tiered pricing models, organizations can accurately forecast their IT expenses, facilitating better budgeting and financial planning. This cost structure often leads to long-term savings as it eliminates the need for unexpected IT expenditures and reduces the total cost of ownership for technology assets.

**→ 24/7 MONITORING AND SUPPORT**

In healthcare settings where system downtime can have critical consequences to patient care, round-the-clock vigilance enhances system reliability, minimizes disruptions, and ensures rapid response to any IT issues that may arise.

**→ SECURITY AND COMPLIANCE**

Providers specializing in healthcare IT are well-versed in industry regulations such as HIPAA and can implement robust security measures to protect sensitive patient data. This expertise is crucial in an era of increasing cyber threats and stringent data protection requirements.

**→ SCALABILITY**

As organizations grow or their needs change, managed service providers can easily adjust the level of support, ensuring IT capabilities always align with business objectives. This scalability extends to technology adoption too, with managed service providers facilitating smooth integration of new technologies and systems.

**→ PROACTIVE MAINTENANCE AND CONTINUOUS IMPROVEMENT**

Providers employ advanced monitoring tools and predictive analytics to identify and address potential issues before they impact operations. This proactive approach minimizes downtime, improves system performance, and extends the lifespan of IT assets.



## MANAGED SERVICES MODEL

Managed services offer a strategic partnership that goes beyond mere IT support. It provides healthcare organizations with a pathway to digital transformation, enabling them to use technology as a driver of efficiency, quality care, and patient satisfaction. As healthcare continues to evolve in the digital age, the comprehensive, expert-driven approach of managed services becomes an invaluable asset in navigating the complex IT landscape while maintaining focus on delivering exceptional patient care.

## BEST HEALTHCARE USE CASES FOR MANAGED SERVICES

- Long-term IT management and ongoing support
- Comprehensive solutions, including strategy and day-to-day ops
- Outsourcing entire functions or projects
- Orgs lacking in-house resources to manage IT infrastructure
- Ensuring 24/7 system reliability and security

# Keys to success for a managed services engagement

While managed services offer numerous benefits to healthcare organizations, maximizing its value requires careful planning and execution.

- **Establish a balanced governance model** that maintains strategic control while leveraging the vendor's expertise. This approach allows organizations to benefit from external management of IT operations while retaining oversight of critical decisions.
- **Negotiate for flexible conditions** that allow for service adjustments and technology updates. This foresight enables organizations to adapt to new requirements or technologies without extensive renegotiations.
- **Ensure thorough knowledge transfer and documentation** of the organization's specific processes, operations, and local regulations. This practice bridges potential gaps in understanding between the vendor's broad healthcare expertise and the organization's unique needs.
- **Implement a comprehensive integration plan** to seamlessly merge managed services with existing internal operations and workflows. This strategy promotes harmony between in-house teams and the managed service provider, enhancing overall efficiency.
- **Develop a vendor management strategy** that balances reliance on the provider with maintaining internal capabilities. This approach prevents over-dependence and preserves the option to switch providers or bring services back in-house if desired.
- **Prioritize cybersecurity and data privacy** by selecting providers with proven track records in healthcare data protection. Ensure the managed services provider maintains the highest standards of compliance with healthcare regulations.
- **Conduct thorough contract reviews** to clearly define all services, costs, and performance expectations. This diligence helps prevent unexpected costs or service limitations, ensuring budget adherence and comprehensive service coverage.

To maximize the benefits of managed services, healthcare organizations should carefully evaluate potential providers, ensure clear communication of expectations, and maintain robust oversight of service delivery and performance metrics. By proactively addressing these key areas, organizations can create successful, value-driven managed services partnerships that enhance IT operations and support strategic healthcare initiatives.



# MODEL COMPARASION

## staff augmentation

## managed services



## MODEL COMPARASION

# Factors in-depth

**Control** is a significant factor that differentiates these models. With staff augmentation, organizations maintain a higher level of control as the augmented staff integrates with the internal team. This allows for direct oversight and alignment with existing processes. In contrast, managed services offer lower control, as the vendor takes charge of managing tasks, which can be beneficial for organizations looking to offload IT management responsibilities.

**Flexibility** is another important aspect. Staff augmentation provides flexibility, allowing organizations to scale their IT resources up or down as needed. This adaptability is valuable for projects with fluctuating demands or seasonal peaks. Managed services, while offering some flexibility, are more moderate in this regard. The flexibility in managed services is typically defined by the contract terms, which may require negotiations for significant changes in service levels.

**Cost structure** varies between the two models. Staff augmentation operates on a pay-for-what-you-use basis, where organizations pay for specific skills and time used. This can be advantageous for budgeting and cost control. Managed services usually offer fixed or tiered pricing models. While this approach may seem less flexible, it provides predictability in IT expenses, which can be beneficial for long-term financial planning.

In terms of **expertise**, staff augmentation focuses on targeted skills. This model is suitable when organizations need to fill skill gaps or bring in specialized knowledge for specific projects. Managed services, conversely, offer a broad range of IT services. This comprehensive approach can be beneficial for organizations seeking end-to-end IT support across various domains.



Lastly, the **management effort** required differs between the two models. Staff augmentation demands higher management effort from the organization, as it requires internal oversight to ensure the augmented staff aligns with organizational goals and processes.

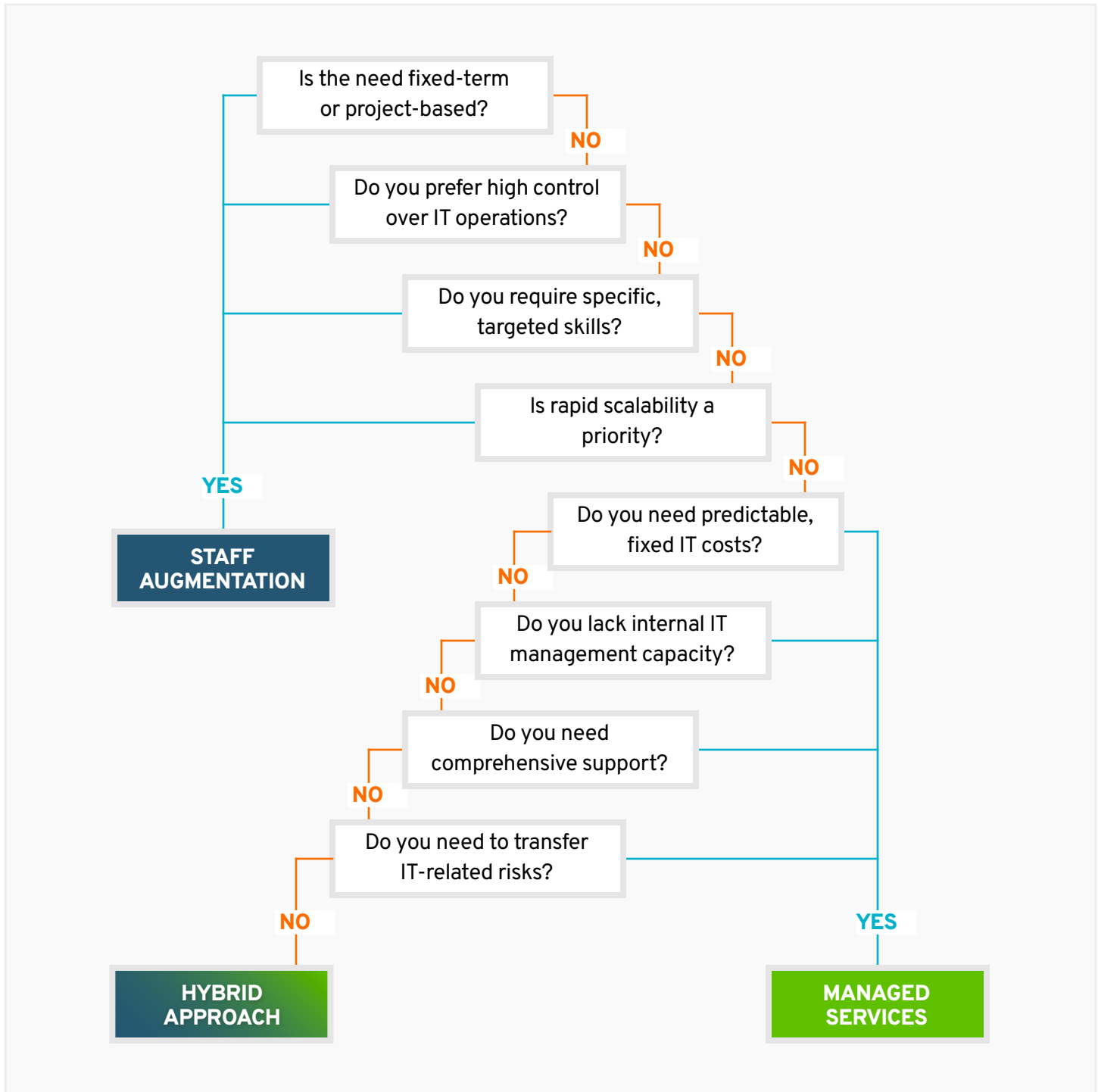
Managed services require lower management effort from the client organization, as the vendor handles most of the management responsibilities. This can free up internal resources to focus on core business activities.

Understanding these aspects can help healthcare providers make informed decisions about which model best suits their specific needs and organizational structure when it comes to supporting their IT infrastructure, particularly their EHRs.

# How to decide?

## MODEL COMPARASION

Both models can be effective depending on factors such as duration, control, and internal capabilities. The chart below illustrates common considerations when trying to determine the best model to fill the need you are addressing.



This decision tree can help organizations determine which model best suits their needs. If the path does not lead to a clear decision, it may indicate that a hybrid approach combining elements of both staff augmentation and managed services could be beneficial, or that the organization's needs require further assessment.



## Consider a hybrid approach

When it comes to realizing the full value of an EHR platform, organizations are increasingly finding success in new models that combine many of the best aspects of managed services and staff augmentation. This is especially true in situations where the normal business of “maintaining” an EHR spans not just supporting break/fix issues, updates, and upgrades but also includes enhancements and optimization requests that require specialized knowledge but often don’t fit for bringing on a specialized consultant due to the overhead involved of having to contract for those services separately on each occasion.

The structure of these hybrid engagements usually starts with a managed services partnership to handle the standard IT support functions, but will also include a monthly, quarterly, or yearly budget that pays for the inclusion of specialized talent from the vendor to complete requests that fall outside of the standard SLA measurement.

The key to success in these models is close collaboration between the vendor and organization to ensure proper governance regarding the use of those hours. This hybrid model provides predictability while also ensuring a level of flexibility and access to specialized talent on an “as needed” basis.

**HYBRID  
APPROACH**

# Summary

Healthcare organizations striving to modernize their IT delivery amid the challenges of a rapidly evolving landscape can accelerate their efforts with the help of staff augmentation and managed services. By understanding the key differences and benefits of each approach, providers can make informed decisions about how to best support their internal IT teams and achieve their strategic goals.

