When should your organization consider outsourcing its IT support?

With the growing reliance on big data and IT, selecting the right IT partner is mission critical. When should you consider outsourcing IT services? And where do you start? The options are wide-ranging, so how do you pick an IT partner that is right for you.

At its most basic, outsourcing is the practice of contracting business functions to a third-party partner. With information technology, this can include anything from outsourcing the total management of your network, data, and computers to outsourcing a single or specific service—such as data backup and disaster recovery, security, e-mail, etc.

IT outsourcing is on the rise—having become increasingly popular among small- and medium-sized businesses (SMBs). According to a Computer Economics study, companies with less than 300 employees lead the way—and often benefit the most—when it comes to outsourcing their IT support.
Why are organizations deciding to outsource their IT support?

For SMBs, business processes outsourcing (BPO)—the contracting of a specific business task to a third-party provider—is common practice. IT and technical support, help desk functions, and on-site remediation all fall into this category. Likewise, according to the worldwide consultancy KPMG, many organizations are turning to outsourced IT services for access to experienced people, newer technologies, and other resources previously unavailable to them.

Improve Employee Productivity:
These days, everyone from business owners and C-level executives to middle managers and entry-level staff has to do more with less. While technology, and as important, data management, are an integral part of their jobs, they cannot afford to waste in the details of IT management. They want to stay focused on their core function within the organization, and don’t (or can’t) worry about IT.

Knowledge and Expertise:
One of the most popular reasons for outsourcing any project is the knowledge and expertise your outsourcing partner can provide. Instead of hiring, training, and then relying on internal employees to “figure things out,” you benefit from the collective capabilities of an experienced and professional IT team.

Controlling Costs:
Cost saving is often the chief driver in outsourcing decisions, as it allows organizations to convert fixed costs into predictable, variable costs and frees up capital to be invested elsewhere. Also, depending on the services and functions that you choose to outsource, you can often significantly reduce the costs associated with maintaining an in-house IT staff (salary, benefits, training / certifications, and so on).

Access to Greater Resources:
Most SMBs cannot afford to match the in-house services and capabilities employed by large companies. For them, outsourcing can help “level the playing field” by providing access to the same enterprise-level personnel, technology, and resources at a fraction of the cost.

Shift the IT Burden:
When you choose to outsource IT, you shift your IT burden to an experienced, trusted partner for a fixed monthly cost. That way, it doesn’t matter if your IT partner spends 20 manhours or 200 manhours maintaining your network and systems—the cost is fixed because they agreed to assume all the risk. It is, therefore, in your partner’s best interest to ensure that everything continues to run smoothly.

What makes outsourcing an attractive option for today’s organizations?

<table>
<thead>
<tr>
<th>Feature</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Cost Reduction / Containment</td>
<td>42%</td>
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<tr>
<td>Improve Quality of Service</td>
<td>36%</td>
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<tr>
<td>Infrastructure Scalability and Flexibility</td>
<td>35%</td>
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<tr>
<td>Improved Productivity</td>
<td>30%</td>
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<tr>
<td>Enhanced Security</td>
<td>29%</td>
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<tr>
<td>Flexible SLAs</td>
<td>29%</td>
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<tr>
<td>Access to BoB Technology</td>
<td>23%</td>
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<tr>
<td>Environment Concerns</td>
<td>17%</td>
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<tr>
<td>Future-proof Infrastructure</td>
<td>13%</td>
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Organizations are moving aggressively toward IT support outsourcing.

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<thead>
<tr>
<th>Current</th>
<th>35</th>
<th>65</th>
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</thead>
<tbody>
<tr>
<td>12 Months</td>
<td>46</td>
<td>54</td>
</tr>
<tr>
<td>2 Years</td>
<td>62</td>
<td>38</td>
</tr>
<tr>
<td>5 Years</td>
<td>69</td>
<td>31</td>
</tr>
<tr>
<td>10 Years</td>
<td>69</td>
<td>31</td>
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Of course, whenever you delegate the responsibility for any aspect of your business, there is a certain level of risk involved. Did I hire the right partner? Will they fulfill their end of the agreement? Will I lose control of my network infrastructure? That’s why selecting the right IT support outsourcing partner is so very important.

**IT outsourcing can be an effective strategy for reducing costs and improving performance.**

Nearly a quarter of organizations have exceeded their cost savings expectations, with another 69% having successfully met their expectations.

Source: "4th Annual Trends in Managed Services." CompTIA.

What types of services should your organization outsource?

First, outsourcing your IT services doesn’t have to be an all-or-nothing proposition. Many SMBs choose to begin with outsourcing for basic support needs (e.g. tier one support, help desk, e-mail, etc.) and then, once comfortable, move onto more complex services (e.g. managed security, data center, etc.), as deemed appropriate.

Of course, there are SMB organizations that are totally devoid of any internal technical resources and turn to third-party providers to manage their entire IT infrastructure on a full-time basis from the start.

The following are some of the most commonly outsourced functions by SMBs:

- Network Management
- Managed Hosting
- Data Backup and Disaster Recovery
- Tier One Support
- Help Desk
- E-mail
- vCIO, Planning, and Management
- On-site Hardware Maintenance
How do you select an outsourced IT partner?

Once you’ve decided to outsource, as well as what services and functions to outsource, you’re now faced with the critical task of actually selecting a trusted outsourcing partner. These are five basic steps that should put you on the right path to choosing your outsourcing partner:

**Define Your Requirement:**
It is critically important to have a firm grasp on exactly what you’re looking to outsource. Some find it beneficial to create an evaluation committee to define the organization’s needs and the products / services that are needed, the business and technical requirements, and the vendor requirements.

**Do Your Research:**
Treat the initial conversation as a job interview and ask questions that are pertinent to your organization and the services you plan to outsource. How many and what types of outsourced clients / projects do they have? Have they worked within your specific industry? What experience, qualifications, and certifications do their people have?

**Check Those References:**
Ask for and talk to organizations who have been working with your prospective outsourcing partner for an appropriate period of time. Speak with them in-depth about the partner’s areas of success and failure, including: scope and quality of services, timeliness and deliverability, as well as overall client support satisfaction.

**Check Vendor’s Technology:**
An on-site visit to your potential outsourcing partner’s offices would be ideal, if practical. A tour of their facility should give you some insight into the technologies they’re running on a day-to-day basis. Seeing the vendor’s infrastructure in-person can help you decide if you think that they have the tools, resources and processes necessary to support your organization.

<table>
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<th>Some of the most desired attributes of an outsourced IT partner:</th>
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<tr>
<td>Stringent Security</td>
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<tr>
<td>Proven IT Experience</td>
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<td>Best-of-Breed Technologies</td>
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<td>Solid Foundation</td>
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<td>Flexible Agreements</td>
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Conclusion:

Successful outsourcing can bring with it enormous benefits to an SMB. And outsourcing is not solely about simply cutting costs and saving money—it’s about improving operations and employee productivity, increasing knowledge and expertise, making smarter investments, accessing greater resources, and reducing risk. That’s why outsourced IT support services have become increasingly common among SMBs.

Yes, there are clearly a number of factors to consider when making your decision. But, understanding what your organization wants / needs to outsource, developing criteria for vendor assessment, and conducting research and due diligence will allow you to make a smart, informed selection and help your organization find the right IT outsourcing partner.

Please contact Stratix Systems for more information about our experience, our technologies, our people and our ability to successfully deliver on your organization’s outsourced IT needs.

Sources:

This executive brief was prepared by Stratix Systems and includes information gathered from the following information sources.

- ‘In or Out? The Shape of IT Outsourcing in 2015.’ Nash Tech.
- ‘IT Outsourcing Service Provider Performance and Satisfaction Study.’ KPMG
- ‘IT Outsourcing: Making it Work.’ Fujitsu.
- 4th Annual Trends in Managed Services.’ CompTIA.