

IT Infrastructure outsourcing - A change for the better

IT is different. Finance has been around for centuries, as have Manufacturing, HR and Sales & Marketing. But IT is new and still emerging. We're not sure where it will end up, but it's always on the move and that's a bit of a problem for most companies.

Unless IT is your core business, it can be a major distraction. Maybe it's time to unload some of the overhead and get back to running your business. Maybe it's time to outsource. But where do you start and what do you outsource? Let's take a look at IT outsourcing and examine the options.

IT outsourcing

Hosting

Where do you house your IT hardware? You have the choice to provide your own premises and facilities, or have a service provider house them in a purpose built data centre. You will still be responsible for administration and management, but you will no longer need to provide dedicated floor space, power, cooling, security and fire prevention facilities. They will all become the responsibility of the hosting company.

Managed service

This is where you hand over all or part the day to day running of your IT infrastructure. You no longer have to worry about backing up company data, managing anti-virus software or applying Windows updates. New installations, moves and changes can all be managed by an external service provider as can your helpdesk, fault and incident management, asset management and software licensing.

Managed hosting

This is where you combine the above two services. Essentially IT infrastructure becomes a service and the only thing you will need to worry about is that the service is being provided in line with the service level agreement (SLA).

Transformational Outsourcing

Outsourcing can solve problems. When it's simply a matter of scale or expertise, it can provide a simple and speedy solution to the complexity of running a business. But when the subject of the outsourcing project is a problematic process, there may need to be an element of transformation prior to the outsourcing taking place. For example, when the concept of outsourcing was initially introduced, it was clear that many companies saw it as a way to unload the problematic parts of their business. And IT was right at the forefront. And some service providers were quick to rise to the opportunity to bid for major long term contracts in order to secure a guaranteed revenue stream. It was the era of "your mess for less" and it soon became clear that the act of moving a problem rarely solved it. Fingers were burnt, companies wobbled and lessons were learned. Nowadays, we see a more mature approach. Often a degree of transformation has to accompany or precede the transition in order to derive the true value of outsourcing.

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Why Outsource?

Save money

Unless you are running a very efficient IT operation, you are likely to save money by handing your IT infrastructure over to a specialist service provider. However, there is a word of caution here. If you are currently exercising diligence with adequate data management, security, service delivery and asset management, then you will be incurring costs which can be reduced. If on the other hand you are not in full control of these areas, you may find that outsourcing is more a process improvement than a cost cutting exercise.

Reduce risk

Outsourcing can be a very effective way to reduce business risk. This is especially true if you are vulnerable to loss of service or data, due to inadequate capabilities, management or operational processes.

Improvements in IT service reliability will contribute to the reduction in risk. When you take the managed hosting route, you can expect a significant improvement here, due to the application of best practice operational management.

Speed of process

How often are important business projects delayed due to the requirement to put new IT systems in place? Using today's best practice, this can be achieved in a fraction of the time taken by "in-house" IT departments. Technology and process have moved on dramatically in the recent past and specialist service providers are in a position to pass the benefits on to their customers. Indeed it is not unusual to see deployment times reduced by a factor of anything from 3 to 10. Although this progress is based on technology enablers, it is not possible to buy this sort of improvement out of the box. It takes experience and expertise to put the right processes in place to make the technologies work for your business. Indeed, these processes become more critical if the power of new technologies is to be leveraged.

Focus on the business

What business benefit do you gain by managing your own IT..? In the majority of cases, it's probably none. So why not spend your time running your business and let someone else take the strain of IT?

Of course, you may be one of the few companies whose business is differentiated by IT innovation, but it will still probably be the applications that are the distinguishing feature, rather than the underlying infrastructure.

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What is “core”?

We all spend the majority of our working time dealing with day to day issues: Satisfying customers, keeping the lights on, controlling the purse strings, managing staff and staying legal. And IT plays a vital role in keeping it all running, but is it a positive discriminator? Will it help you attract and retain customers, will it make you more profitable, will it keep you out of jail? Clearly it needs to be working to keep you in business, but at best it will be unseen; just part of the fabric of the business. The only time you notice it is when it goes wrong. So as long as it keeps working, it doesn't positively affect your business. It can only hinder it. For most companies it is not “core”, anymore than an effective telephone system. And you wouldn't dream of running that yourself, so why bother with IT..?

Looking for a service provider

Considerations

Bespoke, or ready to wear? You could be forgiven for thinking that one outsourcing service is much the same as another. After all, most companies need largely the same basic services from their IT systems: a method of communication, file storage, a way of sharing information, access to applications or the web and predictable levels of performance and reliability. However, outsourcing is not about rip and replace. You start with your current infrastructure and we all start from different places. So a thorough understanding of the starting place is very important to achieve a satisfactory conclusion.

So although the services may be largely similar, the requirements of different companies are sufficiently varied to ensure that a “one size fits all” approach is inappropriate. But does bespoke mean expensive? Well, only if you go to the wrong tailor. We'll look at this in a bit more detail in a moment.

Factors affecting outsourcing

Correct Sourcing Strategy

Whether or not to outsource IT is a strategic decision. It's a change to the status quo and must be managed accordingly. So what's involved?

It's really just a case of understanding what your organisation requires from IT in context with your business goals, objectives and direction. Let's assume that your intention is to grow by 10% per annum for the next 5 years. What will be the effect of that growth on your workload volumes and how will you scale? Outsourcing is often a 'no brainer' for IT services that effect customer service and business performance; less so for services which are not core to your differentiation in the market place.

The important point is that a decision to outsource should not conflict with your business strategy.

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Speed of transition

As with any change, there is always the risk of disruption. The last thing you want is a long drawn out process and delays are usually indicative of a lack of planning. Experience tells us that very few projects go wrong, more often they start wrong. A robust plan is fundamental to ensuring that potential issues can be identified, understood and avoided.

Risk of transition

Understanding is the key here. The aim is to achieve a seamless change, where users are unaware of the background activity but notice an immediate improvement in service delivery. There is simply no substitute for due diligence. The more you understand the requirements and the current position, the more you are in a position to reduce the element of risk. It always makes sense to establish the presence of issues at the outset and ensure they are resolved before any changes take place. Hence the value of transformational outsourcing, where anomalies are addressed and infrastructures are stabilised, taking advantage of the transition to derive maximum benefit from the decision to outsource.

Cost

The cost of transition needs to be looked at in the context of future running costs. A low initial cost may seem attractive, but will soon be forgotten as operational costs rise. Take the case where servers and storage are simply transferred from your premises to those of the service provider. You may be missing the opportunity to consolidate some of the workload onto a fewer number of servers with major implications for future operational costs. It always makes sense to look at the options prior to the move in order to derive maximum benefit.

Attributes of Service Provider

Size

Always chose a company that is large enough to cope with your requirements, but not so large that they will be more interested in their enterprise clients than they are in you.

Fit

If you want to outsource your IT infrastructure then make sure you are dealing with a specialist with a proven track record and excellent references.

Service options

You should be able to choose from a variety of services and service levels. For example, a service provider should be able to establish the current state of your infrastructure, design an appropriate future state to take account of your specific needs, manage the change and then provide a service portfolio offering different levels of support.

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Project capability

Managing change without disruption relies on rigorous project and resource management. Outsourcing companies need to demonstrate that they have a track record of well managed transformation projects.

Attention to detail

The devil is in the detail and there is no substitute for experience when it comes to rooting out apparently minor issues which can lead to major problems. A suitable service provider will be able to demonstrate a level of maturity based on “hands on” experience.

Technology

Technology needs to be up to date in order to derive maximum value. But beware of anything too bleeding edge or unproven. A good supplier will have a mature view of the available technology and will be able to judge the optimum time to upgrade.

Skills

It goes without saying that the most important asset of a supplier is the right skills for the job. Be wary of any company that claims it can look after any technology. Most mid-market companies will have mainly Microsoft based IT infrastructures and it makes sense to find an outsourcing partner with skills to match.

Reputable service providers employ permanent staff who benefit from a good development programme. They will be able to demonstrate a high level of skill and expertise with current technologies, confirmed by vendor certifications.

Accreditations

There are two major international standards to be aware of. ISO-20000 accreditation demonstrates the ability to deliver high quality IT support; ISO 27001 demonstrates the capability to manage and protect data. Any serious IT Service Provider will be accredited and wedded to the processes dictated by each.

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About Insite

We offer a superior level of service for mid-market companies who need to focus their attention on nurturing and growing their business. We do this by;

Investing heavily in expertise, facilities and resource

Insite provides round the clock support services from our modern, fully resilient data centre in Tunbridge Wells. The Servicedesk is the central point of contact for all IT related issues. Pro-active Monitoring, Change Management, Incident Management and Resolution are all provided by our specialist IT operations team.

Resolving problems prior to transfer

We are conscious that outsourcing does not in itself solve problems. It merely moves them elsewhere. We ensure that IT issues are clearly identified and addressed right at the start of the contract.

Starting with business requirements rather than IT issues

All too often, IT can become the focus of attention. Rather than IT serving the business, the opposite occurs. We believe in starting with the business – when take time to understand the business goals and objectives of our clients. That way we ensure that IT services meet the needs of your business.

Strong focus on mid-market companies

Our business model is based on a manageable number of high quality relationships with clients who consider 'fit-for-purpose' IT a prerequisite to competitive edge and growth. We do not engage with clients who require a 'mange this mess for less' approach.

Safe pair of hands

Insite is capable, dependable, professional and reliable. We are ISO-20000 and ISO-27001 accredited. First class references are available for all services we provide.

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Ask yourself

Do you differentiate your business through innovative and unique IT developments? If not, are you expending valuable effort and capital, managing and maintaining your IT infrastructure?

Are you exposing your company to risk by having inadequate infrastructure components or processes? Are you secure, up to date and standardised? Are you managing your valuable company information securely and in line with regulatory requirements?

Are you wasting money papering over the cracks to keep an aging or inefficient infrastructure operational? Could you benefit from a technology refresh..?

Is IT a benefit or a costly, necessary evil..? Does it get in the way of your business objectives?

Operational IT services have got to the stage where they are best provided by specialist companies. Why not find out what INSITE could do for your business..? Please call me, James Barden on 01892 686000 or email me at enquiries@insite-europe.co.uk.