

## IT Outsourcing – Is it for you?

---

### IT – Cost or Investment?

All too often IT is seen as a cost, not an investment and for this reason it can be starved of funds. The issue is that it is below the radar for senior management and is not considered to be business enabling. The only time it comes into prominence is when it fails. So it is hardly surprising that most people's view of IT infrastructure is at best, ambivalent and at worst, negative.

This situation is not helped by the fact that technology itself has become a commodity. As the technology has become ever more accessible, the expectation is that the systems will require decreasing levels of administration and management. However, we find that the opposite is true and given that the required skills are expensive to acquire and maintain, the question is being asked. Do we want to be an IT organisation or a business?

In challenging times there is a compelling need to focus on core activities. If IT is not core to your business you should seriously consider outsourcing some or all of your IT.

### The issue of complexity

IT is all pervasive and the supporting infrastructures have grown at a rate that was difficult or even impossible to predict. Already businesses are dependant on a home grown, complex and sometimes unwieldy concoction of technologies.

Despite the challenges of the global economy, technology behemoths such as Microsoft have maintained a daunting pace of product development and innovation. And in the case of IT, complexity goes hand in glove with innovation.

Complexity creates a genuine need for continuous skills development as today's technologies which support business critical and backoffice systems bear little resemblance to products implemented five years ago. After all, if you do not have access to the right skills and capabilities you can not expect to receive high quality IT service delivery. This is an acceptable overhead if your business is IT centric; however, for mid-market companies who are merely 'users' of IT, this is a costly and frequently overlooked investment.

## IT Outsourcing – Is it for you?

---

### Investment in Staff

With most businesses, having the right staff can make the difference between success and failure. And attracting and retaining good quality IT support staff is a major challenge, due in the main to the shortage of current skills and the associated level of demand. It is enough for most small to medium enterprise (SME) companies to focus on core business staff, without the added burden of building a robust and competent IT organisation. Indeed, by reducing the liability of employing in-house IT staff, more effort can be concentrated on augmenting existing profitable employees with additional resources.

### DIY IT infrastructure

Although technologies have progressed at a rapid rate, IT is still at a relatively early stage of maturity. The fact is that you cannot buy IT Infrastructure off the shelf which will immediately meet your business needs. Instead you have to build it and integrate new additions into existing bespoke systems. Until it becomes a utility, which can be sold as a product, just like water, gas, electricity and motor fuel, IT will require specialist nurturing and management.

This is OK for large enterprises, who can justify the expense of an in-house IT organisation with specialist skills and experience. Indeed in some industries such as Financial Services & Telecoms, the IT department contributes to growth and creates competitive edge. But it does not make any sense for mid-market companies where IT is not an intrinsic part of their proposition.

### The mission critical nature of IT

No IT – no business. It's as simple as that. This is the reality for the majority of businesses today. Going back to manual procedures is no longer an option. IT has to work. More than this, IT has to work predictably and support business goals and objectives.

Service Level Agreements (SLAs) are no longer “nice to have”, they are becoming a critical part of corporate governance and it is an imperative that these service levels are achieved and maintained. Many mid-market companies have not established a robust SLA with their in-house team. A larger number do not have a consistent way of logging, prioritising or escalating faults, resulting in consistently poor IT service delivery.

## IT Outsourcing – Is it for you?

---

### The role of management & processes

It's clear that IT involves a considerable amount of technology which needs to be supported by those with sufficient capabilities, but what role do management and processes play..?

Universally accepted approaches to IT Service Management, such as ITIL and ISO 20000, are built on concepts and practices which rely heavily on management and processes. Businesses which comply with these standards enjoy enviable levels of reliability and consistently high quality service delivery, but considerable time and investment is required to understand and implement such processes.

Little surprise then that many mid-market companies take a technology centric approach to IT and overlook the value of management and processes. They are simply not aware that an alternative approach exists which would better serve business needs.

### Faults are too frequent, difficult to diagnose and fix

Due to complexity of IT infrastructure and the cost of support staff, detecting, diagnosing and resolving failures and intermittent IT faults can be expensive in time, disruption and money.

In an ideal world IT would be fit-for-purpose and rarely fail. But how can you achieve this Holy Grail if you are not an experienced IT practitioner..? The answer is to work with an expert to define what 'fit-for-purpose' means for your business and to implement improvements to raise the standard of IT.

But even 'fit-for-purpose' IT does not support and maintain itself, so you need the on-going services of a team of experts to ensure reliable and consistent performance.

### The cost dynamics

With the reduction in the cost of technology, operational costs now form the major proportion of the overall IT overhead, yet IT budgets frequently exclude power and facilities elements. Indeed, for the first time, the cost of powering an IT server – taken over the average five year lifecycle - is now greater than the purchase price. So attempts to reduce IT cost should start with an appreciation of the total cost of ownership and operations. When viewed in this way, it is clear that any assessment of IT costs should not be focussed on the price of the servers, networking and storage components, but instead on hosting and management costs.

## IT Outsourcing – Is it for you?

---

### Regulation and legislation

We live in a time of ever increasing regulation. All companies are now burdened with additional compliance requirements and, in this respect; IT has more than its fair share. The need to demonstrate adequate control of data management and service assurance creates additional demands in terms of process definition, implementation, monitoring, audit and corrective actions.

The cost of these activities, or – in many cases – the risk of failing to comply with the requirements can seriously impact on business operations by increasing business risk, or by diverting attention away from core business activities towards non profitable activities.

### DIY or Outsource - The constant dilemma

The question is “Who can you trust to host and manage IT infrastructure?” Largely speaking, it’s an easy call for large enterprises. They have the scale and market presence to dictate terms and conditions to the major IT outsourcing companies. They have the power to negotiate very favourable rates and service levels as the main outsourcing players vie for control of the account. They are of course mindful of the subsequent business opportunities that may arise from the relationship.

But if you’re not a big corporate player, things can be very different. Gone is the powerful negotiating position with the major players. Instead, you are met with a “take it or leave it” ambivalence. There are several smaller companies who will be keen to take your business, but are they up to the task?

How do you decide? What are the considerations?

What is your core business? Does it include IT?

If you achieve a competitive edge through the innovative use of IT, then you may want to continue to invest in it, but if not, why bother? For most mid-market companies, IT is a facilitator; no more. It provides automation for generic business processes and aids communication. But there’s no real opportunity for differentiation. Innovation is not a requirement. It’s about consistent, high quality service delivery and the use and protection of valuable company information. In this case, it’s often best to leave IT to the experts and concentrate on your core business.

## IT Outsourcing – Is it for you?

---

### Why chose Insite?

- **Right fit for your sector**

- Insite is a mid market business. This is important in terms of communication and attention to detail. Mid market companies need to be flexible and adaptable in order to grow. They need partners who share this culture. But at the same time, there needs to be sufficient rigour and governance in place to guarantee service levels. Insite fits the bill perfectly.

- **Emphasis on quality and service**

- Insite has made investments in staff and facilities to enjoy a truly enviable record for meeting Service Level Agreements around the clock.
- Insite's business is based on a manageable number of high quality relationships with mid-market companies who regard 'fit-for-purpose' IT as a prerequisite to competitive advantage and growth.

- **Client references**

- Their list of references is first class.

- **Accreditations**

- ISO 27001 – Information Security
- ISO 20000 – IT Service Delivery
- Microsoft Certified Gold Partner
- Authorised VMware Consultancy

## IT Outsourcing – Is it for you?

### What do you do now/next?

Examine your options in light of your business strategy. Do your business goals include creating differentiation through IT? If not, then you may want to examine your options. Take a look at the checklist below. There are 12 questions. If you answer “yes” to eight or more, then you may find that a managed solution will provide you with significant benefits and enable you to convert some of your IT costs into business investments.

Question	Yes	No
Do you run a business in the UK with a turnover of between £15M and £150M?		
Do you run an IT infrastructure based mainly on Microsoft Technologies?		
Do you worry about the increasing complexity of your IT infrastructure?		
Do you have issues with managing the resource allocation of your IT staff? (Between fire-fighting and planning, design, implementing and managing projects)		
Do you worry about compliance with regulatory requirements for IT service assurance and data management & protection?		
Do you find that you spend in excess of 80% of your IT budget maintaining the status quo, rather than enabling new business initiatives?		
Is managing change an issue with respect to applying patches and software upgrades?		
Have you considered outsourcing your application hosting, but not had the confidence to proceed?		
Are you using, or do you plan to use Microsoft Dynamics to automate your financial, customer relationship, and/or supply chain processes?		
Do you worry about the diversity of platforms and technologies within your IT department?		
Do you wish you could concentrate more of your time on running the business and less on running IT?		
Do you view IT as a non core function?		

If you would like to discuss your options, please call 01892 686 000 or email to [Helpdesk@Insite-Europe.co.uk](mailto:Helpdesk@Insite-Europe.co.uk). We would be delighted to have a chat. It won't take much time, but it may make a big difference.