

Opinion Piece: Outsourcing your ICT Infrastructure – how much is enough?

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Outsourcing as a concept is nothing new, but with companies under increasing pressure to cut spending and squeeze budgets, it has become more appealing than ever before, and there has been an upsurge in the adoption of this model in recent times.

However, the term outsourcing, when applied to the field of Information and Communication Technology (ICT), is a broad one that covers many different areas, from hardware to software to services, project management, maintenance and support. This may cause confusion for organisations as they struggle to come to grips with the various models of outsourcing available and to decide which components to outsource- or whether to simply outsource the entire ICT infrastructure.

One of the main reasons to outsource an entire infrastructure is that ICT is generally not the main focus of many organisations, and managing and maintaining this necessary but complex environment may take resources away from core of the enterprise. Added to this, the overhead costs that must be carried contribute to keeping this function in-house an unattractive prospect. For a financial institution, for example, it may be most effective to outsource the entire ICT department, a move that frees up the organisation to keep its resources focused on the core business of the enterprise.

Another model of outsourcing is to select certain components to run in-house, and then outsource the rest of the functions. For example, an enterprise may choose to retain key strategic IT personnel, such as infrastructure architects, who can take care of the high level functionality, and then outsource the more laborious work, such as maintenance and back end administration. This model allows the business to manage and steer all ICT processes and maintain high level control.

There are many benefits to outsourcing, whether a company hands over the entire ICT infrastructure or selects certain components to outsource. These include lowered costs, in terms of overheads, access to expertise and qualified personnel, and the ability for the organisation to free up resources and concentrate on core areas of business without having to focus on the back end infrastructure. And while there are certain pitfalls to this model, these can be avoided easily enough if the right outsourcing provider is selected.

The key to successful outsourcing is to create partnerships with outsourcing providers. One of the greatest drawbacks of outsourcing occurs when the process is badly managed, and the client hands over the process without taking responsibility. Relationships are crucial to the success of this model, whether it is conducted in components or as a whole, as expectations need to be managed properly from both sides.

From the organisation's point of view, it is also essential to ensure that the right outsourcing provider is selected. Employees of the provider need to be certified on the platforms and equipment that the company uses, to ensure knowledge, expertise and quality of service. This also ensures an understanding of the environment to be outsourced. From this, service levels need to be agreed upon beforehand, and Service Level Agreements (SLAs) as well as support procedures need to be laid out in advance.

Managing the process on a continuous basis is also crucial. Expectations should be clearly defined, and regular meetings should be held between both parties to ensure ongoing levels of service and quality.

Daily interaction and communication between both parties is crucial, as the organisation that is outsourcing needs to understand and be aware of what is happening within the ICT environment. Partnerships go both ways, and while it is up to the outsourcing provider to ensure their highest levels of service, at the end of the day it is the organisation's responsibility to make certain that it has chosen the right outsourcing provider and that it manages the process effectively. In this way, the downside of outsourcing can be avoided, and the benefits reaped to their full extent.

It must be noted that outsourcing is not a 'silver bullet' that will miraculously solve all of the ICT problems of an organisation. However, if it is correctly managed from both ends, and

partnerships are built strategically with an understanding of the environment to be considered, it can be a significant cost reduction tool that can eliminate many of the pains experienced when it comes to IT infrastructure.

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