

## **Outsourcing – losing control or gaining expertise?**

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Remaining profitable in today's difficult business landscape is quite a challenge, and one that presents an interesting dichotomy. On the one hand, budgets are being cut and spend is highly scrutinised. On the other, there remains the need for organisations to invest in ICT infrastructure in order to improve efficiencies and stay competitive.

Outsourcing as a model is ideally positioned for this type of economic climate, as it enables organisations to improve their infrastructure, applications and technology frameworks, without having to cope with the heavy financial investment that generally goes with keeping this on site. When the skills shortage is added into the equation, outsourcing becomes an even more attractive prospect, as hiring of specialist skills in-house is difficult and can be exceptionally costly, especially when their services may not be required full time.

The benefits of outsourcing, especially during turbulent economic times, are clear. Not only are costs reduced, but management can be simplified and resources hired as and when they are necessary, without the red tape of taking on permanent employees. Using this model also gives organisations access to a far wider pool of skills and expertise, which can be leveraged on a project basis or incorporated into the management and maintenance of ICT infrastructure.

Outsourcing gives businesses immediate access to the benefits of experienced staff to design and implement effective solutions, from hardware to software, to project management and services. This generally leads to cost savings in the long run, especially if the selected outsource partner has relationships with vendors, enabling them to pass cost savings down to the client. This model is particularly attractive, as the modern organisation relies on having the right ICT infrastructure in place, and a good outsource partner can offer best-of-breed solutions and services at a cost that is attractive to clients.

However, the major point of resistance to the adoption of outsourced ICT services is the concept that organisations lose control over these processes, as they are handed over to a third party. This is a common misconception within the outsourcing field, as services should never be entirely handed over- as this does lead to a loss of control. The entire process should be carefully managed from both sides to ensure that expectations are met and disappointments avoided.

Disappointment and dissatisfaction can occur with incorrect or inefficient management of outsourced products and services, and companies that employ outsourced providers must bear in mind that they cannot simply forget about or neglect the outsourced processes and equipments.

The best way to deal with an outsourcing provider is to build a partnership, as good relationships will ensure that people within an organisation can work together as a synergistic team with the outsource provider. Support models, daily interactions, customer support and stakeholder management, as well as control over expectations from both parties are crucial to the success of any outsourcing initiative.

Managing the entire process is vital, from clearly defining expectations at the outset, to holding regular meetings and ensuring daily interaction with the outsource team. Organisations also need to ensure that they select the right outsource provider, and that the people at the firm are suitably certified and experienced on the platforms and equipment they are needed to work on. Services should be tailored to meet the specific needs of the organisation, from the agreed levels of service to the number of people on the ground at any point in time.

Only by building a mutually beneficial partnership and managing the process can businesses ensure that outsourcing helps them gain experience, skills and expertise rather than causing them to lose control over ICT processes, and that it continues to provide the expected effectiveness, efficiencies and benefits.

Outsourcing, especially during turbulent times, can provide benefits that far outweigh the initial expenditure. Not only does it provide access to skills for short term projects and requirements, it also gives the organisation the ability to take advantage of a wealth of skills,

expertise and advice that would not otherwise be available; and enables businesses to maximise their existing infrastructure, reduce the need for replacement of technology and forklift overhauls, and provide more efficient ICT utilisation.

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