

## Cutting Costs By Outsourcing Your IT

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In a challenging economy cost cutting becomes an absolute necessity for many companies and expenditures become subject to a critical analysis. Systems, operations, and processes that are not providing a sizable ROI should be carefully analyzed to determine if efficiencies and cost cutting can be achieved. With technology so critical to many companies for their day to day operational success, the IT (Information Technology) budget may be sizable.

One way businesses are improving their bottom line is by outsourcing some or all IT services. Outsourcing IT services can give your company a strategic advantage because you gain access to a huge technical knowledge base and implementation talent that you would not normally have access to in-house.

### **Is Outsourcing Right for You?**

Outsourcing IT requires a strategic plan and execution. A poorly thought-out implementation plan can cause harm to your company, so it is crucial to carefully analyze the pros and cons. To help determine whether outsourcing IT is right for you, you will want to perform an audit of your technology budget, systems, staffing and processes. Depending on the complexity, you may want to engage a technology consultant to perform the audit for you. This consultant may or may not be the best company to provide outsourced IT services for you on an ongoing basis, but their comprehensive analysis will be crucial to help you make an informed decision. Some items to consider in your audit include:

1. What IT priorities are most important to your company's ability to service it's clients?
2. How much money are you spending on your information technology – staffing, software, and hardware?
3. How much time are your non-IT employees spending on IT related problems? Is this preventing your staff from performing their primary job duties?
4. Are there deficient areas in your IT systems, staffing, or processes that need to be addressed?
5. Are there key IT projects that could bring about a sizable ROI but have not been implemented due to a lack of resources?

There is nothing worse than cutting costs blindly. It is critical to have a complete understanding of your company's IT infrastructure before determining whether or not outsourcing is the right choice for you. You may find that in answering the above questions that outsourcing at least some of your IT services is a viable solution. Perhaps the day to day IT tasks are handled very well, but more complex network or e-mail problems are causing efficiency losses. Perhaps there is a key infrastructure project that needs to be performed but IT staff has too many tasks to deal with

day-to-day. Or your IT staff may need new support tools to keep track of service tickets and enhance accountability. Maybe 24-hour on-call technical assistance outside of business hours is all you need.

### **Getting Started**

You have answered the above questions and determined that outsourcing IT is the best solution. What's next?

1. **Determine what to outsource:** Based on the questions above, determine which areas you need support in.
2. **Develop a business case:** Realistically, determine how much your company wants to spend on IT infrastructure. Establish ongoing costs, cost savings and cost avoidances.
3. **Educate and obtain support:** Before moving forward with your company's IT outsourcing action plan ensure that all parties involved understand the advantages and disadvantages of the plan as well as the proposed solution. Gain majority support before moving forward.
4. **Determine Resources and Timelines:** Target the resources needed to successfully administer your plan. Develop a realistic timeline of when to start and complete the project.
5. **Choose your Managed Service Provider (MSP):** Thoroughly research your chosen outsource IT company or MSP. Interview different companies, ask for references, ask partners and vendors for referrals and ask lots of questions. The more time and clarification you spend on this step, the less likely you will incur losses.
6. **Negotiate with the MSP:** Discuss goals, budgets and timelines. Address both long term and short term goals. A good MSP will go through the details with you to determine a realistic cost and timeline.
7. **Implementation:** Stick to your timelines and scheduling. Make sure staff training is a key component of any transition in your IT department. Request regular updates. Remember that after a major project, there is often a training and adaptation period. Document and communicate all concerns and issues that occur after implementation of your MSP.
8. **Ongoing Review:** Regularly review your IT plan to ensure you are meeting your proposed goals. New opportunities to help your company cut costs and become more efficient may come up in these reviews.

A decision about whether or not to outsource IT can not be determined without a complete understanding of your company's IT infrastructure. Once your strengths and weaknesses are pinpointed you can develop a strategic plan that can best help your company save time, money and increase efficiency. If you are willing to do the research and partner with a dedicated Managed Services Provider, your company will gain a competitive edge.

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