



Seven benefits (at least) in outsourcing IT

IT outsourcing is becoming increasingly popular as companies look to become more efficient and effective. Jason Connolly, business development director at Next Generation IT, explains how companies are benefiting from outsourcing their IT.

Why do companies outsource?

In the face of increasing competition, regulation and pressure on budgets; local organisations are striving to become more streamlined in order to survive and ultimately grow their business. Many successful businesses have embraced outsourcing and have partnered with local IT companies to buy-in services that enable them to focus on their core business.

But is IT outsourcing relevant for local businesses given the unique environment, labour pool and smaller size of business? In fact, outsourcing really pays dividends for the typical local business, which is often smaller and more nimble than its UK cousins, although the reasons for outsourcing locally are different and in my view, more compelling. The agility of local businesses gives them a competitive advantage, but it is often not viable to employ a full-time IT professional and so many turn to local IT providers for a more cost effective and flexible service.

The benefits of outsourcing

Outsourcing IT is no different from say, the outsourcing of HR, book keeping, or administration; the key benefits for local small to medium sized businesses are the same:

1. Cost savings – this is the primary reason many organisations buy in IT services. With economies of scale, the outsource provider is able to more efficiently provide the service.
2. Quality of service – IT providers gain a great deal of experience supporting many different organisations, and consequently specialist IT companies can draw on this experience to provide a consistently high level of service.
3. Access to specialised skills – IT is becoming a more diverse and complex discipline. No one person can be expert in every area of IT. Smaller businesses can gain access to specialist resources that only larger companies could afford to employ.
4. Flexibility – in these uncertain times, buying in service can give the ability to grow and shrink

the service with your needs. Minimising costs in austerity, and providing the capability to grow resources rapidly, when growth returns.

5. Avoiding staffing issues – the recruitment, management and training of staff can be a real headache, especially within the constraints of the fixed local labour market. Buying in IT resource minimises this drain on a company's resources, and frees up key staff to focus on the core business. Good IT people, particularly knowledgeable staff, with the right organisational and communication skills are difficult to find.
6. Risk mitigation – IT providers employ a pool of people to call on, with experience of supporting similar organisations. For instance, in a typical outsource, we supply a fully trained and experienced engineer every working day of the year. We take care of cover for holidays and sickness.
7. Management and control – a good outsource service doesn't just provide the engineer, but also management resource to ensure that the outsource service is meeting its service level agreements, that the staff are motivated, and to provide advice and communication to the client's management team.

One potential disadvantage to outsourcing is that you are putting part of your company in someone else's hands. You have to ask yourself if you can trust them, if you think they'll stay in business and if they can adapt to your growing and changing needs. Because of this, it is important to take the time to select a business with a proven track record and reputation in this area locally.

Our experience in outsourcing

Next Generation IT offers a comprehensive range of IT services to a diverse mix of clients but we have, in recent years, seen a rise in the number of companies seeking help in managing their IT requirements. Some of these companies have relocated, while others have expanded, but all have the same common aim – to make their operation as successful and as efficient as possible, within the constraints of a limited labour pool.

Local businesses have a high dependency on IT as their work is document and e-mail intensive and they need to be compliant with legislation relating to the storage and maintenance of corporate records. Having the cost and overheads of employing non-revenue staff is not an option

and so by employing an IT company, they are able to access professional IT staff, which are available through remote support or if necessary onsite support, but at a fraction of the cost.

Many of our clients outsource the provision of their IT systems and support, and rely entirely on us to meet their current and future IT needs and challenges. This gives them access to skilled and professional IT staff, whilst reducing spend and allowing them to focus on their core business. Outsourcing enables local businesses to embrace IT as a force for good rather than a necessary evil, to maintain their competitive position, increase organisational effectiveness and contribute towards their continued future success.

Case study

“Since 2004 NGIT has provided an IT outsource service to Artemis. During this period we have grown as an organisation and NGIT has supported us throughout our continuing expansion, enabling us to focus on our business with reassurance that our IT infrastructure coped with the growing demand.

A modern, safe and secure IT system has been imperative to support our business growth and we find it equally important that our outsource partner is pro-active, helpful and approachable. Most of all they must understand how IT issues impact our business and give us the flexible approach we need. NGIT keep us abreast of current developments and we believe our on-going partnership will be key to maintaining our future success.”

Robert Sinclair,
Managing director,
Artemis Trustees.