

# To outsource, or not to outsource

When it comes to managing complex IT systems and networks, many business leaders are grappling with the question of whether to outsource some or all of their IT processes. As Roberto Caprio, MD of Dial A Nerd, points out, there are a number of factors to take into consideration.



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"Outsourcing IT will allow for a lot more flexibility in terms of structuring the level of support needed in a business, especially in a country with highly regulated labour laws - you don't want to find yourself encumbered with an oversized or under skilled internal IT department," he explains. "IT is also a relatively new field if compared, for example, to law: while you certainly have large companies that have internal legal departments, they are not in the majority and SMEs tend to make use of more established, external law firms."

Furthermore, internal IT departments tend to have limited skills and expertise, and companies that choose to employ third party resources will benefit from highly skilled technicians with more focused and specialised skill sets.

## Sophisticated set of skills

"While most internal IT departments can easily deal with desktop support, network management requires a far more sophisticated set of skills, for example," Caprio says. "Ultimately, IT budgets are a lot easier to manage when dealing with a professional support company, and certain risks associated with depending on internal staff also need to be considered."

For example, it can be dangerous to rely on one employee to maintain the company network - because if he/she is sick or on leave or actually resigns, the company faces costly downtime; and the headache and expense of having to retrain new staff.

When it comes to the drawbacks of outsourcing, Caprio says that several arguments have been made against it, but none appears to be truly convincing. The most common points include loss of control, and the fact that an outsourced IT company has to profit from the services they provide - and ultimately from your IT problems.

"Enter fully managed services where you pay a fixed fee per device per month covering all possible issues; and now all of a sudden the IT provider profits the most when your network is totally trouble free and working at peak efficiency - a real win-win solution," argues Caprio. "This has the added benefit of totally eliminating hidden costs, which is another favourite argument touted as a good reason to avoid outsourcing."

## **Keep data confidential**

One final possible objection, as Caprio highlights, is the risk of exposing confidential data. "This is a reality, but once again the solution is closely tied to the choice of the outsourced services provider, which has to be based on reputation and reliability - in addition to the technical skills they bring to the table."

For business leaders looking to get ahead of the curve when it comes to their IT systems and processes, outsourcing is certainly shaping up to be the most attractive option - allowing businesses to focus on their core functions, and leaving the technical stuff to the geeks.

## **Is software headed to the Cloud?**

Like many other critical aspects of IT, software is undergoing a transformation. This transformation is largely being driven by new Software as a Service (SaaS) platforms, as this aspect of IT begins to follow many of its counterparts up to the cloud.

According to Roberto Caprio, MD of Dial A Nerd, it is difficult to pinpoint how quickly traditional software will become completely subscribed, if ever, but the trend is definitely pointing in this direction.

"Subscription services for certain software platforms are rapidly gaining popularity," he says. "The advantages include less capital requirements and constant availability of the most up to date software - and this ultimately reduces cost of ownership for a company."

A classic example of subscription software is Office 365, as you can pay either a monthly or yearly fee and it is no longer necessary to purchase a product that will someday become obsolete. Office is constantly updated and you always have the most up to date software in conjunction with all your information being backed up in the cloud.

Another example, says Caprio, is accounting software: in the past you had to purchase a copy of Pastel accounting or payroll software and then upgrade when the program was no longer compliant with tax and legislative regulations; now you can subscribe to Pastel Online and be automatically always working on the latest version of the software, try it for free for the initial period and access it from anywhere.

For SMEs considering various software solutions, Caprio has the following advice:

"Companies should try to steer clear of complicated bespoke solutions that require constant maintenance and tie them to a specific vendor without the possibility to force competition to win their business from other software providers," he says. "It is maybe more difficult to adapt their systems to more generic software solutions in the beginning, but the advantages in the long run far outweigh the initial pain of adapting."