SMEs don't need to own their IT

By Scott Martin   17 Nov 2011

Acquiring and owning in-house IT skills can be expensive for an SME. While IT is vital as a business enabler and for the effective running of any business, SMEs do not need to own their IT. SMEs should rather focus on their core business and prioritise those activities that directly relate to revenue production.

They should not allow themselves to be sidetracked by any activity that does not directly generate revenue, including IT functions.

The solution for SMEs that require business enabling IT services, without the high cost of in-house IT capabilities, is to outsource. SMEs should outsource all, or part, of their IT requirements to one or more organisations that are geared to provide IT services as a monthly or quarterly cost.

SMEs can outsource almost anything

These days, SMEs can outsource almost anything, including email cleansing, invoicing, payroll, IT security, disaster recovery and business continuity services to other organisations (sometimes other SMEs) who specialise in these areas. It is unlikely that one service provider will be able to provide all these services, so SMEs need to do their homework and select service providers that can provide these specialist skills and services, which will enhance and protect the SME's core value proposition. Over time, SMEs can re-evaluate their IT needs and see whether it would be more cost-effective to bring specific IT functions in-house; however, they should never lose track of their core focus.

New cloud technology enables SMEs to receive almost any IT service delivered to them from outside of their organisation, as opposed to being inside their own business environment. SMEs are currently able to store their data in the cloud or deploy email cleansing and security services through the cloud. All these services are appropriately costed to provide cost-effective solutions for any organisation, from a large conglomerate to the smallest operation.

Only paying for the services you use

Outsourcing is a great way to manage costs while still having access to the latest IT technology for your business. While outsourcing may cost slightly more over time than the standard purchase model, only paying for the services you use will smooth out your monthly IT costs and help avoid crippling cash-flow problems. Companies are increasingly moving away from the traditional "buy it, own it, maintain it" high capital expenditure model, to a model in which IT organisations provide the entire service, securely, and at a manageable monthly operational expense to companies. Lower monthly costs are easier for an SME to manage than a large one-off software licensing bill, and this long-run payment model will improve the cash flow of SMEs.

Scale is the only difference

The only difference between a large multinational corporation and an SME is scale. Both organisations still require IT services to enable their businesses, from emailing, quoting, invoicing, financial reporting, presentations and project management. An SME just does these things in smaller volumes.

Regarding information security, all organisations, large and small, have the responsibility to protect their customers' data and ensure that sensitive and confidential data is protected and not easily harvested by cyber criminals. In the event of a breach in security, both large and small companies could lose customers, reputation and brand value. Paying for IT security as a service is a cost-effective operational expenditure method of protecting an SME's customer data. Infoprotect specialises in delivering IT security services, to your desktop, from the cloud.

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