Outsourced IT - How SMBs Can Improve IT Effectiveness while lowering costs

When it comes to small to medium businesses (SMBs) and Information Technology (IT - or all the systems and software you need to run your business) the relationship can often be described as "love/hate." You absolutely rely on technology to help your business run more efficiently, but IT is not a core competency -- just keeping your systems running can be a major undertaking that takes focus away from business-building activities.

Some SMBs have the luxury of relying on an in-house IT staff for technical support. But this is not always all it's cracked up to be. An in-house IT staff is generally available for IT support during working hours, with the exception of when they are sick, on vacation, or busy in a meeting. In addition, they add a high fixed cost to your payroll and their experience is limited to what they have learned working for you and their last one or two employers. This gives them a very narrow perspective on overall industry trends and the ins and outs of available solutions. Worse, since IT is not your core competency, you may have limited insight into how well the IT staff is performing.

On the other hand, there are SMBs who choose to outsource IT maintenance and support to an expert third-party provider. Outsourcing it is a solution that gives SMBs easy access to a caliber of IT support they would not be able to afford in-house. Business owners who outsource IT support generally enjoy stable systems, lower maintenance costs, more uptime, and less worry.

The strategic advantages of outsourcing vs. full-time staff

In a very small business, it's pretty obvious that hiring a full-time IT person, let alone a full staff, is not a viable option. But hiring full time IT resources may not be the ideal choice for larger businesses either. To illustrate this point, let's take a look at the costs and benefits of hiring one full-time IT staffer compared to contracting with an outsourced IT provider:

IT Support Option	Full time IT staff member	Outsourced IT Provider
Approximate Cost	$$$	$ - $$$
Available Resources	1 person	An team of experts
Scalability options	Hire another person	Scale services to your needs
Technical Capabilities	*Strong:* • PC support • Network and server administration • Patches and upgrades *Some experience:* • Data backup • Business continuity planning • Security protocols • Product procurement • Project management • Licensing *Limited experience:* • Infrastructure design and implementation • Network design and implementation • Telephony and VoIP • Industry trends and best practices • Strategic use of technology	*Strong:* • PC support • Network and server administration • Patches and upgrades • Data backup • Business continuity planning • Security protocols • Product selection and procurement • Project management • Licensing • Infrastructure design and implementation • Network design and implementation • Telephony and VoIP • Strategic business use of technology • Industry trends and best practices **PLUS** • 24/7 system monitoring and support • remote, overnight patches and upgrades
Availability	• 40 hours a week, during regular business hours. Unavailable during sick / personal days, holidays and vacations. • Overtime is extra	Depending on your contract, it is possible to have: • 24 / 7 / 365 service • Fixed fee, no overtime

As you can see from the chart, the costs of the two solutions are comparable, with the technical expertise, availability and scalability of the outsourced solution being far superior

Of course, outsourced IT services can be used as the sole source of IT support, but they can also be very effective when added as a supplement to an in-house IT department. The advantages of a hybrid scenario include adding a level of expertise, economically extending service hours, covering staff shortages, handling special projects and freeing up the in-house team to focus on operations more essential to core operations.

The secret to finding a partner who fits your needs

Once you've made the decision to outsource, it's time to select a provider – and you will have plenty of options. The barriers to entry for this business model are quite low and the economics are appealing, which results in new providers cropping up at a dizzying pace. How can you tell which one will be right for you? Before signing any contracts, make sure you grill any potential providers on these two critical points:

1 - Find out how they view technology in relation to your business. The most common shortcoming for an outsourced IT provider is not technical expertise – it's business acumen. Ask potential providers how they manage or recommend technology in light of your business goals, what strategic approach they take to technology as a business tool, and look for specific examples of how they have merged the two in the past. A business-savvy provider who gets to know *your* business is much more likely to point out technologies that can provide you with cost savings and enhanced efficiency.

2 - Explore their communication and management philosophy. Do they have a set communication process? Are they prepared to adjust services and projects in light of feedback from your team? Will they proactively manage their relationship with you, conducting periodic reviews of your technology and recommending improvements and upgrades? Or are they going to sit back and wait for you to come to them?

Investigating the above two points will take you a long way toward selecting a provider who will be a great asset to your business.

Happily ever after

Outsourcing IT support can be a win / win for many SMBs. If the relationship is entered into carefully, an outsourced provider can offer far superior technical expertise and 24/7 availability at approximately the same cost as a full-time resource, without the HR paperwork, sick days, or overtime. The right provider can actually show you ways to use technology lower costs and increase productivity for an even greater payback.

About Allarus Technology Management

Allarus provides business-based technology consulting and outsourced solutions to small and mid-sized businesses and organizations that need the quality service and reliability of a complete internal it department without the costs.

Allarus is comprised of professionals that understand business and speak in the language of business. Our entire development and approach is to assist, support, and work with business in the proper implementation of technology on a continuing and productive basis.

Allarus works with you to adapt technology to your business and the everyday needs of your people, not the other way around. We look for the things that make your company unique and help you find technological solutions that are right for you.

With Allarus Technology Management, your business can benefit from the cost savings, higher productivity, and peace of mind that comes with having properly implemented and supported it infrastructure.

Contact Allarus Today.
www.Allarus.com | 212.401.4000