



Making technology pay!

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IT Outsourcing: A feasible option for mid sized companies?

The topic of IT outsourcing has been very much in the news recently with many companies experiencing the up side as well as the down side of this method of operating. In the UK, the IT industry has experienced severe job losses as a result of the outsourcing of software development to the Far East for economic reasons.

At corporate and Government level, many organisations have simply given up trying to manage their large IT installations and have outsourced the task to specialist management outfits. In general, the upside has been reduced operating costs but service levels may have been adversely affected. In addition, in a number of instances vital business knowledge has been lost in the transition.

While this change has affected the larger operations, similar moves to outsource IT have gained ground in the mid range. It is easy to understand the attraction of this approach. The requirement for integrated solutions as a means of competing in today's global market has placed significant strains on existing teams in medium sized companies. These solutions demand a myriad of IT and business skills to implement and support. Furthermore once deployed, the systems become mission critical to the business whose fortunes depend on its continued operation.

In response to this demand, a number of initiatives have been launched by the IT industry to fill the gap. These range in scope from purchasing e-mail services from a specialist outsourcing company to having the entire IT function managed remotely by an application service provider. However, in the business management systems arena, there has been a marked reluctance by companies to move to this model. Apart from the concerns on security, one of the key drawbacks has been the "one size fits all" philosophy of the service providers in this sector. This involves the customer in changing his business to fit a specific industry template. Compromising on functionality can introduce inefficiencies that can far outweigh any potential savings.



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A new model is now emerging in the mid market which is a compromise between total outsourcing and operating within rigid templates. This involves using IT service providers to host all of the IT infrastructure elements. However, all of the applications run on that platform are specific to the customer. This means that the customer has access to his total information system without the need to manage all of the underlying operating systems, servers and communication devices.

Dependent on the scope of the contract, the service provider undertakes the task of looking after the resilience, security and day to day operations of the system sited at their premises. Engineers are summoned to resolve on site hardware issues. Firewalls are deployed and updated to repel hackers. Virus protection software ensures that damaging worms or virus are prevented from infecting the system. Security back-ups are taken regularly with restore procedures in place to validate the saved data.

Anglia Business Solutions has already successfully implemented a powerful solution based on this model with impressive results. Inchcape Automotive Services needed to deploy a highly sophisticated MBS Navision based supply chain management system that serviced all of their eight sites located throughout the UK. Anglia's personnel designed and implemented an advanced infrastructure solution that serviced the needs of 240 concurrent system users. This was located at an application service provider site where their staff carry out the routine servicing of the server platform.

This proven model enables companies to focus its scarce IT resources on the refinement of solutions that really can make a difference to the fortunes of the business. With recent UK research indicating a shortfall of 150,000 IT resources needed to meet the current demand for the deployment of new projects, this approach is likely to find favour with many organisations. In the words of a famous supermarket slogan "every little helps".

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