

IT Outsourcing.

Who's Accountable? Who Can You Trust?

Recently we discussed the rising popularity of outsourcing (“[IT as a Utility](#)”) and in particular how IT is shifting from a function that merely “serves” the business to one that plays an integral part in the business operations. But why are today’s CEOs more willing to give their time and blessings to outsourcing IT and whom should you trust, internally and externally, with your information systems?

In general, the benefits of outsourcing are twofold: Your employees are freed to focus on strategic initiatives that grow your business; and non-core tasks are run more efficiently. While the same cases can be made with IT, today’s market landscape offers a few additional incentives to outsource your technology:

Why Outsource IT?

1. **High turnover rates.** IT spending is on the rise as organizations scramble to gain a technological edge in the marketplace. Historically speaking, when the demand for IT professionals increases, employee retention rates dwindle. Managing IT in the 21st century demands a higher degree of trust and a better understanding of your business needs, and high turnover rates within your IT department can be detrimental.
2. **Evolving technological advancements.** Technology continues to evolve at a rapid pace and new virus and hackers threats continually threaten the security of your IT system. Meanwhile in-house IT personnel are expected to keep track of your business needs, work with tight budgets, limited resources and time constraints – leaving little or no time to keep up with technology trends and/or security updates.

3. **Multi-level IT expertise:** Like any industry, IT has specified areas of expertise. While most IT experts are proficient in a few areas of IT expertise, it is unlikely that he/she has the time or resources that outsourcing can provide.
4. **Statistics Don’t Lie.** Real-life case studies offer new insights on the virtues of IT outsourcing. For instance, over a 3 ½ year span, the city of Chicago saved \$6 to \$10 million in IT management and costs by outsourcing. Efficiency levels also rose as the city reduced the time it took to deliver services by 35%.

Why Utility Computing?

Outsourcing hasn’t been successful for everyone, however. In fact, more than 30% of customers have been dissatisfied with their outsourcing results. Many experts attribute this to the reactive business model of many IT outsourcing providers – i.e. when problems arise, they react accordingly. Trusting your IT system to a vendor that makes a living off your “constant” IT problems can lead your business down a slippery and costly slope.

The key to choosing an IT vendor is finding someone who **thrives off your success, not your failures.**

This is the winning formula behind ‘utility’ computing. Much like a utility company provides electricity or water, utility computing delivers all the necessary computing resources to businesses. With utility computing, large capital outlays in IT infrastructure are replaced with a monthly fee. All support costs are eliminated by the help desk of the utility computing provider.

Unfortunately for businesses like yours,

merely choosing a utility computing provider is not enough. As utility computing gains popularity, more IT outsourcers and consultants are arbitrarily throwing this “buzzword” into their service offerings to attract new clients.

Who can you trust?

Those that claim to offer utility-based computing providers can range from ASPs (application service providers) to storage or server virtualization. Each will offer a specific area of IT on a ‘utility’ basis. Utility computing in its purest sense, however, delivers your entire information system as a utility to proactively ensure your business is up and running.

How?

True utility computing thrives on your successes. Not your failures.

Since information systems (is) utility-computing delivers all the computing resources you need, you don’t actually invest in the equipment and, more importantly, you’re no longer responsible for the upkeep of your IT systems – the provider is. Any costs involved in troubleshooting or maintenance are incurred by the provider – not you.

The formula is simple: The (is) utility computer provider delivers technology resources and charges the client company per user. As technology becomes less of a burden, the client company expands and subsequently adds new users, giving them peace of mind that to succeed the provider must help them thrive first.

Xvand Technology is provider of IsUtility® (www.isutility.com.) delivering a fully-managed virtual IT department on-demand as a utility.