



OUTSOURCING: LARGE ENTERPRISE COMPANIES "GET IT"; SMEs WILL CATCH UP

2006 will be the year when outsourcing finally rises to the top of the agenda for IT managers in Small to Medium Enterprises (SMEs).

For years, mid-sized companies have feared a loss of control and an increase in costs resulting from outsourcing. IT managers in these companies saw the agenda as being between keeping things centralised in-house or de-centralising to a managed service. Jim Lee of Campbell Lee believes this year the real criteria will emerge and that, as a result, the decision has become self-evident. For Lee, the key is out-tasking.

"This is transition; evolution not revolution. The IT department is not decanted wholesale to some remote island. Servers are positioned for optimum security. Services are provided on a guaranteed basis complementing local, in-house resources and staff who remain closer to the business than the technology.

"Cost control is the primary goal. In too many eventualities today, IT costs spiral as resources are suddenly focused on unexpected and unpredicted events.

"Risk reduction and service assurance are the axioms. As companies recognise the jeopardy of the many forms of security risk that relate to today's information interchange, it becomes increasingly obvious that outside help is needed.

"On the side of the providers of outsourcing, economies of scale and the ability to provide superior technology on a shared basis mean that the SME customer requires no capital investment. The leverage argument is powerful. By harnessing a service provider's people, expertise and scalability of resources, a company can now aspire to do things that are simply too expensive internally. If you want to be better, smarter, and more secure than your competitors, that's an instant advantage.

"Here at Campbell Lee we have put together a 10-point list of the most commonly quoted benefits from outsourcing.



Press Release

www.campbell-lee.co.uk

1. Reduce operating costs and avoid capital expenditure
2. Improve ability to control service delivery (via service level agreements)
3. Gain access to resources that are not available internally
4. Improve efficiencies by off-loading non-core functions
5. Save money on manpower and the costs associated with training and covering sick leave and holidays.
6. Reduce exposures to risks of both penetration and disaster
7. Benefit from the provider's expertise in solving similar problems for other clients
8. Improve IT strategy and retain control of decision-making.
9. Remove the exposure to technological obsolescence.
10. Keep pace and minimise the impact of rapid changes in technology

Added Lee: "Outsourcing has been a part of business for years. Few companies employ their own cleaner or run their own canteen, for example. Selected operations and many forms of business process support can be contracted out on a task-by-task basis, hence "out-tasking". Out-tasking secures superior benefits and control for specific services. Primary and increasingly common IT outsourcing examples include security, software provisioning and network infrastructure management.

"Today, especially in IT, a company cannot do everything itself in-house," says Lee. "Outsourcing has many benefits, but you should choose your supplier carefully. When relinquishing control of part of your business, then culture, trust and experience are key to a successful partnership. The historical concerns - that you may be throwing your baby out with the corporate bathwater - are entirely and simply accommodated by getting the right partner with the right service level agreement for functions of your choosing. As I have said, it's self-evident."

Ends 23 January 2006

INFORMATION - Brian Young, Campbell Lee, 01324 677200

Alan Clark, 01324 875454