

How Outsourcing Information Technology Can Fuel Growth In Your Business

How Small and Mid-Sized Businesses Benefit
from Remotely-Managed Services



M. Allen
Growth in action



Today there are countless opportunities to leverage new software and gain increased efficiency, competitive advantages, lowered operating costs and more.

Yet, along with its advances, the tech space has also become increasingly complex. Weighing the pros and cons of rising platforms such as cloud computing, addressing functions critical to business like collecting and protecting customer data makes things even more complicated.

Within this transforming and expanding environment, it is certainly challenging – if not impossible – for a small-to-medium enterprise whose business is not at all technology related, to then understand and successfully prioritize which pieces of the puzzle fit within its own structure.

For that reason, we are seeing more organizations are choosing to outsource their IT function, retaining third-party-managed service providers to fill the role of internal chief information officer. IT outsourcing comes with a number of immediate benefits.

The Advantages of Outsourcing IT Services

Cost Control and Reduction

Rather than fixed expenses, your overall costs are reduced. Researching solutions, implementation, maintenance occur as needed, allowing you to budget accordingly.

Certification, Qualification, Expertise

Specialists are trained for a reason - not all IT problems are the same. With outsourcing your IT needs to a firm with hundreds of specialists on staff, all your issues receive impeccable insight, overview and attention to detail.

Rapid, New Technology Implementation

An IT firm has its sights set on emerging technologies and trends. It understands how to transition from outdated infrastructure to more current systems. And it does this on its own, providing you with the latest tech at no additional costs.

Renewed Focus on Core Business

You may not be in the business of information technology, and becoming an expert in that area should not be an inevitable cost for you to bear. Focus on your core business, and do what you do best, leaving the mundane IT needs of your company to professionals.

Risk Reduction, Compliance and Security

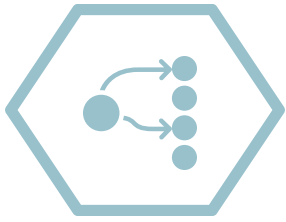
Internet security, laws pertaining to accessing information, and information storage, are just a few issues that arise in the tech world. Laws are barely keeping pace with how quickly technology evolves, and as a result, always changing. Don't put yourself at risk - for security breaches or violations. IT firms make it their business to keep up-to-date with the latest legal IT frameworks.

A Level Playing Field

Solving IT solutions should not hamstring your ability compete against the major players in your industry. Especially when major players are also using remote IT services to remain competitive.

Data on IT Outsourcing Trends

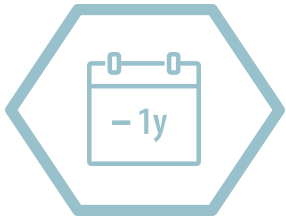
Gartner in 2019, conducted a survey of 1000 SMEs to understand how they manage their internal IT needs. They found that:



78%
of SMEs currently
outsource their
IT needs



22%
of SMEs do not
currently outsource
their IT needs



16%
that do, did not
outsource their IT
needs the previous year



16%
of those that don't,
are in favor of it and are
considering their options

A Stats Catcher study reveals that the outsourced IT industry is growing by an average of 12% each year



2%
decrease in
expenses for
IT firms each year



75%
of IT specialist graduates
find work in an IT firm within
one year of graduating.

Another Key Supporting Reason - Lack of Skills Threatens Digital Transformation in SMB & Mid-Size Firms

As the COVID-19 response accelerates the speed and scale of digital transformation, a lack of digital skills could jeopardize companies with misaligned talent plans

Even before there was this crisis, boards ranked digital technology disruption as a top priority for 2020 - followed next by obtaining the talent required to execute their initiatives. However, COVID has escalated digital initiatives into digital strategic imperatives, creating urgent pressure on executive leadership teams. Specifically with rethinking the skills required as business models change at warp speed.

It's not an easy task to acquire digital skills, especially in the SMB to mid-size market company. These companies must move forward under a new reality; technology skills are no longer highly centered in IT alone; they need to be "integrated" across organizational functions.

"SMBs and Mid-Sized firms are traveling "data blind" with regard to the skills they need for transformation.

Proof in hand, consider a sales executive role inside a tech firm. Firms like Salesforce & Microsoft require the role to have digital skill set that includes engineering, digital transformation, Microsoft Azure, security, computer science and tech infrastructure. However, it's not just sales reps or tech leaders who are affected; digital skills and experience are now part of almost every role.

53% of respondents to a recent Gartner survey stated that the inability to identify needed skills was the number one impediment to workforce transformation. Thirty-one percent reported that they have no way to identify these market leading digital skills.

Digital Means What?

As one CEO recently explained to me, "Every company is going to have to transform digitally." He went on to describe the requirement to invest in this moment of crisis, stating, "Everyone's going to have to adapt new ways of creating and delivering value." This applies especially to B2B companies apply to their customer relationships, sales and service organizations, marketing, collaborating and reskilling workers, and so much more.

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Data revealing demand for digital skills growing with no end in sight

Survey data shows job postings by non-technology companies tied to skills around AI, Robotic Process Automation (RPA) and data science/analytics growing by 103% in AI, 170% in RPA, and 106% in data science and by the way....these are just in the business roles.

Conclusion & Action Recommendations

Recommendations:

- 1) Embed agile work design assignments into broader enterprise talent management planning & activities.
- 2) Separate roles and strategic programs into skills so you can start to identify the models that best meet the skills requirements. You then have options. Example: to make up for a lack of a required digital skill, you can borrow from another division or department, do an inter-division talent swap, hire a contractor or a supplier capability.
- 3) Determine and decide on the future of different roles as the environment evolves, unbundling your resources to adapt.
- 4) Evaluate the options for roles at risk from artificial intelligence and robotic process automation:
 - a) Preserve the role as is, but stay ahead of the curve. Forecast what changes can still impact the role and prepare a strategy plan for how to successfully handle potential transitions.
 - b) Rightsize the role to realign with what's required in the new age or environment.
 - c) Eliminate the role when it runs an unavoidable risk of automation. Eliminating the role doesn't necessarily mean eliminating the talent.

IT is becoming a broad, complex industry with many different areas that require specialization.

It is challenging for an average technology employee to know how to tackle every problem a typical business faces. Often times, technology specialists are required for specific instances, rather than day-to-day maintenance. Businesses will find themselves spending more on ineffective tech staffs, or overall unproductive tech staffs.

This is not a criticism of tech experts that have a role at businesses, but only the reality of IT needs today. Businesses thrive when they can access a host of experts and a broad level of expertise at any point in time. While costs initially may seem problematic, the month to month savings will only demonstrate that outsourcing tech needs makes complete business sense (especially in the small to mid-size company).

To keep a competitive edge, effectively run a business, and provide excellent service to your clients, leaving your digital and technology needs to the experts is a step in the right direction.

About M. Allen



Veteran Owned Revenue & Profit Growth Advisory

From implementing new business strategies to ultra-efficient work processes, M. Allen is ready to tackle any challenge and put you on the path to success. Nearly 3 decades of experience in IT, Business Ops, and Sales/Marketing, we've helped our stakeholders by delivering services that transform the way they do business.

Challenges M. Allen & Our Channel Partners Help Address in Financial Services:

- Growth needs - you are not meeting growth targets and goals. We can help.
- You need to reduce internal operating costs without sacrificing operational performance. From planning to deploying outsource solutions. We can help.
- Deploying digital and intelligent technology solutions. Your internal IT team is lean, focused on other priorities or does not have the required expertise in-house. We can help.
- Improve your loan portfolio performance. You require help with default management and non-performing loan challenges. We can help.
- Your operations need to scale fast. Lending through loan servicing operational needs for scaling or handling more loans. We can help.

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