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Outsourced Network Support Services Puts Core Business Back in Focus

One of the major business technology trends of the past five years, the shift towards outsourcing shows no signs of weakening. A healthy 16 per cent year-on-year increase in business investment in managed IT services confirms the dramatic change to the traditional 'in-house' business model. So what does a business need to know about outsourced network management services to help it make an astute business decision, and why the fundamental shift?

Globalization has played its part. The fast-fading business, political and technological borders that once separated the western world from able and educated resources now found in the likes of India, Eastern Europe, South Asia and, more recently, South America, have created new and highly competitive efficiencies.

Logic, too. When a business's core competence is, say, logistics, manufacturing, marketing or finance, the focus of investment, energy and skills need to be in providing the best possible customer product in that area. Budgets set aside for IT and network facilities don't come cheap. The principle of outsourcing is not new of course, having operated for decades in industries such as production, advertising, media and marketing.

Outsourcing IT services such as [network management](#) and monitoring, technical support and software licensing, the lesson goes, similarly saves businesses small fortunes while providing access to top drawer expertise.

Having resources on tap, there when you need them, provides scalability in costs and resources that allow business to operate at full speed, with maximum efficiency, in both slow periods and when demand is at its peak. It's called 'Capacity on Demand', and it produces major savings come from infrastructure investment, maintenance and support, and full-time, in-house personell.

Benefits of outsourcing network management:

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Business focus. Long term success in any industry depends on a business's ability to create happy long term customers, and that comes down to focusing on core business areas.

Flexibility. Resources on demand enables rapid scalability of business to customer/internal demand.

Cost. While the cost of infrastructure has dropped considerably in recent years, the complexity of work and cost of qualified manpower make investing in a state-of-the-art in-house resource prohibitive. Updates, maintenance and upgrades in everything from servers to [network monitoring software](#) also need to be included in any total cost of ownership evaluation.

Reliability. Outsourced network solutions are backed up to the hilt with the latest technologies and security processes that are not financially viable in-house.

Specialization. Outsourced resources can invest in specialist skills and technologies such as network monitoring software and support, that in-house teams cannot afford to match.

Economies of scale. Because outsource companies provide similar IT services for a range of customers, they can provide a range of resources and capabilities in one package at low cost through amortization.

Labour skills and costs. It's usually the largest single area in the total cost of ownership. Outsourced solutions remove lengthy and unreliable hiring processes, training, payroll burdens, skillset shortages, insurance and benefits costs.

Business expansion. With a greater range of technology support and capabilities on hand, businesses can find new service offerings for their own client or customer base, creating new business opportunities.

Capital savings. Investments in network infrastructure are minimized or eliminated. With such a range of both specific and far-reaching benefits available, the proposition is not so much a financial and cost-saving measure, but a business strategy.

What makes the modern network manager invaluable is in recognising that the advantages are about more than the bottom-line, and the real challenge is one of change management.

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