

IT OUTSOURCING IS A GROWING TREND

The statistics speak for themselves - IT outsourcing is growing in popularity at a phenomenal rate. Jason Connolly, business development director at Next Generation IT, examines the reasons why.



Globally, IT outsourcing is set to grow 5.9% a year from 2013, when it reached \$288bn, according to American research company Gartner. Closer to home, this year's UK IT outsourcing study which looked at more than 800 IT outsourcing contracts held by 160 organisations highlighted just how important outsourcing had become. IT outsourcing in the UK is now estimated to be worth about £20bn.

And it is set to continue growing, with 40% saying they will outsource more.

Core business

The ability to focus on core business activity is the main driver for companies wanting to outsource. The outsourcing study found this was the number one reason given by 68% of respondents. With sustained downward pressure on the economy, we have seen Guernsey companies striving to become more efficient and effective in order to survive and ultimately grow their business, despite limited headcount and available finance. Local businesses have a high dependency on IT as their work is document and email intensive and they need to be compliant with legislation relating to the storage and maintenance of corporate records.

Embracing IT sourcing allows local organ-

isations to focus on their core business, be compliant and maintain their competitiveness.

Access to resources

Outsourcing gives companies the flexibility to take advantage of new opportunities as and when they arise. Organisations are wanting to use more advanced technologies but the reality is that no one person can know everything about IT, and building a team of staff, and then ensuring they are adequately trained, is costly. Outsourcing gives access to a breadth and depth of specialist skills and expertise, wrapped in an fully-managed service which includes helpdesk management, proactive maintenance, communication with staff, and advising the management team on IT strategy. This is particularly appealing to smaller business who want to access the same specialist resources that only larger companies could afford to employ.

Benefits include cost savings through economies of scale to the provider, and flexibility with the ability to grow and shrink the service. Minimising costs in austerity, and providing the capability to grow resources rapidly, when growth returns. Risk is mitigated, as IT providers employ a pool of people to call on, with experience of supporting similar organisations. In a typical outsource, we supply a full-

ly-trained and experienced engineer every working day of the year, and cover for holidays and sickness.

Looking to the future

Next Generation IT offers a comprehensive range of IT services to a diverse mix of clients but we continue to see a rise in the number of companies seeking help in managing their IT requirements. This does not mean we always provide a full time on-site engineer, but often provide a mixture of proactive weekly site visits, healthchecks, and reactive support.

Outsourcing can also include the hosting of a client's IT environment through cloud services, which enables the organisation to flexibly buy-in IT systems, without needing to invest in costly IT infrastructure.

Forward-looking businesses are using outsourcing and cloud services to ensure that day-to-day basics are taken care of, freeing up their organisation's staff to drive the business forward.

Many of our clients outsource the provision of their IT systems and support for those very reasons, and rely entirely on us to meet their current and future IT needs and challenges. That is a trend that we believe will continue.