



# Experts on Outsourcing IT for Strategic Advantage

Partnering With An MSP To Shift  
From Reactive to Proactive IT



# INTRODUCTION

Over the next five years, analysts expect 11% annual growth in managed IT services, and it's easy to see why. With IT having become so complex and changing so fast, companies struggle to maintain the expertise they need to keep up. This is great for managed service providers (MSPs), but how do companies decide what they should outsource and what providers they should use?

With generous support from Ntiva, we decided to find out by asking executives in eight midsize companies this question: **What areas should a 200-person company consider outsourcing? What are the benefits of working with an MSP? And how do you ensure that your partnership with an MSP will actually work?**

We found that midsize companies are in transition, often with IT staff stretched to its limits. They are looking to improve IT services while managing costs. Some outsource commodity IT functions so they can focus on IT strategy, while others outsource their most difficult challenges first.

Our eBook contributors discuss different approaches to outsourcing and benefits they have gained. They also teach us that commodity IT functions are easy to outsource, but no IT requirement is too specialized to consider outsourcing.

I hope the experiences of these experts help you make the best possible outsourcing choices.



All the best,  
**David Rogelberg**  
Publisher, Mighty Guides, Inc.



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# FOREWARD

I speak with business owners every week, and regardless of industry they all have one thing in common - they know that having the right technology in place is crucial to the success of their business.

However, even when leaders understand that technology is mission-critical to the business, they typically are not leveraging technology advancements as much as they should.

This is often because today's IT teams are having a huge challenge trying to keep up with day-to-day IT support, let alone stay on top of fast changing technologies.

We sponsored this Mighty Guide to share the expert opinions of IT leaders who have figured out the right balance between focusing on the fundamentals and spending time on more strategic initiatives that can deliver real business value.

By asking these experts the question, "What would you tell a friend who just took on the responsibility of managing an IT team..." we've uncovered the trend of IT leaders to offload specific services in order to move from cost-center to innovator.

We hope the conversations in this book help you discover new ways of thinking about how you can best utilize the talents of your internal IT team, to ensure you're meeting the strategic goals of your specific business.



Regards,  
**Steven Freidkin**  
CEO, Ntiva, Inc.



Ntiva is an IT services provider that provides businesses with advanced technology expertise and support, including managed IT services, strategic consulting, cloud services, cyber-security and telecom solutions. We have a team of world-class talent that genuinely cares about the relationships we build, and who understand that response and precision are fundamental keys to a successful partnership. Our ultimate goal is to not only help you streamline your technology costs, but to show you how to leverage these investments to improve business performance.

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# OUTSOURCING IT WORKLOADS PROVIDES VALUABLE BUSINESS OPPORTUNITY



## BRIAN A. SHEA

Chief Information Officer /  
Chief Compliance Officer,  
MBX Medical Billing Experts,  
LLC VSTRATEGY, LLC

Brian Shea is one of the most dynamic IT professionals working in Columbus today. He brings more than 20 years of IT-related experience to the table, focusing primarily on enterprise infrastructure and IT management. Shea serves as chief information officer (CIO) and chief compliance officer (CCO) for MBX Medical Billing Experts, a national medical-billing company. He is also the president (founder) of VSTRATEGY.



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According to Brian Shea, who is both a provider and user of managed IT services, the biggest challenge many organizations with smaller IT staffs face is finding time to focus on IT initiatives while working to keep systems and operations running. That's why he recommends outsourcing commodity IT functions so IT management can focus on delivering greater strategic value to the business. "Patching, help desk, and even things like cloud-based Software as a Service (SaaS) and Infrastructure as a Service (IaaS) are good candidates for outsourcing to a managed service," says Shea. "Once those workloads are shifted from your internal IT, you can start focusing on more strategic initiatives."

Shea suggests thinking about it as an IT maturity model. Once the basic functions are covered, you can focus on more specialized IT requirements such as security, wide area networking, website management, or whatever is important to the business. "You can focus on the strategic things in a more project-based way, where you can work with your MSP to advance those projects," explains Shea. "Now that we're stable, here are the things that we need to look at. Now we can do things like true Business Impact Analysis (BIA's) of core business applications and systems that we could never do before because we were caught in the weeds of day-to-day operations and maintenance." >


*“Once those workloads are shifted from your internal IT, you can start focusing on more strategic initiatives.”*

# OUTSOURCING IT WORKLOADS PROVIDES VALUABLE BUSINESS OPPORTUNITY

Another advantage, and one that is particularly important in Shea's case, is the scalability that outsourcing IT functions affords. Having the ability to flex up and flex down based on staffing needs makes it possible for him to efficiently serve a variety of business practices with differing requirements. "It expands the depth of my support infrastructure, especially in areas where I don't have resources to build out those capabilities internally," says Shea. "It also gives me built-in IT succession planning."

Shea says there can be cost advantages to outsourcing, but you need to consider the larger picture of your IT environment. For instance, it may cost more to outsource a specific function than having your in-house staff do it, but by outsourcing you may gain scalability you don't currently have, a built-in succession plan, and the ability to use in-house staff to perform work that is more valuable to the business. "Cost savings isn't the best word," says Shea. "There can definitely be cost savings on certain things, but you're also gaining opportunities based on scale that a managed service provides."

Of course the value you gain from a service provider depends a lot on the service provider you choose. There are many managed service providers, ranging from small operations to giant global service providers. They have different depths of expertise, and while many are IT generalists, some have a vertical market focus. Shea emphasizes the importance of a service-provider onboarding process. >



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# OUTSOURCING IT WORKLOADS PROVIDES VALUABLE BUSINESS OPPORTUNITY

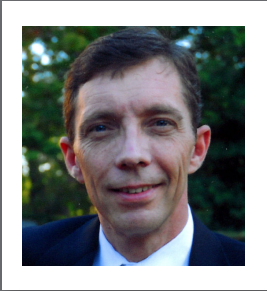
“You really need to vet service providers because you’re going to be building more of a true partnership. They will need to understand your business just as if you had an internal IT group.”

It’s also important to have good service-level agreements and good lines of communication. “Problems are going to occur,” says Shea. “End users are going to have an issue where they’re not happy about something. Finding partners that recognize this is a long-term relationship and that customer service is critical are the ones that work well.” ■

## KEY POINTS

- 1 The big challenge many organizations with smaller IT staffs face is finding time to focus on IT initiatives while working to keep systems and operations running.
- 2 The value you gain from a service provider depends on the service provider you choose. Vet service providers to find ones that are capable of understanding your business and becoming a partner, acting as an internal IT group.

# A SERVICE PROVIDER SHOULD BRING SOMETHING EXTRA TO THE TABLE



## DEAN JOHNSTON

Director of Information  
Technology,  
The Washington Home &  
Community Hospices

Dean Johnston is a creative IT leader and a versatile operations management professional who aligns business goals with IT objectives in complex industries, where efficient processes and regulatory compliance are paramount. He is a visionary trailblazer who focuses on the most innovative ideas, committed to architecting competitive and game-changing solutions to everyday operational issues and more serious problems.



LinkedIn

**A**s director of IT for a health-care organization with over 80% of its staff in the field at any given time, Dean Johnston has outsourced nearly all his IT functions, including networking, cloud-based applications, and the Voice over Internet Protocol (VoIP) phone systems. “My job has morphed over the last five years or so,” he explains. “Now I focus on making the organization more efficient, and more process and procedure driven.” To achieve this, he has outsourced almost everything, except for laptops, cell phones, and desktop computers. “I have two people in my department to take care of those things,” he continues. “It depends on your business. If you can stand to wait until tomorrow to get a new PC, that’s great. When you’re a life-and-death business like we are, that’s just not acceptable.”



*As an IT director, you have to think about where your time is best spent.”*



What you choose to outsource depends on the nature of the business, but Johnston reduces the choice to a fundamental question every IT director needs to answer. “As an IT director, you have to think about where your time is best spent,” he says. “Is it best spent babysitting hardware and software, or is it better spent understanding the business and working with the business to apply technical solutions to business problems?”

In Johnston’s case, outsourcing most IT functions has freed him from day-to-day management and enabled him to focus on strategy. “I don’t sit and worry about whether the AV is up to date, or if the intrusion detection program is accurate, or if e-mail security and filtering is working like it’s supposed to,” he notes. “I really don’t have to think about those things. >

# A SERVICE PROVIDER SHOULD BRING SOMETHING EXTRA TO THE TABLE

I can focus on how I get my people the right services, applications, and tools so they can do their job as quickly and efficiently as possible to provide the most impact to our patients.” He adds: “It helps the whole organization for you as an IT director to become part of the solution for all kinds of business problems that are IT related.”

Johnston believes there are several factors that contribute to a successful relationship with any managed services provider:

- Choose a service provider who understands the technical and regulatory environment in which you operate.
- Choose one who works to understand your business and brings something extra to the table. As an example, Johnston cites a service provider who proactively comes to you with a solution. “They could say, ‘We’ve noticed you have a lot of service-desk calls for this kind of issue — we can put something in place that will make that problem go away.’” A good managed service provider will do that for you.
- Set your own expectations about what’s reasonable when working with a managed service provider. “It’s different than having your own in-house staff,” says Johnston. “The service provider has other customers.” That’s one reason he keeps some IT staff in-house. >

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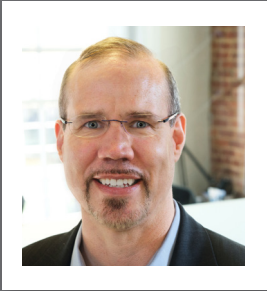
# A SERVICE PROVIDER SHOULD BRING SOMETHING EXTRA TO THE TABLE

Johnston also says that contracts are important, but a contract goes into the drawer as soon as the ink dries. "I rely on building a relationship with the people who are there" he says. "They check in with me regularly when they're here in town. It's because we have built a good interpersonal relationship with those folks." ■

## KEY POINTS

- 1 Choosing what to outsource depends on the nature of the business, but also on where your time is best spent, whether it's more important to babysit hardware or work in the business to apply technical solutions to business problems.
- 2 Choose a service provider that works to understand your business and brings something extra to the table.

# WHEN CONSIDERING IT OUTSOURCING, EVERYTHING SHOULD BE ON THE TABLE



## KIRK MCLAREN

CEO,  
Foresight CFO

Kirk W. McLaren, MBA, CPA, and CTP, is the CEO of Foresight CFO and a financial management lecturer for graduate studies at Georgetown University. He developed the FIVE Habits of Profitability™ to help business owners achieve top-percentile performance through proven business-building methods. Foresight, the high-growth CFO and Accounting services company, was ranked 13th on Washington Business Journal's Fastest Growing Company List.



LinkedIn | Website | Blog

**W**hen Kirk McLaren advises clients about IT planning, he addresses their overall business growth strategy. “We look at the entire company,” he says. “We’re not just looking at cost. We’re looking at how you’re building a business in the marketplace, the customer experience, sales and operational accountability. Should you outsource IT? What infrastructure do you need for sales, production, manufacturing, inventory management, help desk, cybersecurity? What do you need to build a business?” Foresight comes to it from a business building and financial lens.

In McLaren’s experience, most small, fast-growing businesses focus on what they know, which is the product or services that got them started. Early growth is typically accelerated, often resulting in an infrastructure that grows as a collection of add-ons until the business hits a wall. “I think growing businesses should be thinking of technology enablement as a core competitive strength. It needs to have visibility and become part of their road map to where they’re going,” says McLaren.

What IT functions should rapidly growing businesses consider outsourcing? “Everything,” McLaren says. When it comes to outsourcing IT, he believes all options need to be on the table. “There’s no way a company of 200 employees or smaller is going to develop subject-matter expertise in the full range of technology enablement they need,” he points out. ➤

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# WHEN CONSIDERING IT OUTSOURCING, EVERYTHING SHOULD BE ON THE TABLE

“Companies who are technology enabled have a competitive advantage. But it’s getting more complicated, and the rate of change is accelerating, with networking, cloud, cybersecurity, BYOD, artificial intelligence, Internet of Things. The range of expertise needed to stay on top of technology enablement is incomprehensible for most business owner and CIOs [chief information officer].”

McLaren advises that midsize companies consider hiring a full-time in-house technology manager to oversee everything from developing the technology road map to working with service providers for IT fulfillment. Smaller companies may not need the in-house manager. One of the greatest benefits for a growing business is having infrastructure that is always ready as the company grows. “If you’re working with a truly strategic provider, then you build based on what you need tomorrow,” he explains. “That way you avoid hitting the wall. And hitting that wall is painful for a business. It impacts sales. You make errors with customers. Delivery slows. With the right service provider, you can build more easily based on what you need tomorrow, not just what you need today.”

Finding the right service provider requires research and pressing vendors to show what they can do for you. “Ideally you want somebody who gets your business and can help build the technology roadmap,” advises McLaren. “You want a technology guide, just like we provide CFO high growth guides. They’re not there just to take orders. >

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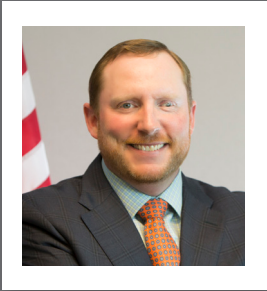
# WHEN CONSIDERING IT OUTSOURCING, EVERYTHING SHOULD BE ON THE TABLE

You're hiring them because of their technical expertise." For the relationship to be successful, there needs to be commitment from your CEO and across the organization. "You need to have an internal person who owns the relationship and the roadmap," McLaren says. "You need to have buy-in on the technology roadmap as a business enabler. And you need to use a phased approach when rolling changes out. Only take the next steps when the first step is working." He's also a strong believer in a proof of concept. "No matter how much research you do, the proof is actually doing something with that partner and seeing how they do it." ■

## KEY POINTS

- 1** The rate of change is accelerating, with networking, cloud, cybersecurity, artificial intelligence and the Internet of Things. The range of expertise needed to stay on top of technology enablement is incomprehensible for the average business owner or CIO.
- 2** For the service-provider relationship to work, there needs to be commitment across your organization, and you need to have an internal person who owns the relationship and the road map.

# A GOOD SERVICE PROVIDER RELATIONSHIP HAS A PARTNERSHIP QUALITY



## MARK DREVER

President & CEO,  
Xcelerate Solutions

Mark Drever, the president and CEO of Xcelerate Solutions, founded the business with one goal in mind: To Help Make America Safer. Drever is responsible for developing and implementing Xcelerate's business strategy, managing investor relations, and the management and oversight of the company's operations. Through creative partnering approaches and competitive service offerings, Xcelerate is recognized as a leader in the federal personnel security mission space.



LinkedIn | Website

**A**s president and CEO of a company that specializes in helping government agencies rethink their approach to security, Mark Drever believes outsourcing commodity IT functions is a smart decision for small and midsize companies. He uses his own 200-person business as an example. "We have three main areas of business: technology around personnel security, project and program management, and an advisory practice," Drever explains. "We were doing infrastructure internally here, and then I realized the cost was getting out of control. I thought there had to be a smarter way to do this."

Initially, Drever's company decided to outsource low-end functions it was not set up to handle internally as efficiently as possible, such as tier-one support. "We started using the service as kind of a backup in case the one or two support people we had in our IT department were out," he says. "As we gained trust and respect with the service provider and felt we had a good working relationship, we just moved it all over to them."

And that underscores the "try before you buy" approach that Drever believes is critical when choosing a service provider. "You need to do your homework," he says. "Make sure they have positive references. Don't lock yourself into long-term contracts. Get a termination-for-convenience clause that you can put into the contract so if you're not getting the support that you need, you can quickly make a change." He emphasizes the need to prove the relationship before building on it, but also the value of maintaining a good relationship by managing the service provider. "➤"



*A good service provider is very proactive at marketing services because it's good for them and it's good for us.*



# A GOOD SERVICE PROVIDER RELATIONSHIP HAS A PARTNERSHIP QUALITY

If you think you're going to outsource it and it will manage itself, that's a mistake. Someone needs to pay attention to that relationship," Drever notes. In his view, having a relationship you can trust is the most important part of choosing a managed service provider.

A good service-provider relationship for a small to midsize company is one that has a partnership quality to it, where the service provider is able to leverage its resources to bring additional value when fulfilling a client's IT requirements. Drever points out that the service-provider model is based on the idea of building a center of excellence that serves many clients. "The whole idea is to have a center of excellence that can be optimized to the greatest efficiency possible. They have to have very mature processes and a very mature infrastructure to service multiple clients in multiple regions in multiple industries on multiple platforms. They have to be a very tightly run shop to execute effectively."

When the relationship works, clients benefit from their service provider's mature infrastructure and extensibility. These benefits extend beyond just being able scale or deliver true 24/7 services if that is what your business requires. It might also be more efficient procurement of PCs or being able to get better warranty terms. >

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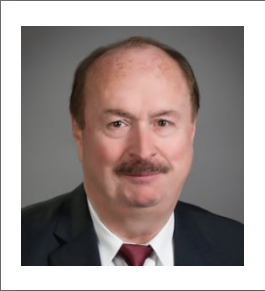
# A GOOD SERVICE PROVIDER RELATIONSHIP HAS A PARTNERSHIP QUALITY

“A good service provider is very proactive at marketing services because it’s good for them and it’s good for us. If it’s something that’s good for my business and it’s part of a package that doesn’t cost extra, then of course I want it,” Drever concludes. ■

## KEY POINTS

- 1** The benefits service-provider clients receive often extend beyond just the delivered services. They also benefit from their service provider’s mature infrastructure and extensibility, and the quality of service they deliver.
- 2** A good service-provider relationship for a small to midsize company is one that has a partnership quality to it, where the service provider is able to leverage its resources to bring additional value when fulfilling a client’s IT requirements.

# OUTSOURCING PROVIDES OPTIMUM SERVICE WHEN YOU NEED IT



## RICHARD NEWMAN

Director, Information  
Technology,  
Accreditation Association for  
Ambulatory Health Care, Inc.

Richard Newman is a seasoned IT leader and association executive, specializing in insurance. He has overseen IT department strategy, as well as the design, implementation, and management of all IT functions, managing multimillion-dollar budgets. Newman has directed numerous efforts to upgrade, update, and modernize hardware, software, and applications. He earned an MBA from De Paul University, and an undergraduate degree from Northwestern University.



LinkedIn

**R**ichard Newman, who has worked in different businesses with different approaches to IT management, says one clear benefit of outsourcing IT functions to a service provider is that it allows you to manage the resources you need when you need them. “When you do everything yourself and you’re dependent on staff at all levels, including specialized technologies, some of those people are not 100% engaged because they don’t have enough work to keep them busy,” he explains. This becomes an expensive way to manage IT infrastructure.

Outsourcing allows you to spend IT resources more cost-effectively, but the contracted services need to align properly with the business’s needs. When he joined one organization as senior director of IT, they had a managed service that was nothing more than desktop support, even though the organization had a network system on premises. “There was nobody to support the network, and the managed services vendor couldn’t do the heavy lifting that was required,” says Newman. “I interviewed services providers and found one that had excellent credentials. I outsourced all of that support to them. What was good about that was they could do the heavy lifting when I needed it, on an engagement basis.”

Newman points out this solution is not necessarily cheaper. “I can contract for desktop support as an ongoing engagement, like one day a week. Per effort it’s more expensive, but in the long run, it costs less than maintaining underutilized staff.” ➤

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*Look for somebody you feel confident has the range of experience and will deliver the level of service you need.*


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# OUTSOURCING PROVIDES OPTIMUM SERVICE WHEN YOU NEED IT

He also says the managed services provider gives him an IT engineering capability he could not afford to hire himself. "The service provider is a partner that can help me decide the best way forward. I don't know everything there is to know about network support or the latest in security. But the service provider can come to me with alternatives. He shows me what my options are, and he's acting like a consultant, which is exactly what I want him to be."

Finding the right service provider can be a challenge because there are so many, but Newman has a process. "I always do things in threes," he says. "I do my research online to I see what's out there and who they're working for. Then I go to three providers to get a feel for their knowledge and expertise." Newman also talks to them about what they are and are not willing to do, not only in terms of services, but in contracting models too. He checks their references, following up on three references for each vendor. "You're looking for somebody you feel confident has the range of experience and will deliver the level of service you need," he says.

Newman typically starts with a small engagement to see how they work before moving forward with a regular contract. He likes to think of the service provider as a partner and works toward a long-term relationship, but he prefers one-year service contracts to keep his options open. >



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# OUTSOURCING PROVIDES OPTIMUM SERVICE WHEN YOU NEED IT

“I’m an options person,” he stresses. “When I do my budget, I like to sit down with the service provider to see where we are today, where we need to be, and what we should spend to move things forward. Then I present my budget proposal. This last cycle everything got approved. I’m actually under budget, which is great for me.” ■

## KEY POINTS

- 1 One clear benefit of outsourcing IT functions to a service provider is that it allows you to manage the resources you need in the time you need them.
- 2 Outsourcing allows you to spend IT resources more cost-effectively, but the contracted services need to align properly with the business’s needs.

# SELECT A SERVICE PROVIDER THAT KNOWS ITS STRENGTHS AND WEAKNESSES



## STEPHANIE JONES

Chief Operating Officer,  
Alpha Diagnostics

Stephanie Jones, chief operating officer for Alpha Diagnostics, has over 11 years experience leading a successful electrodiagnostic medical company. Jones oversees a portfolio of accounts throughout southern California. She is active within the electrodiagnostic community, working on medical research and leading a team specialized in neurodiagnostics.



LinkedIn

**M**any companies choose to outsource commodity IT functions first so they can focus on aspects of IT that are strategic to the business, but for Stephanie Jones, COO of Alpha Diagnostics, the specialized nature of her firm's IT requirement was a big driver behind outsourcing. "We monitor the electrophysiological signals from the body during complex spine and neuro surgeries. We contract with hospitals to provide this service line. It is very specialized and requires a tech in room to be connected to a physician out of the room via telemedicine. IT is an integral part of our structure; without it we cannot monitor our patients"

IT infrastructure that supports this service involves VPN connections to monitor patients and communicate with physicians in real time during surgery. Every hospital has its own firewalls and access protocols, which can change, making the network connections challenging. To manage this, Jones tried outsourcing and in-house solutions before finding a managed services provider that was up to the task.

"Our service provider is amazing," says Jones. "We have VPN connections. We have calendar connections. We have cloud connections. We use multiple vendors to make it all happen, but it's all managed by our service provider under one roof." >

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# SELECT A SERVICE PROVIDER THAT KNOWS ITS STRENGTHS AND WEAKNESSES

Jones recommends outsourcing IT needs that require specialized knowledge and attention. Other services, that can be purchased cost effectively from a massively scaled vendor; such as cloud data storage, are also good candidates for outsourcing.”

In Jones’s case, it would be difficult to build her company’s network connections without outsourcing to service providers. “There were things we didn’t even think about. One of the amazing things about having a service provider is their whole world is IT. They see every facet of IT, and there are so many facets now. Fifty years ago, it was not uncommon to see general surgeons but now nearly all surgeons are specialized because there is simply too much to know for each speciality. IT is the same way.”

Jones notes that another benefit is regulatory compliance reporting. When selecting service providers, her company looked for one with expertise in highly regulated industries. “Constantly reviewing those policies which change all the time is a huge task,” she says. “They give us a monthly report and detailed logs. We’re not paying our IT company for their internal auditing and compliance. This is something they have to have and it becomes an added value to our organization. As a healthcare organization we have to maintain a high level of IT compliance and our outsourced provider does a great job and keeping us above the line.” >

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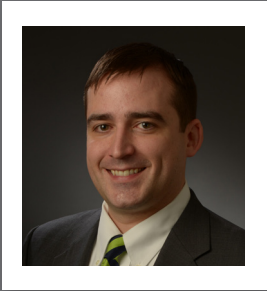
# SELECT A SERVICE PROVIDER THAT KNOWS ITS STRENGTHS AND WEAKNESSES

When choosing a service provider, Jones recommends working with someone who is very transparent about their capabilities. “I interviewed 10 different providers big and small,” she says. “What we were doing was new to every single one of them. I went with a smaller company that knew its strengths and weaknesses. They were very honest about their strengths and the things they would farm out. They had the contacts to push the work they did not perform in-house. They manage all the contracts so I only have to deal with my service provider.” ■

## KEY POINTS

- 1 One advantage of having a service provider is its whole world is IT. Like medicine, IT has become a discipline with many specialties. A service provider can see every facet of IT.
- 2 When choosing a service provider, work with someone who is very transparent about their strengths and weaknesses.

# OUTSOURCE EVERYTHING THAT RELIES ON IN-HOUSE INFRASTRUCTURE



## BRET CARR

CIO / Stockholder,  
Hertzbach & Company, P.A.

Bret D. Carr, CPA, a partner at Hertzbach & Company, joined the firm in 2014 and has served as the chief information officer since 2015. Carr has extensive experience with corporate, partnership, and individual taxes. He also specializes in internal controls, accounting IT implementation, and IT consulting, which includes the creation of new custom management information systems and reporting as well as information systems security policies.



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Since taking on his role as chief information officer (CIO), Bret Carr has dedicated himself to streamlining IT infrastructure through a strategy of application outsourcing. “Our IT team has been putting out fires for years,” he says. “Now I’m taking away the kindling.”

Carr’s approach is to adopt software-as-a-service applications to replace applications they currently run on in-house servers and networks.

“I’m really trying to get everything out of the office,” he explains. “In a way I’m outsourcing everything. I still need in-house people for day-to-day problems that need immediate correction, but what I’m trying to do is get all of our platforms outside the office so we’re not housing anything on a server. I want somebody else managing the server, somebody who has redundancy built-in.”

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*Our IT team has been putting out fires for years. Now I’m taking away the kindling.*

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Carr notes that companies the size of his accounting firm, around 200 people, are in a tough spot. Smaller organizations need to outsource because they don’t have resources to build and maintain IT expertise in house. Fortunately those companies with lower head counts have good managed services options built on desktop-as-a-service or virtual machine environments. Very large enterprises have economies of scale that give them cost advantages when they work with very large service providers. But for midsize companies, the per-user licensing costs of a virtual machine infrastructure becomes very expensive. Midsize companies get priced out of options available to smaller and very large companies. And even though they typically have some in-house IT staff, it’s still not feasible for them to maintain the in-house expertise and infrastructure they need to run and grow the business. >

# OUTSOURCE EVERYTHING THAT RELIES ON IN-HOUSE INFRASTRUCTURE

By pursuing his software-as-a-service application strategy, Carr is able to reduce the load on his in-house IT team so they can focus on more critical issues, such as IT security and customer consultation. “We’re no longer doing all the extra IT work somebody needs to do to keep those systems running,” says Carr. “We’re not doing backups. We’re not patching things. The fires we have to put out are becoming mini-fires as we outsource more things.” He also recognizes that if not for his company’s capable IT team, it would outsource other functions, such as security. “I’m lucky I have people focused on this. If we didn’t have the talent like we do, then we would absolutely be investing in somebody outside for that.”

As part of his outsourcing strategy, Carr focuses on best-in-class solutions. “I really want best in class with these providers,” he says. “You need to have vendors and service providers who are the right ones for the task, and who listen to you. We have a service provider who never really understood our accounting applications and didn’t do a good job managing those. But they are proving themselves very well at providing excellent IP phone service.” ■

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## KEY POINTS

- 1 Midsize companies often get priced out of outsourcing options available to smaller companies and very large enterprises. Still, it’s not feasible for them to maintain the in-house expertise and infrastructure they need to run and grow the business.
- 2 An application outsourcing strategy reduces the load on in-house IT staff so they can focus on issues more critical to the business.

# SUCCESS DEPENDS ON CLEARLY UNDERSTANDING BUSINESS OBJECTIVES



## RAHUL GOYAL

Director,  
United Health Group

Rahul Goyal is a digital strategist who is passionate about driving digital transformations by helping companies leverage technology to create efficiencies, enable data analytics integration, improve the customer experience and enhance ROI. "Great experiences don't just happen," he believes. "They require rethinking everything across product life cycle."

As a director of an organization responsible for membership experience across a number of different lines of business, Rahul Goyal often relies on service providers to deliver the IT capabilities he needs. "Our company goal is not to be an IT shop," he explains. "Our goals are to serve the members, and deliver the best outcomes for those members."

As an example, he cites the challenge they were having in analyzing large amounts of data and querying analysts several times before arriving at useful interpretations. He wondered if it was possible to automate or optimize an analyst's job. "We thought about this and we looked at how we could get it done." He found a service provider who could help them put together a solution using standard products. "They had resources and expertise to do this very focused kind of work," he says. "They had use cases from across industries with tools and experiences that were much more sophisticated than if we were to undertake this endeavor ourselves."

Another advantage in working with a service provider, whether it's for a specific project like this or broader IT management functions, is the speed at which things can be accomplished, especially as the enabling technologies are continuously changing. It also frees up people to focus on what is most strategically important to the business. "I don't need to spend all my time managing network and infrastructure problems or application development timeframes," Goyal says. "I can outsource all of that and focus on areas that are business critical. >

*“They had resources... that were much more sophisticated than if we were to undertake this endeavor ourselves.”*

# SUCCESS DEPENDS ON CLEARLY UNDERSTANDING BUSINESS OBJECTIVES

I can use a managed service who does infrastructure day in and day out while I focus on my job, which is improving our member engagement.”

When deciding what to outsource, Goyal recommends evaluating all your IT functions, such as infrastructure, core services, applications, business functionality, security, and other things in terms of business impact and cost. “If I was coming into a small or mid-sized company struggling with its IT, for the biggest impact I would start outsourcing low-visibility, high-cost areas,” he says. “If you’re a commercial enterprise that is not necessarily IT focused, you should see how you can make yourself more agile to serve business objectives, rather than focusing on driving the IT foundation pieces.”

Goyal believes successful service-provider experiences are based on clear understandings of business requirements. He advises clearly laying out needs and objectives. “Building a framework that measures all the requirements in a smart interface takes a lot of ambiguity out of the system. That’s the key to working with a service provider, ensure they understand your core needs and how they must satisfy them.” >

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# SUCCESS DEPENDS ON CLEARLY UNDERSTANDING BUSINESS OBJECTIVES

He suggests starting service-provider relationships by outsourcing less critical functions before moving to more critical ones. This gives them a chance to prove they can deliver. But he also points out the importance of cultivating longer-term vendor relationships so they understand your business. “Knowledge gets built over time,” notes Goyal. “People start to understand your industry as you continue to work with them. I think a longer relationship is important.” ■

## KEY POINTS

- 1 Working with a service provider, whether it’s for a specific project or broader IT management functions, frees up IT people to focus on what is most strategically important to the business.
- 2 When deciding what to outsource first, begin with IT functions that have the lowest business visibility and highest cost to the IT organization.

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