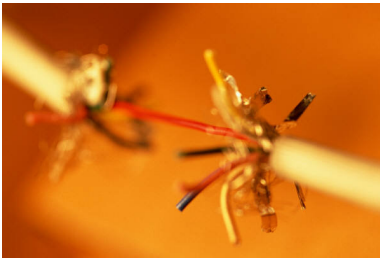


MINIMISE BUSINESS RISK:**CHOOSE THE RIGHT IT SERVICE PROVIDER**

by Tanya Jones, Managing Director



Small and medium enterprises (SMEs) recognise that they need to invest in IT, yet when they do many do not get the results they were expecting. On reflection, obvious candidates such as hardware and technological choices are dissected; however, the underlying cause often starts with the choice of IT service provider. A provider can jeopardise the success of a business through lack of understanding and insight not just of technologies but also business demands. As a result businesses

that fail to source a knowledgeable and business-minded IT service provider expose themselves to significant risk.

During the last 20 years, technology has brought sweeping changes to the way business is conducted. While in the past, it simply provided the means to do things faster, more recently, it has revolutionised working processes and business models.

Research shows that SMEs are keen to invest in the latest technological trends, applications and delivery models as these bring the promise of competing successfully with big business, improving efficiency and increasing profitability.

There is no doubt that wise investment in IT can pay off. Although SMEs recognise the critical role IT plays in the success of their business, they can rarely justify dedicating an internal resource to this function. As a result, many are somewhat reluctantly forced to look into outsourcing the support and management of their IT function to a third party.

For SMEs, there are many advantages to using an external IT service provider. They can benefit from the same breadth of knowledge and experience as an internal IT department at a fraction of the cost. It frees up business owners and managers to concentrate on what they do best, running a business, knowing that their IT function is in safe hands. A reliable and expert IT service provider can minimise the risks to which a business is exposed. The results of good IT management can translate for the business into increased business growth, reduced costs and maximum profitability.

Finding the right IT service provider is not always easy. For a start, there is the dilemma whether to source one or more providers. As a general rule, it is best to have a single point of contact. Managing multiple suppliers can become a logistical nightmare and accountability is greatly reduced. On the other hand, having a “one man band” as a provider exposes the business to high operational risks, e.g. what happens if they are unavailable for long periods of time. Furthermore, some fall into the trap of using a part-time provider that dabbles in IT as a hobby. As a result, SMEs can end up paying a high price for low-cost support.

On first sight, it looks as though all IT service providers offer the same service. However, by asking the right questions a business is more likely to establish their suitability.

Do they have expert staff?

Qualified and experienced staff is important in handling daily business IT support needs. However, analysts with in-depth knowledge and varied skills can help identify new opportunities for utilising IT capabilities and innovative ways of implementing IT functionality. This is a critical requirement – choose the best if you want to see significant results from your IT investment and give your business a boost.

What is their customer service like?

Any decent IT support provider can provide potential clients with a service level agreement which defines response and fix times. A provider who is not easily accessible when there is an emergency only adds strain to the situation. Reliable and jargon-free customer service can make the experience much more pleasant, efficient and beneficial.

Do they understand your business both on the operational and strategic level?

In general, IT service providers are good at the operational level support. The problem is that too often they are focused on the daily technical issues and fail to look at the bigger picture. Streamlining business processes through effective use of IT can help achieve maximum efficiency and for this, the IT service provider needs to have a deeper understanding of the challenges and constraints a business is facing.

What are their pricing models?

Keeping tabs on expenditure is particularly critical for smaller businesses, especially in an uncertain economic climate. Typically, most providers offer two pricing models: a monthly support contract and on-demand services. With the former, it is essential to check exactly what is included in the price and the limitations (there are bound to be some!). Using on-demand services can be expensive and result in unexpected surprises when invoices arrive.

Do they offer transparent reporting?

Reputable IT service providers use call logging systems which allow them to keep track of reported issues. Secure access to those systems can be arranged for the business and there are many advantages to using this facility. For example, the business can view solutions to problems, match records against invoices, identify consistently problematic areas. Regular reports can also help assess the effectiveness (or not) of the IT service provider.

Do they know your industry?

Although not compulsory, an IT service provider that has experience of working in a particular sector can offer insights into industry specific applications and a better understanding of their integration with the rest of the IT systems. Chances are that they are also familiar with the challenges facing a business and through experience can help avoid some of the pitfalls.

Outsourcing the IT function to an external party is a practical solution for SMEs. Choosing an IT service provider is a critical decision for the business and well worth investing the time and effort in the selection process. The six questions above are by no means exhaustive - SMEs should not be shy to ask anything else they feel is important for their requirements. SMEs that choose the right IT service provider minimise the risk to which their business is exposed and, therefore are in a better position to prosper.