OUTSOURCING IT:
The Proven Path to Modernizing Infrastructure, Boosting Productivity, and Improving Business Intelligence

Outsourcing day-to-day operations can help lower costs and increase efficiency, but finding the right technical and industry expertise is critical.

Fueled by a host of new digital business initiatives, organizations of all sizes are racing to modernize their infrastructures. In fact, infrastructure modernization is the top spending initiative for 2016, according to a new IDG Research survey of IT decision makers. Fifty-seven percent (57%) of survey respondents selected it among their top three priorities—significantly ahead of the second- and third-ranking priorities: improving IT team productivity (41%) and improving business intelligence/dashboards capability (40%).

works—a potentially enormous undertaking that can often benefit from enlisting a third-party partner.

Exactly what modernization means, however, varies based on company size. Historically, larger companies (1000+ employees) are more likely (46%) to report "improving business intelligence/dashboard capability" as a top spending initiative, while small and mid-sized businesses (SMB) are less likely (18%) to consider it a leading priority, according to the survey. In the past, business intelligence (BI) dashboards were complex and required significant IT support—putting them beyond the grasp of most SMBs. However, current advances in BI technology suggest SMBs may be more likely to prioritize this technology, once they realize that it can be easily accessible to them, oftentimes through their technology outsourcing provider. Also, market-leading solution BI providers have made pricing, implementation, and self-service very affordable and desirable to the SMB market.

41%
of decison-makers rated
IMPROVING IT TEAM PRODUCTIVITY
as a top priority for 2016

It's no surprise that improving IT team productivity ranked second, at 41%. The rapid advance of new technology and the difficulty in finding and hiring skilled staff to manage that technology makes it harder and harder to support the enterprise. Today's IT teams are challenged to keep pace, let alone get ahead of competitors. Enlisting a third-party partner for day-to-day help desk and managed services technical support, can help. Engaging a partner can eliminate the time and

The need for modernization is no secret. Today's IT infrastructure must enable a host of ambitious business and technology strategies, including mobile, cloud, big data, virtualization, security, and omni-channel customer experience. To best serve these initiatives, IT infrastructure must be upgraded across the board—including servers, storage, and net-

resources associated with hiring and retaining internal staff and free up the existing IT team to pursue strategic initiatives.

The survey also found several other important priorities among IT decision makers:

- **Improving business intelligence/dashboards capability (40%):** Organizations must supply decision-makers with easily accessible, up-to-date, and easy-to-understand analytics and insights.
- **Moving to the cloud (34%):** For many organizations, the cloud is a mainstream priority and an integral part of both business and IT strategy.
- **Improving system maintenance and monitoring (33%):** In today's competitive business world, downtime is increasingly unacceptable. Yet the skilled IT staff needed to keep operations running continue to be pulled in too many different directions.
- **Customer experience initiatives (30%):** The "Age of the Customer" trend has raised the bar for businesses in all industries. The goal: to meet, and, if possible, exceed, high customer expectations.
- **Expanding self-help/mobile support applications (21%):** With employees operating all over the world, many organizations' support staff are stretched thin. One answer may be to provide self-help capabilities. A third-party partner can help here as well.
- **Supporting/growing BYOD program (12%):** Widespread acceptance of personal devices in many organizations makes this a lower, yet still important, priority.

INFRASTRUCTURE MODERNIZATION
was rated the top priority for 2016 among respondents

ABOUT CGS

CGS provides a full range of business process (BP) and IT outsourcing services to successful companies over a broad range of industries. CGS partners with clients of all sizes who have complex demands on data, infrastructure, support and mobility. By removing the day-to-day management of IT projects CGS helps free up IT teams to focus on core business objectives and incorporate more innovative technologies. Specialties include the following:

- Help desk and technical support
- Customer support
- Managed cloud hosting
- Remote monitoring and maintenance
- Enterprise infrastructure solutions
- Application development and maintenance

A Potential Solution: Outsourcing IT and BP

Outsourcing some or all IT and business process (BP) operations can help organizations achieve greater efficiency—and ease the challenge of finding skilled IT staff. Outsourcing various technology services, from enterprise infrastructure, to ERP on the Cloud and disaster recovery, can also help lower costs and assist a business in improving IT productivity, reducing risk and focusing more closely on strategic business initiatives. Partnering with the right third-party can also help centralize and bring consistent quality of both end user and customer service to global organizations, particularly if the partner has global reach and multilingual capabilities.

As organizations research and select an outsourcing partner, technical expertise ranks as the most important factor, the survey found. But technical skills are just part of the package. To gain maximum benefit from a partner's technology expertise, the outsourcing partner must add value by communicating insight and analysis. Cultural factors also come into play: any partner must be experienced, yet flexible in adapting to the client's business approach.

Survey respondents say the second most important factor behind technical expertise (82%) in choosing an outsourcing partner is the ability to meet service level agreement (SLA) and key performance indicator (KPI) metrics.

Other important factors in selecting an outsourcing partner include:

- **Long-term viability (77%):** Stability and reliability are essential to maintaining consistency and efficiency in operations and support.
- **Tying achievement to business goals (76%):** Knowledge of an organization's business mission—not just the technical aspects of its IT infrastructure—is a key to outsourcing success.
- **Experience in the industry (69%):** Knowledge of the issues facing companies in a specific industry helps align IT performance with business goals.

Once again, the survey found a difference between larger and smaller companies. Technical expertise is a bit more important to larger companies (1,000+ employees): 94% of larger companies ranked it highly important, while 77% of smaller companies did so. No surprise here, as larger companies often undertake more complex and ambitious projects than smaller companies. Larger companies are more likely to outsource contact center, help desk, tech support, and customer care functions, all of which require up-to-date, higher end technical knowledge. Although smaller firms tend to outsource the more fundamental IT initiatives such as infrastructure, CRM and ERP, which also do require technical skill, the complexity of the integration projects is on a different scale.

Conclusion

In the quest to achieve their business goals, organizations face a number of IT priorities, with modernizing infrastructure at the top of the list. Outsourcing IT and BP operations can help organizations not only modernize their infrastructure, but also meet a host of other priorities, including improving IT team productivity, reducing risk and enhancing the decision-making capabilities of corporate leaders with BI. In these endeavors, technical expertise and the ability to meet SLA and KPI metrics will separate successful outsourcing partners from the pack. Long-term viability and the ability to tie achievements to business goals with the steady hand of industry experience are also important considerations for any IT decision maker considering a third-party outsourcing partner.

40%

of decison-makers rated
IMPROVING BI DASHBOARD CAPABILITY
as a top priority for 2016

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