

Outsourcing IT---Fast Return on Your Investment

Information technology (IT) systems meet high standards of processing integrity, while offering round-the-clock availability, security, and good performance. In today's cut-throat competitive environment, business organizations face the enervating challenges and pressure of delivering IT functionality in a real time crunch. In such a time-bound scenario, organizations find outsourcing of their information system activities as a tempting option.

IT outsourcing occurs when a business organization contacts another organization to get an IT function performed rather than performing itself. [IT outsourcing](#) has grown in popularity as an efficient, cost-effective and expert solution designed to beat the challenges of systems implementation, maintenance, security and operations. Nowadays, organizations intend to opt for offshore IT outsourcing so as to curtail costs and related taxes and maximize gains backed by quality services.

There is a list of some tips for successful outsourcing:

fæ Defining the objectives

fæ Outsourcing for the right reasons

fæ Answering some key questions concerned with core competencies, cross-functional impact etc

fæ Using a methodical approach involving planning phase, analysis phase, design phase, implementation phase, operations phase and termination phase

fæ Considering all stakeholders

fæ Getting the right people involved

fæ Understanding the vendors

fæ Choosing the right relationship

fæ Negotiating a sound contract

fæ Using performance incentives and penalties

fæ Establishing a relationship management structure and processes as part of the contract

fæ Using objective performance criteria

fæ Emphasizing on the development of the people involved in relationship management

fæ Managing the issues related to people

[Outsourcing IT](#) is a big bonus to booming business organizations. This cost-effective technique renders a list of benefits that can be classified into three broad categories enumerated as below:

fæ Operational Benefits

„« Performance reports and measurements are made available to buyer organization by the supplier firm.

„« Round-the-clock support at a fraction of the cost is made available to the clients.

„« Service level agreements (SLAs) are established by the supplier firm.

„« Service quality is greatly enhanced.

„« Gaps due to attrition or economic downturns are avoided and overall staffing levels are adapted as per the client's requirements.

„« IT professionals are fully trained on the latest technologies.

„« Scalable solutions rendered by supplier firm support mergers and acquisitions.

„« Start-up time on entering the new market is tremendously minimized by outsourcing solutions.

„« Service provider companies also take the management of non-essential core functions.

fæ Technological Benefits

„« Service provider companies keep a track of latest and advanced technologies thereby gaining access to IT expertise, which in turn renders scalable and robust IT solutions to the clients.

„« Service provider companies use established standards of equipment and software requirements, thereby saving a considerable proportion of time and money.

„« Service provider companies also make use of approved lists of reliable vendors, thereby promising excellent quality of goods and services.

fæ Financial Benefits

„« Billable hours are accounted for and hence IT cost is made visible by the service provider firm.

„« Utilization of the extensive knowledge base of IT professionals of the service provider firm results in remarkable cost reduction.

„« Outsourcing solutions significantly limit the required capital investment thereby channelizing the available financial resources for more purposeful and strategic activities.

To conclude, it would be apt to say that in today's business environment outsourcing IT is quite an attractive option and forms an integral part of an organization's overall business strategy. The rationale behind pursuing this remarkable technology involves its multiple benefits. A well-chalked out strategy, due heed in service provider selection, conscientiously drafted contract and good monitoring of the outsourcing IT services delivered will assist the organization in reaping the profits it expects.

About the Author

Smita, is the author of Outsourcing IT. She is an expert writer and has been working with the company since years. She writes on various topics on Information Technology sector. For further information regarding best [Outsourcing IT](#), you can contact the following the company.

Source: <http://www.tntarticles.com>