



# Top 7 IT outsourcing pitfalls

and  
**how to avoid them.**



# INTRODUCTION

This white paper outlines the key considerations you should keep in mind in order to avoid a range of IT problems

**Here are the 7 critical mistakes you should avoid when outsourcing your IT:**

- 01** Opting for support services that do not align to your staff's working styles **01**

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- 02** Skipping an IT & Security Audit **02**

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- 03** Failure to assess the technical and industry experience of the IT staff. **03**

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- 04** Unclear pricing **03**

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- 05** Not defining the important service criteria within the contract **04**

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- 06** Non-existent or inadequate performance reporting **04**

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- 07** Conflicting business and IT strategies **05**



# Opting for support services that do not align to your staff's working styles

Technology has empowered staff to adopt their own working styles – some work from home, others on their train while travelling to the office. And staff now have access to more tools/applications than ever before.

All too often the IT Support service provides limited methods to raise support issues and does not provide staff ways to support their working styles.

This causes frustration and delays which impact productivity.

Furthermore, IT staff can be based many miles away from your staff. This means should desk-side support be needed or at someone needs support at their home, the excessive delays while an engineer travel to location, can be damaging to your business.

## Recommendation



To empower your staff, ensure the IT support solution provides multiple support channels which are available 24/7 (online chat, phone, email, self-service, knowledge articles).



Ensure there is some automation around simple requests so staff can get things done themselves immediately.



Find out where the supplier's IT staff are located, can they get to your staff within a reasonable timeframe?

# Skipping an IT & Security Audit

When changing the IT provider, most businesses choose to renew their infrastructure and often opt to perform an upgrade. This means that any incorrect configuration remains.

The act of changing IT provider will not necessarily reduce existing risks within your infrastructure so it is important to ensure these existing risks are identified.

Typical areas of risk are old user accounts; as individuals come and go their user accounts remain and are even left active. These accounts may also be years old when password policies were a lot weaker than what they are today, making a hacking attempt far easier. But other areas are old software, incorrect patch or firmware levels. These (and others) increase the likelihood of service disruption.

## Recommendation



Ensure the new provider does a thorough security audit of your active directory, server patch levels, and software versions. Use this to determine your risks and whether they are reasonable in your sector.



Ask the new IT provider to review any Internet facing services like remote access. To determine your risks and potentially eliminate the possibility to carry out a brute force attack (a common vector exploited by hackers).

## Fact Check

**£1.8 million**

The average cost of a malware attack on a company is £1.8 million.<sup>1</sup>

**£4.5 trillion**

Damage related to cybercrime is projected to hit £4.5 trillion annually by 2021.<sup>2</sup>

**50 days**

The average cost in time of a malware attack is 50 days.<sup>3</sup>

<sup>1</sup><https://www.accenture.com/us-en/event-cybertech-europe-2017?src=SOMS#block-in-sights-and-innovation>

<sup>2</sup><https://www.accenture.com/us-en/error/pagenotfound?errSrc=%2fus-en%2fevent-cybertech-europ>

<sup>3</sup><https://cybersecurityventures.com/hackerpocalypse-cybercrime-report-2016/>

# Failure to assess the technical and industry experience of the IT staff

Having a know-how of how your industry works can be as important as technical skills in order to provide a robust and reliable service.

IT providers are often keen to agree to delivering support for some technologies they have little experience in supporting. This means resolution can be slow or even increases your business risks as individuals attempt to manage something they don't fully understand.

## Recommendations



List all your technology and grade its importance to your business. Ask the IT provider to detail their experience of managing each item.



Ask for industry-specific customer references and review any independent accreditations or awards, these can help demonstrate the suitability of the provider.

# Unclear pricing

Escalating costs are a common pitfall within the IT industry. This may not be down to an underhand pricing strategy but could be as a result of your consumption.

In the current age of "opex" (operational expense) charging models where a business pays for what it consumes, it can be difficult to predict costs which ultimately means busted budgets.

## Recommendations



Ensure on-going costs are clear (ideally presented as an interactive report so you can fully understand the charges)



Ensure the IT provider can work around your budgeting processes (this is normally where a Purchase Order number is supplied to the IT provider which helps align invoices to a specific budget code)

# Not defining the important service criteria's within the contract

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Your IT partner can't hit targets they can't see. Before you outsource your IT, be very specific about what you expect and when. It is critical that the important aspects of the service are defined within the contract.

The key areas tend to be SLA (Service Level Agreement) which details the responsiveness of the service (for instance, that high priority issues will be responded to within 15 minutes). But also termination rights which help protect you should service quality erode.

## Recommendations



A more responsive service costs more for the IT provider to deliver so it is important you decide what your business actually requires. Most suppliers adopt a standard called "ITIL" which categorises issues between 1 to 5 with 1 being the highest importance with different SLAs associated to each.



Consider what would denote a poor service and what should happen if this occurs.

# Non-existent or inadequate performance reporting

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The old adage is true – "if you can't monitor it, you can't manage it"

Many businesses find that the reports they are provided by their IT provider are insufficient to determine whether they are receiving the services they are paying for.

Most IT providers should be able to provide a set of standard ITIL aligned reports (response rate, resolution rate, SLA adherence etc.)

More advanced IT providers should also be able to provide you with an overview of the staff satisfaction with IT, the staff experience (for instance, areas like log-on times, application responsiveness etc.) and adherence to your business strategy.

## Recommendations

Ask for an example of the reports that will be made available. Ensure that this information is sufficient for any internal reporting needs (for instance you may present these regularly at board meetings)

Ensure you are able to review the following areas (security incidents, support performance, infrastructure consumption, infrastructure availability, user satisfaction, user experience) and any others that are important to your business.

Ensure you have sufficient visibility of consumption for services where costs are associated with consumption.



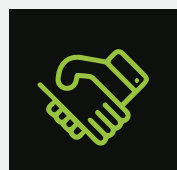
# Conflicting business and IT strategies

Few businesses stay still as they fight to stay in front of their competitors or meet the changing requirements of their customers. Therefore, many businesses have a business plan/strategy which helps them orchestrate and synchronise the strategic initiatives across the organisation.

With IT being a critical component within most businesses; a common pitfall is when the IT provider is not part of this strategy or is pursuing their own strategy which bears little resemblance to the priorities of their clients. This, over time, diminishes the suitability of the IT provider to the client needs.

However, many technologies can significantly assist a business in achieving its strategic objectives – one of the reasons why the largest and most successful companies in the world are technology companies.

## Recommendation



Determine how your business priorities are managed by your IT provider. How can you measure their progress against achieving your business goals?

## Conclusion

Changing an IT provider can be a large exercise however, with the right level of planning, it can be a seamless experience and provide your business with additional skills and capabilities.

And remember, as with any customer–supplier relationship, the right provider for tomorrow may not be the right provider in years to come.



## About the Author

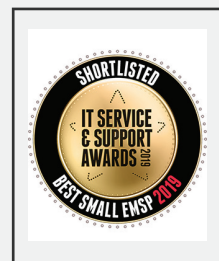
Gavin Russell is the CEO & founder of Wavex Technology Limited, a London based managed IT services provider and Microsoft Gold partner. Having spent over 30 years in the IT industry Gavin started his career as a software developer then moved to an IT infrastructure role in AT&T, responsible for IT operations across EMEA.

After gaining experience of how large businesses manage technology, he decided to form Wavex with a focus on delivering the best possible end-user experience when it comes to IT support, security and cloud for small to mid-sized businesses.

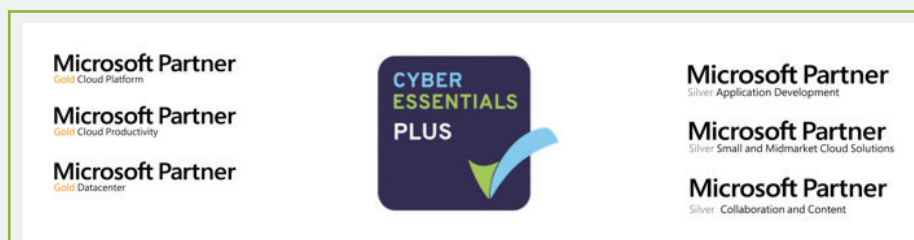
Wavex has now been going for 20 years, has won countless awards, and supports many thousands of users, counting amongst them are a number of prestigious company's. Despite his CEO responsibilities, Gavin continues to maintain close working relationships with the executives of his clients; helping them to solve a range of challenges and use technology to realise their business goals.

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## Multiple Awards Winner



## Affiliations & Certifications



## Wavex Technology Limited