11 Signs A Company Should Outsource IT

Forbes Technology Council COUNCIL POST | Paid Program
Innovation

POST WRITTEN BY

Expert Panel, Forbes Technology Council

Successful CIOs, CTOs & executives from **Forbes Technology Council** offer firsthand insights on tech & business.

Whether because of budgetary concerns, unusual requirements or another reason, sometimes it's in a business' best interest to outsource its IT operations. Indeed, there

may be many advantages to a company in outsourcing IT, including faster tech integration and lower overhead costs.

While it's important that a company consider all sides to the question, there are a few key signs that point to outsourcing tech as being the better choice. Below, experts from Forbes Technology Council share their thoughts on clear signs that show a business needs to think about contracting for its IT services.

1. IT Negatively Affects Business Operations

Outsource when IT begins to take time away from the functioning of your business. The more time you spend on your IT setup, the less time you are spending on your business objectives. Often when you outsource your IT, you get an entire team with a wide variety of skills, rather than having a single in-house resource. Don't wait until you make a me of your setup to outsource your IT! - Daniel Munk, FenceCore IT Solutions

2. There's A Growth And Skills Gap

In order to scale up, it often makes sense to outsource until you know you are ready to take on extra developers or IT talent full-time. Plus, if you need to fill a skills gap quick to get a project done, it's time to outsource. - Chalmers Brown, Due

---

Forbes Technology Council is an invitation-only community for world-class CIOs, CTO and technology executives. ***Do I qualify?***

---

3. Outsourcing Would Enable Better IT

Most IT teams already outsource some responsibilities (software-as-a-service apps, for example), so the question of whether to outsource a solution or service should fall with a bigger discussion about the business strategy, rather than the budget. Sure, the budget is important. But the budget doesn't gain you an edge on the competition. The ability to refocus your IT staff more toward innovation, though—that definitely could. - Jeffrey Ton, InterVision

4. Time To Market Is A Primary Concern

Typically, the need to outsource IT operations comes from not having the necessary in-house expertise and development bandwidth. The problem becomes more acute when a short deadline is involved and external talent is not available. Measuring the importance of time to market versus hiring qualified talent to complete the project in-house usually dictates the importance of seeking outsourced help. - Chris Kirby, Retired

5. Skill Sets Don't Match Needs

When your IT workforce's skill sets are outdated or aren't fostering business growth, it's time to look outside the organization; even (or especially, to be honest) if that means reducing headcount. Implementing services that cut costs, increasing your flexibility and being able to remain relevant in a changing environment is an unalloyed benefit. - Adam Stern, Infinitely Virtual

6. You Have High Turnover

If you have a high turnover rate, you may not be paying your developers enough, and it's best to outsource to take your company to a certain amount of profitability before hiring your next full-time developer. Make sure that your new outsourced team is fluent in English to limit miscommunication errors. - Thomas Griffin, OptinMonster

7. Your Project Requires Niche Expertise

Many myths exist around outsourcing, but true worth becomes apparent once you look beyond cheap, inefficient vendors. Projects that require niche expertise, like mobile or artificial intelligence, are often good to outsource to a company with that expertise, rather than hiring a full set of specialists or challenging your internal IT department. Look for proficiency, not cost, and you'll still end up saving money. - Artem Petrov, Reinvently

8. IT Is Not One Of Your Core Competencies

In my opinion, it is time to outsource IT in two major instances: when IT is not an integral part of the company's core competency or intellectual property (IP) and when a company can receive the same service at a better quality and lower cost without risk of losing any IP or competitive advantage. - Mohamad Zahreddine, TrialAssure

9. IT Operations Are Causing You Problems

If managing, hiring or maintaining your IT operations is causing you problems, that is clear indication you should look into outsourcing them. Companies should focus on growing their business, not on their IT operations cost center—leave that to a partner. - Carlos Melendez, Wovenware

10. IT Is A Commodity

The simplest way to solve this is to ask: "Is the thing you're looking to outsource (IT or otherwise) a commodity or a competitive advantage?" If it's a commodity, outsource it. If it's competitive, then keep it inside. Email is the historic example: No one needs to ru their own email servers anymore—just outsource it and get it to the best-in-class servic level agreement and cost to the organization. - Sultan Meghji, Virtova

11. Outsourcing Makes Sense Strategically

It doesn't just have to be a budget concern or a lack of resources; sometimes deciding to work with an outsourced IT operations team is strategic. They often have more years of experience, a team of knowledgeable staff and internal resources that would take a company's team years to build up. You wouldn't act as your own dentist—you outsource that. The same goes for utilizing outside IT expertise. - Frank Cittadino, QOS Networks

Forbes Technology Council

Forbes Technology Council is an invitation-only, fee-based organization comprised of leading CIOs, CTOs and technology executives. Find out if you qualify at forbestech... **Read More**