

# Exploring the Benefits of Leveraging External IT Professionals

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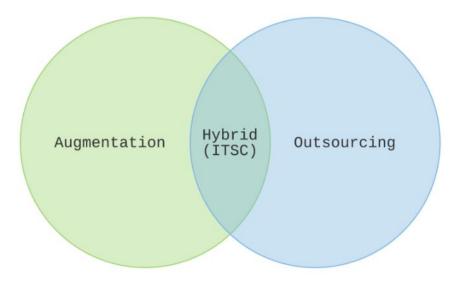
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#### Introduction

There is an ever-increasing need to reduce costs and improve operational efficiencies through technology. Consequently, organizations are undertaking more simultaneous IT projects than ever before. Success is often measured by an IT department's ability to complete these projects on time and under budget. A tall task indeed.

Since the advent of information technology (IT), the use of external contract staff has been an option for companies. These outside professionals have consistently provided a variety of services. In the early days, contracting for long projects was the only choice for IT managers in need of additional manpower or specialized services. However, those same IT managers have many alternatives from which to choose. Staff augmentation and project outsourcing are popular, and some IT companies even offer hybrids that combined the benefits of the two.

There are similarities and differences between augmentation and outsourcing models. This white paper defines the two approaches, highlights advantages and disadvantages of the two, and introduces the rising star in this space, the hybrid model utilized by the ITS upport Center.



## Augmentation

Whether called contractors, consultants, or rent-a-body firms, the primary function of these IT service providers is to supplement existing internal IT staff. This type of IT firm is typically contracted when the IT department has difficulty obtaining or retaining permanent staff, or when it needs specialized skills for a short project. IT Managers who want to keep full control of their IT department favor an augmentation strategy as the new IT professionals function as members of the internal team and take their direction for IT managers. However, the IT professionals are employees of the augmentation firm, allowing the organization to ramp up and down to meet changing demand without shouldering the cost and liabilities of additional full-time employees.

Staff Augmentation provides a high level of flexibility for the IT department. An IT Manager can simultaneously add or cut staff as needed while avoiding the cost and time associated with traditional hiring and firing decisions.

Another selling point to augmentation is the workers' integration with internal processes. An individual can adapt more quickly to the processes of an organization than two separate organizations can align with each other.

Leveraging existing resources and adding to an internal team is, possibly, the greatest advantage of an augmentation model. By adding new people and new skill sets to the team, a company can take advantage of both internal and external resources. Further, staff augmentation can provide specialized skills that the team otherwise lacks.

The augmentation model does not come without its drawbacks. Augmentation can still be training intensive, it relies too heavily on internal processes and it lacks economies of scale. Despite these shortcomings, staff augmentation can be a suitable fit for some organizations.

## Outsourcing

In contrast to staff augmentation, outsourcing focuses on services rather than individuals. IT departments commonly use a manufacturing analogy to describe outsourcing, explaining that they have chosen to "buy" a service rather than "make" it in-house. Outsourcing allows an organization to execute projects or provide services to its end-users utilizing the resources of another IT firm. The outsourcing approach allows companies to concentrate existing resources on their core operations and value-add objectives.

This freeing of internal resources is the biggest draw of outsourcing for IT managers. While the IT manager turns over day-to-day responsibility for specific services to a supplier, he also recaptures the skills of his internal team and may redistribute his employees towards more important and complex IT projects. This relinquishment of control requires faith by the IT manager, but trustworthy outsourcers gained their reputations through years of delivering exceptional service. These outsourcers shoulder the responsibility of investing in the adoption, maintenance and improvement of industry best practices and provide a cheap and easy way for IT departments to modernize their processes.

The outsourcing model shifts costs from fixed (employees) to variable which change in proportion to the current level of activity or demand. This improves operating leverage for the IT department. It also creates a scalable workforce that can easily ramp up or down based on need.

As with the augmentation model, outsourcing comes with some deficiencies. In addition to a lack of control, IT departments working with outsourced workers may suffer from a integration issues, internal resistance and the rigors of finding a quality outsourcer. Despite these shortcomings, outsourcing can be great for some companies.

# Compare & Contrast

Requirement	Augmentation	Hybrid (ITSC)	Outsourcing
Maintaining Tight Control	<b>√</b>	<b>✓</b>	
Integration with complex internal processes	<b>/</b>	<b>/</b>	
Leveraging new skills while maximizing existing capabilities	<b>√</b>	<b>✓</b>	
Adding specialized skills		<b>✓</b>	
Acquiring more resources	<b>√</b>	<b>✓</b>	
Cost effectively managing IT staffing needs	<b>/</b>	1	
Achieving breakthrough gains in productivity and efficiency		<b>✓</b>	<b>√</b>
Going beyond core competencies and overcoming lack of internal capabilities		<b>✓</b>	<b>√</b>
Implementing best practices and guidelines for a project		<b>✓</b>	<b>√</b>
Placing the responsibility for management, results and risk outside the company		1	<b>√</b>
Staying focused on results and the core business		<b>✓</b>	<b>√</b>
Shifting costs from fixed to variable		1	<b>√</b>
Large scale outsourcing which delivers both increased productivity and cost benefits		<b>✓</b>	<b>✓</b>
Companies with no IT department		<b>/</b>	1

# Hybrid (theITSupportCenter)

A new approach is emerging in the IT augmentation/outsourcing industry, yet it operates in a very familiar manner. Firms such as theITSupportCenter are taking the positive aspects of the augmentation model and melding them with the redeeming qualities of the outsourcing approach and eliminating the deficiencies of both.

For most companies there is no one-size-fits all model. An organization's needs may be best met through staff augmentation, other through complete outsourcing, but sometimes these needs overlap. For many businesses, a hybrid approach solves the problem. However, hybrid approaches can vary drastically from firm to firm and it can be difficult for IT managers to find exactly what they need. Some firms, such as theITSupportCenter, tailor support arrangements to the needs of the organization, ensuring a perfect fit with the IT department's current situation and service goals.

theITSupportCenter makes available Certified IT professionals that are trained and experienced in all common IT functions, including software support, migrations and integrations, and ticket documentation and triage. theITSupportCenter can serve as an augmentation specialist and provide additional workforce and expertise to your IT department. theITSupportCenter can also serve as a complete IT solution expert, operate externally, but work as a part of your organization. theITSupportCenter's approach is flexible and tailored to the company's environment and needs.

A hybrid approach is different because the support is different. It provides the flexibility and control of an augmentation approach with the variable costs and economies of scale of an outsourcing model. Regardless of your organizational needs, a hybrid approach like the one used by the ITS upport Center is a perfect fit.

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