

OX.365

OUTSOURCING IT:

# A GUIDE TO BENEFITS AND BEST PRACTICES

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# Introduction

## What does IT Outsourcing mean?

Outsourcing IT refers to the practice of hiring external companies or individuals to handle a company's information technology (IT) functions. These functions can range from managing hardware and software systems to providing technical support to end-users. The main objective of outsourcing IT is to save costs, improve efficiency, and access to specialized skills that may not be available in-house. Outsourcing IT can also enable companies to focus on their core competencies and strategic goals, rather than being distracted by technical issues.

### Did you know?

The IT industry in the UK is worth over £180 billion, and businesses should have IT support to ensure the smooth operation of their technology systems and prevent potential downtime or cyber threats.

## Importance of IT in modern business

In today's digital age, IT has become an integral part of modern businesses. It has revolutionized the way companies operate, communicate, and conduct business. From data management to customer engagement, IT has become a crucial tool for every business to remain competitive and succeed in the global market.

One of the primary benefits of IT in modern business is the ability to streamline operations and increase efficiency. With the help of advanced software and hardware solutions, businesses can automate their processes, reduce manual errors, and save time and money. IT also enables companies to manage their data effectively, which is essential for making informed decisions. It also provides businesses with the flexibility to operate from anywhere, thanks to cloud-based solutions and remote access technologies. Moreover, IT has transformed the way companies interact with their customers, enabling them to provide personalized services, respond quickly to their needs, and build lasting relationships.

# Cost Savings

## Explanation of the cost-saving benefits of outsourcing IT

Outsourcing IT services can provide significant cost-saving benefits for businesses. One of the main advantages is that it allows businesses to access skilled expertise and technology without having to invest in expensive equipment and personnel. Outsourcing providers often have access to the latest technology and software, which can help to improve productivity and efficiency. They also have a team of IT professionals who are dedicated to providing support and maintenance, freeing up businesses to focus on their core activities. This can result in significant cost savings, as businesses can avoid the expense of hiring and training staff, and investing in technology and infrastructure.

Another cost-saving benefit of outsourcing IT services is that it can help businesses to reduce their overheads. Outsourcing providers often have a lower cost base than in-house IT departments, which means that they can offer services at a lower cost.

They also have the ability to scale their services up or down depending on the needs of the business, which can help to reduce costs during periods of low demand. Outsourcing can also provide businesses with greater flexibility, as they can choose to outsource specific tasks or projects, rather than having to maintain a full-time IT department. Overall, outsourcing IT services can help businesses to reduce costs and improve their bottom line, while also benefiting from access to the latest technology and expertise.



## Outsourcing vs an in-house IT team

Outsourcing can be more cost-effective than maintaining an in-house IT team. Outsourcing companies can provide services at a lower cost due to economies of scale and the ability to spread costs across multiple clients. This can be especially important for small and medium-sized businesses that are working with limited budgets.

However, outsourcing also has some disadvantages. One of the biggest challenges of outsourcing is communication. When IT services are outsourced, the client company must rely on the outsourcing company to communicate effectively and promptly. This can be difficult if there are language or cultural barriers or if the outsourcing company is located in a different time zone.

Maintaining an in-house IT team, on the other hand, involves hiring IT professionals to work directly for the company. In-house IT teams are responsible for managing all aspects of the company's technology needs, from setting up hardware and software to providing ongoing support and maintenance.

One advantage of maintaining an in-house IT team is greater control and flexibility. With an in-house team, the company has greater control over the IT systems and can make changes more quickly and easily. In-house teams can also be more responsive to the specific needs of the company.

Another advantage is better communication. With an in-house team, the company has direct access to the IT professionals and can communicate more easily and effectively. This can be especially important for companies that have complex IT systems or sensitive data that require a high level of security.

However, maintaining an in-house IT team can be more expensive than outsourcing. Companies must pay for the salaries and benefits of IT professionals, as well as the cost of hardware and software. In addition, maintaining an in-house team requires ongoing training and development to keep the team up-to-date with the latest technologies and trends.

# Access to Expertise

## How outsourcing IT provides access to a broader range of expertise

- 1.** Outsourcing IT services can provide access to a broader range of expertise in several ways. Firstly, when a company outsources IT, they are partnering with an external organisation that has a pool of IT experts with different skill sets and experience levels. These experts have worked with various clients from different industries, and they bring with them a wealth of knowledge and experience that an in-house IT team may not have.
- 2.** **Secondly**, outsourcing companies often invest in training their staff on the latest technologies and best practices in the IT industry. This means that the IT professionals who work for outsourcing companies are often more up-to-date with the latest trends and have a broader range of skills than an in-house IT team that may not have the resources to invest in regular training and development.
- 3.** **Thirdly**, outsourcing IT services provides access to specialised expertise that may be difficult or expensive to find in-house. For example, a company may need to implement a complex cybersecurity solution that requires specific expertise in that area. An outsourcing company that specialises in cybersecurity will have a team of experts with the necessary skills and experience to implement the solution effectively.
- 4.** **Lastly**, outsourcing IT services can provide access to expertise in different geographic locations. This can be especially important for companies that have a global presence or that need to support employees who work remotely. Outsourcing companies can provide IT services from different locations, making it easier to support a distributed workforce.

**In summary**, outsourcing IT services can provide access to a broader range of expertise by partnering with an external organisation that has a diverse team of IT professionals with different skills and experience levels, investing in regular training and development, providing access to specialised expertise, and offering IT services from different geographic locations.

# Core Business Activities

## How outsourcing IT can improve focus on core business activities

- 1.** **Firstly**, outsourcing IT tasks such as software development, maintenance, and support can free up time and resources for businesses to focus on their core competencies. This allows companies to allocate more time and resources towards activities that directly contribute to their overall goals and objectives.
- 2.** **Secondly**, outsourcing IT services can provide access to specialized expertise and knowledge that may not be available in-house. This can lead to more efficient and effective IT solutions, as well as improved business processes and operations.
- 3.** **Thirdly**, outsourcing IT can help reduce operational costs and overheads, as external providers are often able to offer services at a lower cost due to economies of scale and expertise. This can free up financial resources to be invested in core business activities.

Overall, outsourcing IT services can help businesses streamline their operations and focus on their core competencies, leading to improved productivity, efficiency, and profitability.

# Flexibility and Scalability

## How outsourcing IT can provide flexibility and scalability

Outsourcing IT can provide businesses with flexibility and scalability in several ways. It allows businesses to adjust their IT resources and services as required, without the need for significant capital investment or long-term commitments. This means that businesses can scale up or down their IT services quickly and easily, in response to changing market conditions or business needs. It also enables businesses to access a wider range of IT expertise and technology, which can help improve efficiency, productivity, and innovation. This access to specialized IT resources and expertise can also enable businesses to focus on their core competencies, while leaving IT services to the experts. Overall, outsourcing IT can provide businesses with the flexibility and scalability they need to stay competitive in today's rapidly changing business environment.

# Risk Mitigation

## How outsourcing IT can mitigate risks

- 1. Expertise:** By outsourcing IT services, businesses gain access to skilled professionals with expertise in various IT domains. This reduces the risk of errors and mistakes that can arise from insufficient knowledge or experience.
- 2. Cost savings:** Outsourcing IT services can help businesses reduce costs associated with maintaining an in-house IT team. This frees up resources that can be used to invest in other areas of the business, reducing the risk of financial strain.
- 3. Scalability:** Outsourcing IT services can help businesses scale their IT infrastructure as needed, without the need to invest in expensive hardware and software. This reduces the risk of over-investing in IT infrastructure that may not be fully utilized.
- 4. Security:** IT outsourcing providers typically have robust security protocols and measures in place to protect their clients' data and systems from cyber threats. This reduces the risk of data breaches and cyber attacks that can lead to significant financial and reputational damage.
- 5. Compliance:** IT outsourcing providers are often well-versed in compliance requirements and regulations, ensuring that their clients remain compliant with industry standards and regulations. This reduces the risk of legal and financial penalties for non-compliance.

Overall, outsourcing IT services can help businesses mitigate risks associated with IT operations, allowing them to focus on their core business activities and achieve their strategic goals.

Outsourcing IT can be an effective way for businesses to stay up-to-date with compliance regulations. IT service providers are often well-versed in compliance regulations specific to their industry, and can help ensure that their clients are in compliance with relevant regulations. This can include ensuring that businesses have the necessary security measures in place to protect sensitive data, or implementing processes and procedures to meet regulatory requirements. Additionally, outsourcing IT can provide businesses with access to compliance experts who can advise on best practices and help develop compliance strategies.

# Managed IT Support from OX.365

At OX365, we pride ourselves on providing a managed service that our clients regularly compliment. The ease-of-use of our systems, availability of our team and our rapid response times ensure we can deliver the service you require.

- Unlimited Support (Multi-channel)
- Unlimited Remote Assistance
- Microsoft 365 (Email & Apps)
- Efficient File Exchange
- Data Backups (Cloud Based)
- Disaster Recovery & Prevention
- Hardware & Peripheral Cover

Reduce the time your employees spend on common IT problems and free them up for tasks that progress your business.



**Get in touch with us  
today to discuss  
your IT requirements  
with our team.**

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