



The right balance

Successfully offshoring IT services requires an integrated approach

In any discussion about the outsourcing of IT services, it's likely that the subject of offshoring is going to crop up sooner or later. There is now a general awareness – not just among IT professionals and business people but also the general public – that it is possible and often desirable to base certain services in another country.

What is often less well understood is that offshoring is not necessarily a simple process and needs to be considered as part of an overall service delivery package. That's why, at Computacenter, we prefer to use the term 'right-shoring'. This more accurately reflects the process of matching the customer's needs with a solution based on the skills and capabilities available from specific locations – whether they are in the UK or in another country.

This is a crucial point because it is the integration of both onshore and offshore capabilities that determine the effectiveness of the solution for any given customer. To understand this fully, however, you have to consider how offshoring itself has evolved.

Development of offshoring

Initially, offshoring emerged as a solution to a shortage of application development capabilities in the UK. It was a fairly easy task to create a set of specifications, send them to somewhere like India where the application would be coded and returned for testing and implementation. It was, therefore, project-driven rather than service-driven and could be regarded effectively as a kind of 'black box' approach. Reducing costs was a major incentive for using this approach.

Of course, with the growth of advanced skills in the offshore development centres, it became apparent that the same people who were producing the applications also had the skills required to manage them. So the next stage of offshoring was applications support.

That was a significant step because it moved the whole area from short-term project provision to long-term service provision. And that means that the company providing the outsourced service has to consider very carefully how it delivers that service to a customer in the UK.

We see that even more clearly in the third stage of offshoring's evolution, enabled by the development of technology, which involves the outsourcing of business processes. This builds on application management, extending the service to clerical functions, back-office operations – indeed, anything that is process-driven. After all, why pay high prices for back-office operations when they can be obtained at a lower price point?

The most recent development is offshore infrastructure management. Again, technology has advanced sufficiently that there is no reason why your datacentre, for example, should not be managed from just about anywhere. At Computacenter, for example, we have datacentres in Leeds, Nottingham and Manchester, but we have people that operate and manage those datacentres from a number of locations, including our base in South Africa.

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The right mix

While none of this presents significant technical difficulties, there are other important considerations. For example, this kind of service provision will include customer-facing elements. And while the management of a datacentre can be carried out from anywhere, the physical location of the datacentre itself involves other factors, including political and legal issues. It's worth looking at these two examples in a little more depth, because they illustrate how the proper integration of both onshore and offshore elements is so important.

In terms of where the actual physical resources, such as datacentres, reside, much of that is determined by the customer's preferences and obligations. For a local council, for example, there would be political problems with storing data about their citizens on computers located abroad, and companies in the financial services markets are subject to legal restrictions that would make this impossible.

There are cultural issues to consider when providing any service that interfaces directly with the customer's staff. In ensuring a high level of service, it helps enormously if the customer's end users and the service supplier's staff share not just a common language but attitudes and approaches to areas such as business culture. It also helps if everyone concerned is in a similar time zone.

When we design a service, for example, the client management team, which interfaces directly with the client, is generally in the UK. While it's possible that the customer might end up talking to an engineer in, say, South Africa, the initial call is to someone in the UK. In effect, we create virtual teams where the escalation to offshore capabilities is usually transparent to the end user. That also allows us to dynamically shift the workload between onshore and offshore centres in response to issues such as unscheduled increases in the workload, staff sickness and so on – all managed by us while the customer experiences a consistently high level of service.

Choosing the right partner

That brings us on to the key questions for any company looking to outsource IT services which may contain an offshoring element – what do you want to achieve and how do you achieve it?

No-one goes shopping for an 'offshore' solution per se. In fact, if a customer came to us and said they were looking for an offshore solution, the chances are that they arrived at that idea by the wrong route. Their chief motivation would almost certainly have been simple cost saving, but there's a lot more to offshoring than that.

As we've seen, placing some or all of an outsourced services operation overseas allows you to take advantage of concentrations of skills and capabilities that have been developed in places such as – in Computacenter's case – Cape Town. So the first question you should ask of yourself is what kind of service you need and then who can provide that service to the level – and, yes, price – that you require.

If that the solution that your chosen supplier provides includes an offshore element, there are further useful questions you can ask, such as who shoulders the overhead and risk of integrating the various onshore and offshore components into the service that is being delivered. Does the supplier have an end-to-end accredited process that covers areas such as security and data protection? And what capabilities do they have which will guarantee the service continues to be delivered to the agreed levels if, for any reason, the offshore resources should become unavailable.

In the end, what you're looking for is a flexible and robust delivery model that integrates the onshore and offshore capabilities in a seamless way so that you, as the client, do not have to manage or intervene to get things done.

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