Do not offshore IT Workload without these checks

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Summary

Offshoring IT work can have both positive and negative consequences. One positive consequence is that it can lower costs for the company outsourcing the work. It can also provide access to a larger pool of skilled workers.

However, there are also negative consequences, such as potential communication difficulties and cultural differences, as well as the potential loss of jobs for workers within the organisation.

Ultimately, whether offshoring IT work is a positive or negative decision would depend on the specific circumstances and how the outsourcing is managed.

For example, backup, patching, and resource monitoring (HDD, RAM, Bandwidth) are repetitive and time-consuming activities. Offshoring these process-driven tasks are relatively easy to hand over, freeing your time and budget so that you can focus on other pressing matters.

On the other hand, offshoring the entire IT support desk could result in catastrophic consequences if not appropriately managed.

These are the points to consider for the following 3 types of offshoring:

1. Offshoring IT Support Desk
2. Offshoring IT infrastructure
3. Offshoring Account Manager

1. Offshoring IT Support Desk

Offshoring the IT support desk can harm user satisfaction if the communication and cultural barriers between the support team and the users are not effectively managed.

Additionally, suppose the offshored team is not properly trained or equipped to handle the specific needs of the users. In that case, it can lead to longer resolution times and a lack of understanding of the user's issue.

It is vital to ensure that the offshored team has the necessary skills and resources to provide high-quality support and that effective communication channels are in place to ensure clear and timely communication with users.

Alternatively, partial offshoring allows organisations to gradually transition their IT support operations to an offshore team while still maintaining a portion of the team in-house. This approach can help organisations mitigate the risks associated with offshoring and allow them to test the effectiveness of the offshore team before fully committing to the arrangement.

You could always adopt a hybrid model where offshore and in-house teams co-exist. However, it is crucial to have a clear and well-defined plan for how the in-house and offshore teams will work together, including clear communication and collaboration protocols and clear roles and responsibilities for each team.

Additionally, it is important to establish strong management and oversight to ensure that the offshore team is performing as expected and that the in-house and offshore teams are working together effectively.

Check List:
    a. What are the reasons to offshore the IT support function?
    b. Offshore the entire team, sub-team, or support function?
    c. Do they have the right skills?
    d. Any communication and cultural barriers?
    e. How much training and equipment do they need?
    f. Who will manage the offshore support team?
    g. How to measure if the team is performing as expected?
    h. How to measure user satisfaction?

2. Offshoring IT infrastructure

Outsourcing IT infrastructure to an offshore company is becoming increasingly popular as companies look to save costs and increase efficiency. However, it's essential to approach this process with care and caution.

It's not just about finding the cheapest option – you need to consider the best practices and potential pitfalls and have an exit plan in place.

Alternatively, work with the vendor to identify operation or maintenance processes and do a gradual handover. This approach minimises unfortunate misunderstandings and avoids a costly recovery process. You don't have to vacate your infrastructure to adopt the offshore model.

Checklist
   a. Identify a vendor with a proven track record delivering offshore IT infrastructure management.
   b. Interview the tech person/team to ensure they have the experience to support you.
   c. Ensure that the vendor has adequate security measures to protect your data and IT infrastructure.
   d. Regularly review and monitor the vendor's performance to ensure that they are meeting your expectations.
   e. Consider a phased approach, starting with a pilot project before committing to a larger engagement.
   f. Have a solid disaster recovery plan in place and ensure that the vendor can provide the necessary support in an emergency.
   g. Have a proper exit plan in case the partnership does not work out.

3. Offshoring Account Manager

Offshore support companies will naturally be available during your local business hours. However, availabilities could be limited to the technical team and not necessary for the management team.

If there is a need to escalate issues or discuss up-and-coming projects, a local contact person can provide support and management oversight.

We've become comfortable with remote working and online meetings. But having the option to conduct face-to-face meetings and simply pick up the phone and call someone is far better than relying on emails and virtual meetings alone.

Checklist
   a. Close contact person: A local contact person can help facilitate communication and ensure that any issues or concerns can be addressed in a timely manner.
   b. Cultural understanding: A local contact person can help bridge any cultural gaps and better understand the needs and expectations
   c. Time zone: Having a local contact person can help coordinate schedules and ensure support is available during business hours.
   d. Legal and compliance: A local contact person can help ensure that the offshore IT support complies with local laws and regulations.
   e. On-site support: A local contact person can provide on-site support if necessary.

[Final checks before going forward with Offshoring]

Cheapest is not always the best

This is true, as low cost often comes at the expense of quality. When it comes to IT support, it's essential to consider factors such as the level of expertise of the support team, the responsiveness of the support, and the overall reliability of the service.

Going with the cheapest option may save money in the short term, but it can cost more in the long run if the service is inadequate or unreliable. It's important to weigh the costs and benefits and choose a provider that best meets your needs.

Offshore IT support has its advantages; a larger pool of skilled workers and cost savings on management time. But it's important to remember that skill and experience are just as important when choosing an IT provider. You need to ensure they have the right expertise and experience to provide you with the best service possible.

Case Study

Clinet: Established Global Asset Management Company
Interviewee: Head of Infrastructure

Which areas of the IT Infrastructure fall under your responsibility?
Support Team, Desktop, Servers, Network, Database Management (DB)

What do you offshore, and how long have you worked with the offshore team?
We offshore the 1st line support team and DB Management team. It's been ten years.
DB Management is relatively new to the offshoring portfolio.
Our offshore DB admin person works directly with the business. For example, a fund manager will ask our DB admin person to complete a transaction, who in turn will create a job to run at a specific time.

What was the reason for offshoring the 1st line support team?
We discovered that between 40% - 50% of our time was consumed by 1st line support items like password recovery, computer appliance maintenance, frozen applications, etc.
Offshoring is cost-effective compared to using our local team members. A dedicated 1st line support team meant we could improve ticket resolution time. It also allowed us to allocate more time to work on the future rather than constantly reacting to minor issues.

How do you manage the offshore team?
Without going into too many details, there are two teams managed differently.

Team 1 is an extension of our team. We work closely every day, so there is good visibility of what is happening. We also get user feedback, so the weekly or monthly management report is optional. It works well, and we are happy with our working relationship.

The side effect of this arrangement is we might spend too much time on the front line when we could or should rely more on the offshore management team to keep us in the loop. The ball is in our court to change the way we work with Team 1.

Team 2 is opposite to Team 1. We rely on the offshore management team to

keep us up to date, so we sometimes feel distant from the front line, but we prefer this arrangement.

If we had to implement an offshore team from scratch, we would use the Team 2 management style. Team 1 started a long time ago and developed into what we have today.

Any job functions you will NOT offshore?

Yes, Project Manager and Business Analyst are the two jobs I will not do offshore.

These job functions need to work closely with the business to get an accurate and in-depth understanding of the requirements. PM and BA must be dedicated resources. It's OK for them to be supplied by the offshore company, but they need to be named resources with access to the same desktop and systems as the rest of the staff.

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