

How to avoid common pitfalls in outsourcing IT

Make it a board level issue:

Don't underestimate the importance of high-level accountability and attention when choosing your IT outsourcing partner. Committing to outsource is similar to a major corporate transaction in terms of the impact it will have on the business. This must be a board level decision, but too often due diligence is relegated to less senior members of the team. This means a higher likelihood of misaligned priorities from the outset and a potentially risky relationship. The Chief Executive Officer, Chief Operating Officer or Chief Financial Officer must drive these projects, or they will fail.

Establish objectives and outcomes with your outsourcing partner:

Entering into an outsourcing partnership without being absolutely clear about the expectations, objectives and outcomes you hope to fulfil from outsourcing your IT will significantly limit the benefits to your business. This sort of confusion can lead to a relationship breakdown and a very costly withdrawal from the contract.

Getting it right, long term:

Choose an outsourcing partner who commits to provide regular insight and reporting throughout the full term of the contract. Conducting a multi-year contract in a volatile and ever-changing market requires constant scrutiny and reassessment to ensure maximum value is always being created for your business.

Look for partners who share the risk:

The outsourcing model is changing. Look for experts who are willing to share risk, commit to outcomes-based contracts and innovate to flex around your objectives.

Don't underestimate the importance of culture:

An IT outsourcing relationship needs to function as a partnership if real value is to be created for your business. Whether you are expecting your IT partner to work in-house or strictly off-site, the importance for mid-market businesses of finding a partner with a cultural match is an often overlooked priority. A partner with the same values, work ethic and business objectives will naturally understand the needs of your business, and adapt themselves accordingly for a seamless introduction into your organisation.

Talk business, not technology:

IT outsourcing is about enhancing business, not talking technology. Any quality outsourcing partner should be able to talk with confidence about the specific issues facing your industry and demonstrate considerable experience in your field. This business acumen should be the way in which they approach the technology solutions for your business, ensuring maximum strategic focus and subsequent competitive advantage through an IT strategy that drives forward your business ambitions.

Do your due diligence:

Before committing to transfer the financial burden of your IT to an outsourcing partner, you need to know that their balance sheets are robust. The collapse of their business would be disastrous for your own – do your due diligence before committing to a multi-year contract.

1 in 6 IT projects run 200% over budget

IT projects 20 times more risky than standard business projects

Average IT projects run 27% over budget

McKinsey, Oxford University, 2011.
Seven imperatives for success in IT megaprojects, McKinsey.

At Acora we focus on outcomes, not incomes.

Acora delivers outsourced IT services to visionary mid-market business leaders who need strategic agility without the shackles of high-risk IT. We provide the freedom to flex further, and adapt faster – fully supported by an expertly managed, outcomes-focused IT strategy. Because true service is about flexibility, we meet our clients' ever-changing strategic needs with outsourcing services delivered at whatever level feels right for them. When our clients talk, we listen. No error, no confusion. Just singular, dynamic service that drives new business value at every level in a new and uncertain economy.

Further information



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