

Case study ○ Premier Asset Management

'The more preparation you do, the easier the whole thing becomes'

Cath Everett

UK and offshore funds management specialist Premier Asset Management needed to simultaneously cut costs and manage risk.

So the company, which provides bespoke management services for private and listed companies, decided to outsource its IT function.

'We did it to give us greater flexibility in a staffing sense and went from four full-time IT people to one, plus our provider,' says managing director Jonathan Fry. 'The aim was to reduce headcount to cut costs.'

But Fry felt simply relying on fewer staff, with no additional back-up, could create problems, not least because of absence through sickness or holidays.

'The business risk drove me,' he says. 'Being regulated by the Financial Services Authority and being publicly quoted, it's common for the authorities to look at how companies are managing risk and minimising the impact of risk.'

Premier, which employs 42 staff, took on outsourcing consultancy and services provider Ramsac, initially to undertake an audit of its IT infrastructure and to see if efficiency could be improved.

But after helping the organisation upgrade its systems to ensure that they were up to speed, Premier struck a deal with Ramsac to undertake remote systems management, and provide a helpdesk function and additional support for the remaining IT manager in the form of three consultants.

A network consultant goes on-site for one day every two weeks to ensure the network is working effectively and to help with project-based development tasks.

A technical consultant is available for one day per month to provide direction and agree what projects need working on.

The third consultant, however, acts as an IT director and attends board meetings each quarter to work on strategy, planning and budgeting, and to ensure aims and objectives are in line with business requirements.

Fry says it is very much a partnership, but things have to be structured. 'We have service level agreements in place, but they have to be flexible and they shouldn't be full of legalese as it's about working co-operatively with people,' he says.



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'If you have to get service level agreements out to prove something, by that time your IT problems are so dire that the relationship's not working anyway.'

Regular communication is vital for success, as is setting mutual expectations about what is required and what is deliverable. But such communication is also crucial to help in-house staff cope with uncertainty during times of change.

Fry says Premier managed the transition of staff to its outsourcing provider by helping employees realise 'they had very limited career opportunities with us so it would actually benefit them to move'.

As for the remaining IT manager, Fry says it was important to ensure the person left behind didn't feel unsettled.

'We made it clear that we needed someone to deal with the day-to-day IT issues and relationship with Ramsac, and that he was valued,' he says.

But Fry believes the real secret to success is ensuring that adequate preparation is undertaken before any outsourcing contract is signed.

'The more preparation you do, the easier the whole thing becomes,' he says. And Fry advises other executives to be very clear about their expectations of outsourcing.

'Have very measurable objectives and a well-defined timeframe for action,' he says. 'Also ensure that the company you're partnering with clearly understands the principles of what you're trying to do.'