

Outsourcing IT

Few people can manage IT staff. It's far more cost effective to get someone to manage them for you.

Everyone knows IT is a nightmare to manage. The IT staff are even worse. All too often companies get themselves an IT department, and an IT manager, without any idea how to manage them. Consequently, the IT manager exploits this position and runs rings round them.

In one fund management company, for example, the IT manager built himself a little empire of six staff. Since the company only had 40 workers anyway, this was massive over-manning. But what could the bosses do? None of them knew anything about IT and nobody dared challenge the authority of the little emperor running the computer department.

Eventually, they called in a service provider to study how they could make more effective use of their resources. "Apart from the fact that the company was massively overmanned, we found some jaw-dropping examples of mis-management," says Robert May, MD of Ramsac. "The IT manager had spent thousands of pounds on a completely unnecessary

server, which he used to store his collection of Dr Who films."

Not all IT managers are corrupted by the power that's yielded to them. Some are just incompetent. In another company, they'd been bamboozled by a reseller into spending £20,000 on backups, a process that could be done in house for a few hundred pounds.

The problem with IT departments is that there's still very little understanding of how they function. You can make the rules up as you go along. A good IT manager is impossible to find, and they'll inevitably move on somewhere for more money. You can spend months trying to recruit a new manager, and there's no guarantee they'll be any good, or that they'll stay long.

Your IT department is definitely a function that you can outsource. Get it managed by a service provider, like Ramsac, and they will recruit the staff and manage them for you. They've got more experience and understanding of IT managers, and can motivate and train them more skilfully. You could go further and outsource your entire IT function to a third party. Not many companies like doing that though.