

Better Business Bytes

Experts answering questions to help grow your business.



Transforming your Business by Outsourcing Strategically

By Pat Dillon – ORBIT Systems, Inc.

Most business owners stall at the ‘managing’ stage, distracted by trying to do everything internally and losing the critical focus that’s needed to regenerate, or continually transform, their organization. Strategic outsourcing can make the difference.

Q. What operations should be outsourced?

A. Regardless of your company’s size, the key question to ask is, “What is core to my business that must remain internally to bring about the critical changes needed to continually transform my business?” Most firms don’t hesitate to outsource legal, payroll, or marketing functions. What about Finance, HR, or IT/computing?

Q. My business depends on IT. Why would I dare outsource that?

A. The better question is, “Why would you *not* outsource IT?” A common management mistake is to believe the best way to get something done is to do it internally. If so, your people must be the best lawyers, the most efficient payroll operation, the smartest PC, Security, Networking....you get the point. Yet, because IT touches nearly every employee in your firm, it absolutely has to be available and supported 24x7, reliable, secure and provide your business optimal leverage. That means strategically placing responsibility for your IT completely in the hands of a firm who has that as *their* core business. Many of the largest U.S. corporations have been outsourcing their IT for decades.

Q. Already outsourcing IT? Are you REALLY?

A. Most business owners, especially of small- and mid-sized firms, believe they’ve optimized IT outsourcing by contracting a third-party service firm to support their PCs, servers or network. This *out-tasking* approach fails to recognize the costs and, more importantly, the literal risks, to the business inherent in having employees ‘triage’ the daily problems before engaging the services firm. Liken it to having staff do legal research before bringing in an outside legal firm.

You need “all hands on deck,” focused on strategic functions, in order to execute the transformation you want. As Tom Peters made clear in his business masterpiece, In Search of Excellence, “Do what you do best and outsource the rest.”



The MRCC B2B group provides information in a different area of expertise each issue of the Business Briefing. Jim Barrett is president of Leads4Growth; a lead generation and consulting firm. **To assess whether IT outsourcing can help you transform your organization, contact Pat Dillon at pjdillon@orbits.net.** All published articles in this column will be archived on the B2B page of the MRCC website.

If you have a question for the B2B group, please email it to b2b@minneapolischamber.org. You will receive an email reply by the appropriate expert within 5 business days. Selected questions may appear in future issues of the “Business Briefing” magazine.