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Who Needs an External IT Service Provider?

4 / 17 / 2012

Heinan Landa

With business processes outsourcing growing year after year, organizational leaders are spending an increasing amount of time vetting, selecting, and managing vendors, consultants, and service providers. And, with IT services becoming a core facet of project-specific and overall organizational success, some leaders are wondering how to vet such an important part of the team.

While there are many things to look for when selecting an IT service provider, the most important questions to ask yourself are: What do we need? Why do we need it? How can they help?

What do we need?
Identifying the need for an external IT services provider is essential. Is your need project or initiative-based? Is your need on-going and consultative in nature? Do your needs encompass both? As with other third-party professional services support (e.g., accounting, marketing, legal), selecting the right IT vendor involves knowing what help you need; separating the strategic providers from the non-strategic ones depending on your desired results; inviting the most qualified candidates to the table; and asking the right interview questions.

Why do we need it?
You may know what you need, but do you know why you need it? What business process or goal will this firm help you to achieve? This conversation begins with in-depth discussions involving the short-listed IT firms and key members of the internal team to develop a mutual understanding of the projects at-hand and the scopes of each. This is a great way to continue the interview process and gauge if the candidates are easy to talk to, while also getting some additional information regarding the project(s) at hand.

How can they help?
Once you've whittled the list down to two candidates, you need to ask more in-depth, qualifying questions.

** Does the provider have strong business acumen to anchor their technical advice?*
** Has the provider implemented similar solutions in our industry?*
** Does the provider's technical ability match up with my organization's needs?*
** What is their technical project implementation experience?*
** What is their technology consultancy experience?*
** Is the provider only well-versed in the products they sell?*
** Can the provider give an example of a time when they recommended a solution that was best for the client over a solution that would have provided greater financial returns for them?*
** Some providers bundle services, but does my organization need all of those services?*
** Some providers are focused on implementing the latest and greatest technologies, but are traditional technologies more appropriate for my organization's needs?*
** What processes do they have in place to facilitate, manage, and grow our relationship?*
** What sort of a grievance channel do they create for me if I'm unhappy?*

Asking questions like these can help prevent those tragic realizations down the road that you've selected the wrong firm and have lost valuable time and scarce financial resources.

Last Word
The bottom line is that IT consultants should not be focused on selling the flashiest package or getting the best margin on products. As with any successful merger or partnership, there must be a laser focus on determining how two organizations can work together in a shared, mutually-beneficial relationship focused on the same business outcome.

It can be a complex process but, if done right, IT outsourcing can prevent headaches and financial losses while helping to support organizational efficiency, productivity, and growth.

Heinan Landa is CEO of Optimal Networks, a technology consulting company.

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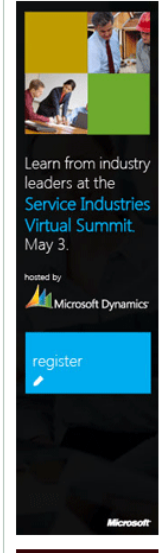

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