



SlingStone Information Technology

Local Outsourcing (TotalTy) vs. Other Options



There really is no comparison of SlingStoneIT's services to the other options available. Hiring in-house IT staff with enough experience, skills, tools, and availability to compare with TotalTy services is close to impossible. In-house hiring also requires fully burdened internal costs such as health benefits, workers compensation insurance, stock option packages, and much more. Fully burdened costs can range from 15-40% additional on top of the employee's salary. One full-time IT manager typically costs between \$60K-\$90K when all costs are factored in. And software and hardware purchases for e-mail, anti-virus, network monitoring, asset management, and many other tools can cost thousands, or even tens of thousands, of dollars in upfront cash outlay.

IT consultants provide no better option. They are typically only available on a project basis with high hourly fees and little ownership for the company's long-term success. They often have long and/or inconsistent response times. And they do not provide all the tools and technologies, such as a world-class service desk, needed to manage IT successfully year after year.

Traditional Value-added Resellers (VARs) also do not offer the best balance either. They have bias for certain products and the desire to sell more equipment, which makes their objectives adverse to yours. VARs are focused on moving product, not on providing world-class service. With VARs, you'll need to beware of recommendations for many large purchases that benefit the VAR's bottom line much more than yours.

Local part-time resources are one of the most common options that small businesses turn to. However, part-time resources cannot be consistently relied upon. They have limited staff skills to deal with the variety of projects you might face, inconsistent response times, limited strategic planning skills, and very little investment in their own infrastructure such as help desk, asset management, and anti-virus systems. Most of these individuals will not be around a year from now. They rarely offer fixed price monthly service fees. The main advantage of these service providers is low cost. But with IT systems and services, you absolutely get what you pay for.

Another remaining option for some companies is to utilize existing in-house employees to function in the role of the IT department in a part-time capacity, essentially making them wear "dual hats". Unfortunately, many small companies make this mistake. It may seem like an economical choice at first but in the long run the true costs become more obvious. First, part-time IT help from the sales administrator or finance manager (or any other full-time non-IT employee) will result in poor decisions that can cost a company thousands of dollars. Whether selecting the right computer, installing the appropriate operating systems, or designing the best telecom strategy, big mistakes are going to happen that will quickly cost much more than the dollars saved by this approach. Second, that full-time employee has other valuable work to do for the business. Employees should stay focused on their core competencies so that the company can continue to increase revenue, decrease cost, improve quality, and increase customer satisfaction. By distracting one or more key employees from their primary responsibilities (even if they enjoy the fun of "playing" with technology) the company's long term growth and success is put in jeopardy.

The table on the following page illustrates some of the main comparative issues:

Benefits	SlingStoneIT TotalTy	In-house IT Staff	In-house "Dual Hats"	IT Consultants	Typical VARs	Part-time, Local Help
Full team of experienced IT leaders in strategic management, operational effectiveness, and security practices	Yes	No	No	Maybe	No	No
Strategic IT information available from industry and other clients	Yes	No	No	Yes	No	No
Full set of infrastructure tools such as Help Desk, Asset Management, and Security	Yes	No	No	No	Maybe	No
Full set of optional services available such as Backup, Virus Protection, and E-mail	Yes	No	No	No	No	No
Consistent, fixed monthly fee – no hourly or hidden charges	Yes	Yes	Yes	No	Maybe	No
No hidden cost burdens – health benefits, taxes, and insurance	Yes	No	No	Yes	Yes	Maybe
Backup resources available if primary gets sick or goes on vacation	Yes	No	No	Maybe	Maybe	No
Established methodologies, policies, and best practices for IT based on standards such as COBIT and ITIL	Yes	No	No	Maybe	No	No
Able to consistently provide rapid response to incidents and problems when they arise	Yes	Yes	No	No	Maybe	No
Available on short notice for meetings, discussions, and day-to-day management	Yes	Yes	Yes	No	Maybe	No
Unbiased advice and recommendations	Yes	Yes	Yes	Maybe	No	Maybe
Able to become a true member of team – a real company insider, not an outsider	Yes	Yes	Yes	No	No	No
IT ownership for long-term success	Yes	Maybe	Maybe	No	No	No
Flexible and adaptable for company growth	Yes	Maybe	No	No	No	No
Extremely affordable and scalable pricing	Yes	No	No	No	No	No
Solid future – will be around in 12 months	Yes	Maybe	Maybe	Maybe	Maybe	No