



Outsourcing IT project delivery and governance – are you ready to take your business to the next level?

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How we work has changed significantly. The traditional office is now a thing of the past and business is being conducted from home offices, coffee shops, shared workplaces and even parks. Employees expect to be able to connect and work efficiently and securely from anywhere, on any device. In the modern workplace, companies need to empower their workforce and maximise their resources.

The challenge

IT teams are being stretched by the need to improve employee productivity and satisfaction and create more seamless communication and collaboration across locations and platforms while maintaining the security and integrity of systems and data.

All these things are just the tip of the iceberg. Advances in cloud innovation and automation, and a focus on security have also changed the game for IT teams across the globe.

This is all too much for some teams who are struggling to handle it all themselves.



A 2020 study by IT research firm Techaisle found that deployment, maintenance and support takes up 77% of SME IT staff time, leaving only 23% of time for transformation, projects or innovation related activities. ”

If your business is struggling to get projects completed, or even to get projects off the ground, outsourcing this work can ensure it gets done, and it will free up your talent to move into more rewarding roles and focus on higher-value, more interesting and impactful work.

What is a project?

A project is defined as ‘a unique set of co-ordinated activities, with definite starting and finishing points, undertaken by an individual or an organisation to meet specific objectives within a defined schedule, cost, and performance parameters.’ (British Standard Guide 6079:2019 Project Management – principles and guidance for the management of projects).

Most changes that need to take place within an organisation will classify as a project. Anything that is a temporary, unique, goal-oriented activity that requires specific resources to achieve a specific objective, will come under the heading of project.

Using a recognised methodology and an experienced project manager is the best way to ensure the work gets done. A recent survey by the World Bank (2021) identified that over 90 percent of the 2500 companies in their research used project management as their primary business tool.

Why then do IT projects fail?

Most projects (75% according to Gartner) fail to meet initial expectations. This is often because of poor governance and accountability to ensure adherence to set budgets and timelines.

The key reasons IT projects often fail is because of:

- Poorly defined scope
- Lack of buy-in from stakeholders and the wider organisation
- Ineffective governance model and poor decision-making processes
- Inexperienced project managers
- Poor team selection with inadequate skill sets
- No business case or defined project justification
- Inadequate communication at all levels
- Unlikely timing or unexpected events which impact delivery.

Project owners usually want the project to be completed in the fastest possible time, with the smallest budget and the largest scope.

To outsource or not to outsource IT project management?

Under the circumstances where the outsourcing environment is evolving faster than you can manage, the business needs instant access to resources to speed up project delivery, or the organisation recognises the need to relinquish control, it might be time to consider outsourcing to consider outsourcing IT project management.

Here are some signs that it's time to consider outsourcing:

- Lack of in-house talent
- Need to optimise costs
- Difficulty tackling complex projects
- Lack of tech expertise
- Difficulty finding the right talent
- Carryovers and failed timelines.

To outsource IT project management or not outsource is not a simple one size fits all decision. In many instances, there is a lot to weigh up based on the size of your company, staff expertise, cost savings, and the risks involved.

There are many benefits that can be realised through project management outsourcing:

- Reduced project costs by delivering on time.
- Faster outcomes with less change requests.
- Improved project engagement with the wider business.

Every business should be looking at how they can redeploy and optimise their current staff members into roles that will drive competitive advantage and can only be done inside the business.



Relationship-based IT outsourcing models

These outsourcing models vary based on ownership and responsibility.



Staff augmentation

The staff augmentation model assumes engaging an expert or qualified team to join you inhouse to manage internal projects. Most of the responsibility is placed on the client.



Managed team model

Both the client and service provider share the responsibility by deciding which task belongs to whom. The outsource team doesn't work in-house, but they report directly to you, your company's Project Manager, or CTO.



Project-based model

Based on your needs and requirements, the service provider completes every stage of the development for you. The responsibility is placed mainly on the outsourcing party, and the team reports directly to the vendor's Project Manager.



Total outsourcing model

Where you ask the outsourcing company to build a team and the business process from scratch. The main advantage of this solution is that the service provider of your choosing can manage a whole range of functions that you usually would need to divide between few outsourcing companies. As a result, your business is better prepared to react quickly to new challenges and market demands.



Outsourced project pricing options



Fixed price

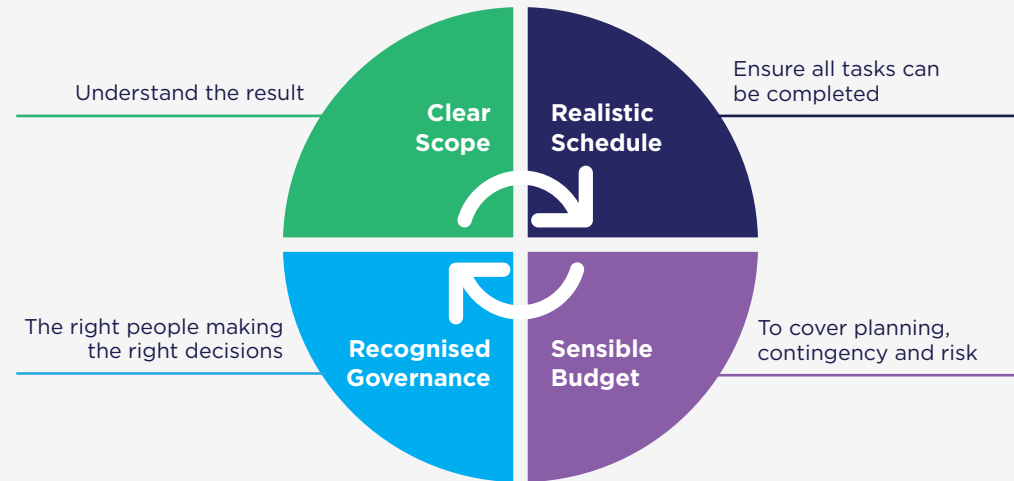
In a fixed price outsourcing model, the service provider sets a standard rate. Usually, it is charged monthly. Of course, for a fixed-cost model to work, the vendor must ensure they have detailed information on what they're expected to deliver. This puts some pressure on the hiring company, as they need to be very thorough in their preparation.



Time and materials

The time and material pricing model is based on the actual time the service provider expends to complete the assigned project. Essentially, the business will pay for the time and materials billing, so the time spent in hours is billed, and the materials used are priced.

When comparing the fixed price vs. time and materials billing model, companies find that the latter is often cheaper.



The keys to IT project success

Outsourcing IT project management to specialist providers is one way to better manage the issues facing business today. This strategy can help your business move elements of your workload to contractors or freelancers who are more than capable of handling it without compromising on quality.

The current environment presents an opportunity to take a fresh look across your entire workforce to find where you can stop doing work by changing standard operating procedures, simplifying processes, and deploying technology more effectively.

First consider whether the work could be stopped—and if not, focus on finding areas where technology could enhance the way teams work and unlock new opportunities.

Are you ready to outsource? – Some questions to ask

- Is your company ready to share or relinquish IT project control to achieve a higher level of performance?
- Does the current environment complexity or pace of change exceed the existing IT team's resource levels or capability?
- Would the business be better off if some or all the existing IT resources were deployed elsewhere?
- Have the business needs outgrown the capabilities of legacy IT/governance functions?
- Does the business require selective support or is a wholesale change required to support the growing demands of the business?

If you answered yes to two or more of these questions, it's time to consider outsourcing some IT functions in your business.

Next steps

Anytime you shift responsibility for any aspect of your business, whether a full-time new hire or an outside vendor, there is risk involved.

The focus needs to be what reasons, risks and rewards work best for you — and whether you are in it for the short or long term.

- Gather support and get involvement from all decision-makers internally
- Undertake thorough research and reference checks to get the right partner for your business
- Make sure your contract includes all the expectations of the relationship, especially the financial requirements
- Determine the strategic vision and plan for the relationship/project
- Clearly form and communicate the goals and objectives of your project or business relationship
- Work with the best you can afford.

Conclusion

The workplace is no longer the place where workers go to work. This fact alone is reason to assess support and services across the entire organisation and carefully examine where the most value is to be gained based on current activities and costs.

When used effectively, outsourcing a function that is not your core business can be both a way to optimise your costs and operational performance while also accessing dedicated subject matter experts who offer a best practice approach.



Why thingsat

Our industry-leading depth of professional services experience allows ThingsAt to achieve better outcomes faster and at a lower cost. This experience also means we help customers get the right IT strategy for their business.

We provide Project Management Office (PMO) as a service, and our PMO is what makes us different.

We work with clients to ensure the project identification process is thorough and aligns with your strategic business goals.

Our highly experienced project managers critically assess every situation to ensure all benefits are realised.

We understand the importance of detailed planning to make sure there are no hidden costs associated with changes in the execution phase.

We are experts at managing teams and processes and using our methodology to keep the project on track.

We also do a thorough implementation review before handing the successfully completed project back to your business.

Contact our team now on **1300 016 356** or visit our website **thingsat.com** for more information.



We make managing projects and programs easy with our experienced team and best practice delivery methodology so you can focus on benefits realisation:

- We deliver on our agreements – to schedule, to budget and to scope – every time.
- You get access to people who have run complex IT projects before.

- You can ensure better project governance.
- We provide the option of managing a full project or providing a project manager for a specific piece of work.

With specialist skills, we help our customers achieve goals faster, providing the expert capability and knowledge to implement your solution right the first time.



Contact our team now

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