



How can IT deliver business value without compromising existing resources?

Outsourcing can help.

**Perspective:**

The dollars and sense of outsourcing

The ability of IT to deliver business value is critical to success. CIOs are being asked to find new and innovative ways to enable sustainable competitive advantage, yet continue to support existing systems and application portfolios that drive the business today. Thus the delicate balancing act between innovation and ongoing support ensues. Focusing too much on one can inadvertently side-track the other.

A strategic use of outsourcing can be an equalizing factor, enabling the liberation of key resources to focus on more strategic goals, or enabling the business to leverage new, innovative tools, approaches and technologies to bring about meaningful changes and lasting success.

## Challenges create necessity

Years ago information technology systems were built to address the specific needs of the business. The talent of the IT developer was a direct influence on the ability of a company to differentiate itself from its competition. Developers that could create strategic capabilities delivered value that created competitive advantage.

Today's IT landscape is much different. COTS products dominate application portfolios and provide all companies access to the same features and functions historically only available to those with the budget and talent to produce. As opposed to having one central system and set of applications, IT must now support disparate applications for different business functions that all require different skill sets to maintain. Couple this with the evolution of the marketplace where customers are more global, educated and demanding, the modern challenges facing IT are unprecedented.

Focus is no longer primarily on IT building functionality from the ground up, but instead on the effectiveness with which IT can orchestrate application components to create business value.

## New challenges, new needs

IT is under increasing pressure to keep up with the incredible rate of change that defines the new global marketplace. New approaches, tools and technologies bring the promise of a new era of cooperation between IT and the business. Yet many companies continue to struggle to implement strategies that encompass current and future interests in tandem with day to day functioning. Limited in their ability to adapt, focus remains on maintaining core systems to protect current market positioning and competitive advantage.

The new economy has also ushered in a new set of challenges for the IT function: do more with less. CIOs are under increasing pressure to reduce spending and deliver value in more measurable ways. Statistics show that the percentage of IT budgets spent on the maintenance of existing systems ranges from 60% to 80%. Therefore it makes sense that many companies are struggling to find the optimal balance of resources to protect the current and invest in the future.

## The outsourcing revolution

The outsourcing revolution of the last 10 years led many companies to believe that outsourcing was about lowering costs. For companies with the technological infrastructure, offshoring brought additional opportunities to engage labor in lower cost countries to gain more relief from mounting financial pressures. Yet for many companies with successfully outsourced engagements, the feeling of success was short-lived.

While companies were able to reduce costs, outsourcing did little to increase the type of meaningful measurements that matter most such as revenue, competitive advantage and satisfied customers. In short, outsourcing based solely on reducing costs took them only so far, and many CIOs began to realize that delivering true value through outsourcing required a more broad vision and approach.

This realization led to an expansion in the way companies leveraged outsourcing. Instead of providers, companies desired outsourcing partners that could apply their global network of skilled labor to improve the competitive strength of the business.

## The outsourcing evolution

Outsourcing continues to evolve as a strategic management tool for bringing about the types of changes that make companies successful. CIOs are using outsourcing to liberate resources to focus on more urgent priorities, expand business capabilities, optimize systems and application portfolios or leverage expertise to improve the effectiveness of the IT function.

Successful companies realize that outsourcing is less about cutting costs and more about ensuring that IT can deliver the type value that impacts the bottom line. These companies employ a strategy that includes outsourcing as a partnership, leveraging resources as mutual collaborators and drivers of business value. Through their partnerships they not only reduce costs, but deliver innovations that differentiate them from their competitors, and continue to protect the core systems at the foundation of their business.

## Technology Blue outsourcing

When companies outsource to Technology Blue they understand that they are hiring more than a provider; they are hiring a partner. They understand that it's more than a contract; it's a meaningful business relationship. They realize that it's about more than just reducing costs; it's about bringing about meaningful change and lasting success.

Companies interested in developing an outsourcing partnership need a trusted advisor to address business challenges, liberate resources and provide management and guidance to help achieve goals. Our resources work with clients to identify short and long-term business objectives and track to them with metrics that enable accurate assessment of progress. Our results are both predictable and quantifiable.

Every member of the Technology Blue team is an industry and technology specialist that delivers innovative solutions to enable competitive differentiation and advantage. Our project teams leverage our global delivery center for 24 hour support from business and technology experts, and our clients realize the cost savings from a robust mixture of onshore and offshore resources.

## The dollars and sense

For companies that demand an IT function that is aligned with business objectives, outsourcing will ultimately play a key role. Meaningful alignment requires an IT function that is innovative, agile and positioned to leverage new approaches, tools and technologies that enable business value.

Successful companies realize the importance of outsourcing as an accelerator for making the types of change required to reach operational excellence. Their outsourcing partnerships are long-lasting, results-focused and are a critical component of their ability to succeed in a volatile market.

## Our services

Strategy  
Outsourcing

Application  
Outsourcing

Infrastructure  
Outsourcing

Management  
Outsourcing

**Technology Blue** helps bring about meaningful change and lasting success through a broad range of outsourcing services covering:

- Strategy
- Application
- Infrastructure
- Management

Why outsource to Technology Blue?

- Enhance core capabilities in key areas
- Leverage expertise to increase innovation
- Liberate resources to focus on core competencies
- Improve service quality
- Reduce costs
- Speed time to market
- Increase business performance
- Maximize profitability
- Solidify competitive advantage

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### **About Technology Blue**

Technology Blue is an information technology strategy firm based in Pittsburgh, Pennsylvania.

With a strong commitment to deliver value through innovative approaches, tools and technologies, Technology Blue partners with its clients to help them transform and modernize to achieve greater competitive advantage. Its home page is [www.technologyblue.com](http://www.technologyblue.com).