

OUTSOURCING

# Outsourcing after the meltdown

Nick Collins MD of IT datacentre ZebraHosts says there is no doubt IT budgets have dwindled in the face of economic slow down but with resourcefulness outsourcing can enable smaller firms to beat the squeeze

**F**or the small firms outsourcing is an excellent way to play to your strengths, avoid risk heavy investment in areas that are not core to your business and be able to react quickly in the face of rapidly changing economic circumstances.

But it carries with it risks that mean appropriate due diligence should be carried out before major involvement in critical projects begins. More than this they must consider what areas are likely to prove resilient in the face of the current upheaval in the economy?

"VMWare and virtualisation in general is a topic that we identified as a key area as businesses begin to take very seriously the inherent cost savings involved in running several virtual servers on one physical server," ZebraHosts MD Nick Collins continues, "this greater utilisation of server hardware brings with it significant savings in terms of reduced maintenance and energy costs."

"But it is an area that without significant short term investment and without collaboration through outsourcing we would not be positioned strongly enough to take full advantage of the commercial benefits of such a high growth area.

"As a result we have started working with a preferred partner SITS Group a VMware and virtualisation business we know well and one we have used for assisting us to implement virtual server technology in our own datacentre in Newcastle," said Nick.

The two businesses have now collaborated on a number of occasions providing joint quotations on new business projects that encompass ZebraHost's hardware, colocation and architecture capability combined with SITS Group's VMware expertise.

Russell Henderson technical director at SITS Group said: "Zebra offer the hosting services many of our clients look for when consolidating their systems or improving their business continuity planning or

improving their infrastructure. This goes hand in glove with our services which can greatly improve hardware utilisation, reduce energy costs and a firm's carbon footprint.

"It is not uncommon for us to consolidate a customer's computer room from 30 or 40 servers to three or four host servers and with the ZebraHosts offering we are able to provide this at the same time as delivering business continuity and disaster recovery clustering technology," explained Russell. "With new servers often costing £4,000 each on a four year life cycle these are savings that simply cannot be ignored – especially in the throws of recession."

In this way both businesses can compete with much larger organisations to provide a broad based solution without the need in the short term for major investments in areas that are not core to their business.

Nick Collins said: "The recession is making companies think twice about how they address their ITC issues. Maintenance and

energy costs coupled with capital renewal costs are making businesses look to invest in the latest VMware and virtualisation technology now, in a way that may not have happened if the economic landscape hadn't changed so dramatically.

"We are also seeing a significant rise in companies outsourcing their IT support and of course hosting as they look to reliable external suppliers to remove the headache of an internal IT department with its accompanying specialised and challenging issues.

It is not just this kind of collaboration that ZebraHosts has been able to adopt in challenging times, end user customers have also seen the benefit of outsourcing their IT support function in a bid to keep costs down.

"We are seeing companies such as Guardian Financial Group that have grown rapidly over the last 12 months keep control of their costs by outsourcing their entire IT support function to us and therefore avoid expensive energy and hardware bills," said Nick.

Andrew Hood MD of Gateshead debt management company Guardian Financial Group said: "We have undergone significant growth over the last 12 months and needed to make a decision on the most effective way to move forward, particularly in the current climate.

"Our area of expertise is finance so buying in the skills necessary for our IT requirement to support current and future growth would have to be huge a serious commitment particularly in a recession.

"We felt that rather than doing this it would be far more cost effective to outsource our IT support requirement to ZebraHosts, not only have we gained the benefit of ZebraHosts years of expertise, we also have the security of knowing our systems are hosted and collocated off site in a professional datacentre in case there are any unfortunate unforeseen circumstances at our offices our critical data is protected," concluded Andrew.

