

7 Step Guide to Hiring a Technology Services Provider

Any person put in charge of technology for a company inherently has put on many hats: vendor management, future planning, constant research, problem solving, interruptions, equipment management – not to mention much of this is a thankless job, a left-over task wrought with hollow victories that only you know about (whatever your position at your company). In the world of marketing filled with promises of painless technology advances and uses – **you are the person between what technology is supposed to do and what it actually does.** Although the gap is closing, there is still a great disparity therein and you (or your technology consulting firm) are the people that have to deal with, and close that gap. Technology marketing over-promises and generally preys on ignorance and the promises made with inflated expectations.

A few tips from 15 years of experience providing technology services to a wide spectrum of companies:



1 Don't Play Dumb Excuse the direct phrase – it's all too common and it's all too easy – Playing Dumb. Regardless of your position, regardless of your authority, regardless of your experience – you cannot remove yourself from the weighty decisions because you “don't know anything about computers.”

You don't need to know anything about computers. Every business owner should know the functions, risks, and priorities with their company's technology.

It is OK to say this but unfair to your intelligence and your company to live it. For instance: every business owner (except for a company that may actually provide tax accounting services) could waive a white flag and say they “don't know anything about taxes” and mentally remove themselves from anything that has a financial number attached to issues affecting their company. It is true you may not know about taxes and may never read one line of tax code or do anything but discuss higher level bookkeeping and tax ramifications with your accountant on a periodic basis - but you *are* involved, you know the basics, you know what your accountant is responsible for, you know when your corporate taxes are due, you know the exact date your personal taxes are due, you understand the basics of depreciation, you know what your profit was last month, last quarter, last year – the list goes on – you may not know one thing about taxes but you would never expect to blame your accountant if you were not profitable.

It is all too easy to remove your company's resources entirely from technology due to lack of understanding or simple frustration of on-going problems but you must stay involved. You must understand what your organization relies on, you must know you have data backed up, you must discuss risks and their mitigation, you must draw lines of responsibility, demand that issues are discussed at an appropriate level to alleviate you from the minutia and allow you to absorb executive-level information to be able to take the responsibility to be a part of the direction and control of technology. This cannot be circumvented because you “don't understand computers and you only use email” – you don't need to understand computers, you need to understand what components (and to what extent those components) are helping (or hurting) your organizations mission.



2 Outsourcing: The Dirty Word Outsourcing has a stigma attached to the technology industry. This stigma has gotten its hooks into the technology industry more than most industries. Even a company like General Electric, with thousands of business tentacles that reach into almost every industry needs help from other companies. Outsourcing and technology are heard in the same sentence quite often but it's the same situation you have with you lawyer(s), accountants(s), shipping, payroll services, design firms, advertising firm... a quick look at your vendor list will confirm this.

The reason I bring this up is not to separate technology's name from a stigma, it's to make sure it's being looked at on a level field. Outsourcing is a ubiquitous business fact; a delegation of tasks or processes to another firm that specifically focuses on a particular business process to allow a company to focus on its main mission (a mission that is quite probably an outsourcing of systems, services, products, or tasks for that would be considered outsourcing itself). In the field of technology, outsourcing implies a shift of work overseas. The correct term in today's parlance for a shifting of work and wages overseas is *offshoring* not outsourcing. Except for application development where almost any sizeable project will probably have some work done abroad, outsourcing IT related management tasks is simply a service akin to allowing a payroll service to calculate taxes and withholdings on employee's paychecks.

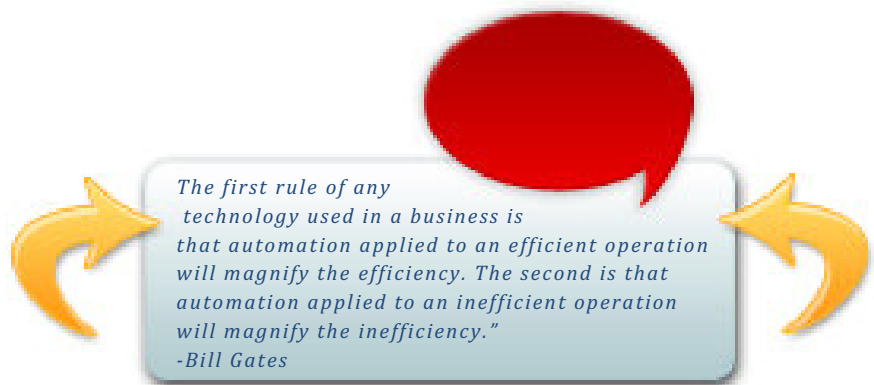


3 Find a Provider you can trust Another less apparent stigma with outsourcing is the inherent mental anguish of the potential loss of control. This is a fear that should not be stifled and should be a factor throughout a relationship with any vendor – especially when choosing a provider. The technology industry is quite new - in a relative sense it's in its infancy. To hand the keys of any part of your computer system over to a provider is a critical move. The speed of technological advances and the daily increase in the reliance of technology to make a business run exacerbates the disparity between how much you may know about your technological systems and how much you must trust a provider. This control issue is not small matter – even deciding to think about trusting another entity to handle some or all of your technology needs brings with it moderate level

of emotional baggage.

4 Your Business is Wanted: Although the information technology consulting field for small and mid sized businesses is still a cottage industry, there are competent firms that are able and very willing to help your company with your technology needs – the value proposition is solid on both sides of the equation. It may be difficult to find a great partner simply due to market size or location but by and large, you can find the help that is needed. Too often I hear from small business that they did not know there were outsourcing firms that wanted their business and would be truly dedicated to their company. Further, the tools available to IT Services firms are slowly (but very surely) reducing the geographic effect from the equation (meaning more and more can be done remotely – just not everything so you must still keep proximity in mind when deciding on a provider). Just about everyone has heard of KPMG, Accenture, IBM, Hewlett-Packard, Apple, or another large consulting firm. What business owners seemed to be surprised with is that once they get involved in the vetting process, just how many firms are willing and capable of taking responsibilities (in varying capacities) for technology at a businesses ranging in size from a boutique business to a Fortune 500 firm.

5 The Silver Bullet Misconception Unfortunately, the latter sentence in the quote to the right is more prevalent. Buying new computers (sometimes referred to as “forklifting” or “refreshing”) will probably not solve your technology problems. Many companies with very modest hardware, very modest software; coupled with well thought-out needs can be very successful and very competitive in their industry. Involved owners, managers and principals can get involved and make prudent decisions on what the company really needs from technology and **what it doesn’t need from technology** (thus keeping distractions at bay; which can be equally as important) and put together a plan to do those thing right (and in the process have increased resources to do those needed things a little bit better).



Having outdated equipment can be an Achilles’ heel but the more frequent (and less addressed) fundamental issue is what underlying processes are being carried out by these tools. Too many times things are done for the wrong reasons. There are almost always spill-over benefits to refreshing your business’ equipment to help rationalize the purchase but there is almost always lower hanging fruit in terms of return on investment than simply replacing antiquated hardware or software.

The difficult thing to relay with this is that yes, sometimes systems do get purchased on a budget and grow in an ad-hoc manner that sometimes cannot be avoided. But as a rule, this is an area where a blank check should not be submitted, to be involved in the processes that make your company competitive is critical, technology is now almost always involved but the technology is rarely a silver bullet that allows a guru with administrative privileges to install and application on everyone’s computer resulting in efficiency that will show on the bottom line later that same day.

6 Chicken or Egg Dilemma - Determining Your Needs This is probably the most frustrating part of the process; by simple logic most firms find themselves in a Catch-22 situation. How can needs be properly determined without the expertise of a technology firm – and that is what this process is designed to result in – a competent technology to define needs and execute a plan.

There is not a one-size-fits-all answer to this but there is a thought process to follow to take the correct steps to get out from underneath this chicken or egg situation. Expect to learn as you go. Therefore, do not feel that reaching out to an initial trusted advisor in the technology area is a long-term decision.

Create and use a Request for Proposal (RFP). RFP is a well-known and well-used term in business and especially with I.T. services firms that respond to RFP’s on a regular basis. Give yourself the latitude (mentally and in writing within the RFP) to modify it as your business needs and goals coalesce. You will learn, at the very least, the executive-level material you will need to know. Once

this level of knowledge is learned, you will probably want to rework your plans (and probably the RFP) to better outline what you want (or want to get rid of) from technology standpoint.



Good I.T. Services Firms...

- ✔ Will do a lot of the thinking for you. The best ones will do it without asking. This will be apparent immediately.
- ✔ Will begin to bring value very early in the process.
- ✔ Will ask questions you may not have asked yourself and do a lot of listening.
- ✔ Will bring industry-specific knowledge or examples of companies that were once in your position.
- ✔ Will generally charge very little for this information. Do not discount those that charge a palatable amount – too many good I.T. services firms have been used to formulate plans for companies that had no intentions of outsourcing and therefore ask that potential clients put some skin in the game.
- ✔ Keep in mind that any good service provider (an accountant, a law firm, a marketing firm) will work to get a role in actually helping to write RFP if they want your business (another example of providing value early in the relationship).

Frankly that is it – that answers the Catch-22 dilemma. The way to really get started is to find a cadre of firms that will most likely help with this process then worry about another group of candidates for final decision making later. One could purport that the above process is flawed if it were not for the fact that the vast majority of the time, the cadre of companies you select to help write, hone, and respond to the RFP are the same except for one or two you may take out of the process or one or two that you will later include.