



*What's Hiding in Your
IT Support Costs?*

ABS Associates, Inc.
Making Technology Work For You





When you evaluate the option to use an IT vendor to support your organization, one question will inevitably weigh on your mind: “*Will outsourcing save me money?*” In order to arrive at a reasonable conclusion, there are *hidden costs* you should take into account when comparing the financial implications of outsourcing versus using internal resources.

It is important to understand the many costs associated with procuring, owning, and using a desktop system. Some organizations calculate a “total cost of ownership,” or TCO, that is based on factors such as the network infrastructure, asset management, and system downtime costs. Estimations of the annual TCO for a desktop system can vary; for example, Forrester Research and the Gartner Group estimate the TCO of a networked Windows PC to be \$2,680 and \$9,784, respectively. While these projections differ greatly, the point is that the TCO is *considerably higher than the capital outlay*.

One of the most painful truths to emerge from the distributed computing model of the 1990s is that support costs have escalated well past anyone's expectations. One reason is that *hidden costs* are incurred when your support offering does not meet the needs of your organization's end-users. Enterprises are finding that such costs – for example, the use of non-technical, non-IT personnel to resolve computer or network problems – can be as much as *24 percent* of the entire IT budget.

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The following are five *hidden costs* to consider before comparing the price of an outsourced solution to the expense of internal IT support.

1: Lost Productivity

A minimally staffed helpdesk can cause end-users to spend more time solving their own IT problems, resulting in lost productivity – a concealed cost to the organization.

KPMG, a major technology research and consulting firm, has stated, "Unmanaged technical support in those organizations effectively doubled the annual cost of end-user computing." As a result, "10% of all manpower within these organizations was spent supporting PCs sitting on end-users' desks." KPMG continues, "Management to a large extent has focused on keeping the costs of technology and support down...*providing minimal support has, in many cases, caused hidden costs to spiral.*"

2: Unnecessary Desk-side Visits

It is critical to offer the right staffing levels and skill sets in order to operate an efficient helpdesk. Unnecessary desk-side visits can result when the helpdesk is unable to solve ticket requests. In fact, approximately 25% of all problems resolved at the desk-side could have been fixed by the helpdesk. Consequently, increased efforts to solve the issue, including time to travel to the desktop system, causes lost productivity for both the end-user *and* the support professional.

3: Reliance On Co-workers

When workers do not feel they have received sufficient assistance from the helpdesk, they engage in greater trial-and-error methods to solve their problems. Often times they interrupt co-workers for help. Again, lost productivity ensues when employees turn to each other for assistance with IT challenges.

4: Non-Standard Business Practices

Inefficient workflows and non-skill based resolutions can result when your helpdesk does not execute best practices. Simply stated, this means that the skill levels of helpdesk personnel are not aligned with callers' needs. Without the proper matching of skill sets and staffing levels, more highly paid engineers are faced with resolving mundane requests, such as password resets or supplying a ticket's status.



5: Insufficient Data-mining and Reporting

Does your internal helpdesk have data-mining and reporting capabilities? More importantly, do these reports give you the information you need? When repeat problems are not recorded, they are solved over and over again – an unproductive support model. Not only will your helpdesk personnel expend duplicate efforts on common issues, but end-users will also spend valuable minutes discussing challenges that were previously overcome.

Out of Hiding

When it comes to calculating the financial ramifications of IT services, it is essential to include *hidden costs* in the equation. While it can be difficult to quantify these expenses, many of them can be contained and avoided whether you decide to insource or outsource. If you choose to run your own helpdesk, you will need to invest in the necessary technologies, implement documented support methodologies, and hire and train experienced, service-oriented support professionals. If you decide to outsource, on the other hand, you will benefit from economies of scale and have access to advanced technologies and skilled professionals *without* incurring capital and labor expenditures. In either case, a *successful* IT support organization will execute the processes required for a smooth operation, maximize end-users' ability to focus on their jobs, and avoid unnecessary support costs.

About ABS Associates, Inc.

Founded in 1982, ABS is a leading provider of helpdesk, desk side, and network support and services. *ABS*help**, the company's *web-enabled knowledge center* captures and reports data to help its clients make strategic IT decisions. For more information, access the ABS' website at <http://www.abs-inc.com/>