Can IT Outsourcing Drive Adoption of Intelligent Technologies for Better Employee Experiences?

Advanced analytics, machine learning, and other intelligent technologies hold tremendous promise. But if employees can't consume them easily, they won't benefit your organization. IT outsourcing can help.

Emerging intelligent technologies have been enjoying a hype cycle. Enterprises are increasingly eager to pursue advanced analytics, robotic process automation (RPA), machine learning (ML), and other forms of artificial intelligence (AI) for marketplace advantage. And no wonder: Organizations using these innovations report increased revenues and cost savings.

But are these companies netting the full value of their investments? There's evidence they aren't doing all they can to leverage advanced capabilities to empower workers. (See the Figure.) That can result in poor employee experiences and missed opportunities.

Tanya Levitsky

Pivot Senior Director of Managed Transformation Services

Figure: Advantages and Missed Opportunities for AI[1]

Organizations are gaining advantages from AI...

63% Companies that report revenue increases in business units that adopt AI

44% Companies that report cost savings in business units that adopt AI

74% Companies using AI that plan to increase investment in AI in the next three years

But they're not doing enough to empower workers...

36% Companies whose frontline workers use real-time AI insights for daily decision-making

35% Companies that offer workers continuous learning about AI

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"Emerging technologies won't yield the results you expect if your people can't access them when they want, where they want, and how they want," says Tanya Levitsky, senior director of Managed Transformation Services for Pivot. "Worse, your investments in intelligent functionality could actually result in employee dissatisfaction, because people can't use them to do their jobs most effectively."

One solution? IT outsourcing. Effective outsourcing can give you the IT governance, infrastructure, and management to support intelligent technologies, Levitsky says – and to ensure better employee experiences.

Cloud-Enabled, Resource-Constrained

The race to intelligent technologies has been enabled by the cloud. As cloud computing becomes ubiquitous, organizations have better access to the latest advancements. Of course, that raises the bar on achieving competitive advantage. To keep up with the competition, you need to continually adopt new capabilities.

But whether their infrastructures are located on-premises or in the cloud, many IT departments lack the skillsets to enable intelligent technologies, Levitsky says. That can lead to undesired results.

One is that IT can't effectively support the business with advanced capabilities. Key benefits of intelligent technologies include the ability to automate tasks, streamline processes, and help employees be more productive. If your lines of business (LoBs) can't take full advantage of this functionality, they can't achieve their business objectives.

Another negative outcome is poor employee experiences. "If the employees who want to use those technologies are constrained by outdated IT infrastructure and services, they won't just be limited in their capabilities," Levitsky notes. "They'll also become dissatisfied and disengaged."

The Case for Outsourcing

One of the biggest challenges for organizations that want to adopt intelligent technologies is lack of internal skills, Levitsky says. And it's not just skills around analytics, automation, and AI. It's also the knowledge and experience to design, implement, maintain, and operate the right infrastructure. That includes everything from hybrid cloud environments to cybersecurity, from application modernization to open APIs.

Another key issue is scale. To enable intelligent technologies, enterprises need to be able to ramp up their IT infrastructure and their IT staff. That can involve significant time, upfront capital expenses, and ongoing operating costs.

"To make technologies like advanced analytic and ML useful, you need a high level of performance, scalability, and resilience," Levitsky points out. "You need high availability so your teams can access the data and tools they need where, when, and how they want to." A well-designed outsourcing relationship gives you the computing resources you need to achieve that goal.

Outsourcing for Intelligence

To make outsourcing work, you need the right approach. "Many organizations – and even many IT service providers – think of IT outsourcing as a contract that covers taking over IT operations," Levitsky says. That can potentially reduce costs, but it does little to achieve real value.

A better approach is to think of outsourcing as a partnership of two service providers. "The outsourcer provides value-adding services to the IT department," Levitsky explains. "And in doing so, it enables the IT department to provide value-adding services to the rest of the enterprise."

A partnership mindset transforms outsourcing from a reactive, budget-driven tactic to a proactive, revenue-driven strategy. It frees your IT function to collaborate with your LoBs – for example, to leverage intelligent technologies to gain new insights and innovate new products and services.
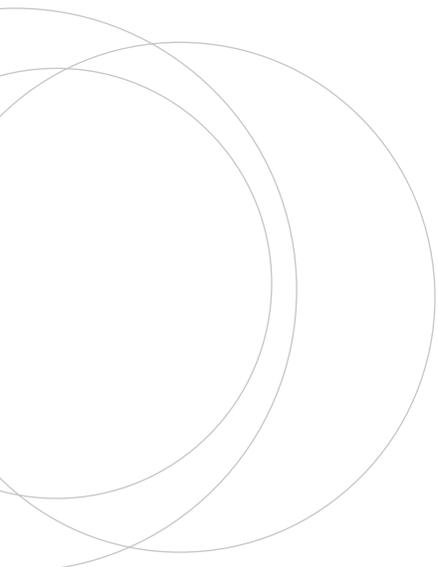
But that's possible only if your service provider is a true business partner, Levitsky emphasizes. If your outsourcer understands your business vision and reflects your business culture, "then you can create an ecosystem that gives you access to both the technology and the skills you need," she says.

Levitsky advises organizations to seek out a provider that will commit not only to near-term service-level agreements (SLAs) but to the long-term, continual improvement of your IT capabilities. It should be able to demonstrate practices and processes that help ensure your IT infrastructure optimally benefits the people who use it.

Outsourcing for Business Results

For intelligent technologies to have value, they need to deliver insights and efficiencies that your workforce can actually consume. An effective outsourcer can:

- Provide the compute power for ML and AI

- Ensure resilience and security so that computing resources are available where and when people need them

- Deliver tools to capture and manage big data and to deliver analytics and visualizations to decision-makers

- Provide the infrastructure to bring together siloed departments to share insights, solve problems, and collaborate on opportunities

Finally, any outsourcing relationship should lead to measurable results: Key performance indicators monitored, SLAs met. But the most valuable outsourcing partnership also "delivers positive outcomes that can't be measured with traditional metrics but are no less tangible," Levitsky says.

Those results could cover implementation of intelligent technologies as well as adoption rates among your user community. They could include an increase in new product innovations and faster time to market. But just as important, your IT outsourcing strategy should extend to better employee experiences.

A partnership mindset transforms outsourcing from a reactive, budget-driven tactic to a proactive, revenue-driven strategy. Visit us at www.pivotts.com to learn more about IT outsourcing and manged services.

1 "Global AI Survey: AI Proves Its Worth, but Few Scale Impact," McKinsey, November 2019

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