**Integrated Management** SERVICES, INC.

# FAST BUSINESS GROWTH, FALTERING INFORMATION SYSTEMS

# Get the Robust & Responsive IS Infrastructure and Systems You Need to Keep Growing

When a company is growing in excess of 25% annually, it's almost a given that the information infrastructure is not keeping pace. Systems become "band-aided" and more and more labor content is added just to support day-to-day business. All too often, inadequate information systems are hindering business growth. Existing systems simply can't support the launch of new products and services or entry into new business channels.

**When the Information Isn't There**
What usually happens is that information systems start to get attention when they fail. The first sign is that management can't get timely and relevant information to run the business. It quickly becomes obvious that the information gap is not confined to one fixable and manageable area of operations. It's systemic and impacts every part of the business, up to and including the bottom line.

When reliable information is not available, the most common approach is to throw manual labor at the problem. In will come different people of disparate disciplines and fragmented practices of compiling reports. And out will emerge the old question, "How come these numbers don't match up?"

What's behind the ever-more evident information crisis is likely to be computer hardware and software components that can't communicate with each other, stand-alone systems that haven't been integrated, processes that don't serve current business priorities, staff whose skills aren't up to the demand, and resources that have been stretched to the breaking point. Ultimately exposed as the root of the crisis are systems and an IT infrastructure no longer aligned to the business needs.

**Outsourcing the IS Department**
The solution many fast growth companies are turning to is the outsourcing of the information services department, for a few years or for longer durations. This approach has the benefit of allowing management to continue to concentrate on running and growing the business while the information infrastructure is quickly brought up to speed. The IS department is a good candidate for outsourcing, in that in most cases does not represent a core competency.

**Closing the Gap**
The first step in IS outsourcing is a thorough assessment of the systems, skills, standards, procedures, and documentation a company has in place, a comparison of the existing state, and the company's actual IS needs. In companies whose rapid growth has outstripped the capacity of their information infrastructure, we have found that:
- Neither technical nor managerial skill sets in the IS department are up to the desirable level
- Systems people are in a constant firefighting mode
- Documentation and backup are lacking, exposing the company to serious risk
- Systems are error-prone and maintenance intensive

After the gap between current state and future need has been defined, a roadmap for short-term (90 days), intermediate (180 days) and long-term (up to one year) improvements are developed. It is often possible to implement the plan with no increase in the information services budget.

Here's how the outsourcing arrangement works:

- The outside firm takes over the management of the IS department for a specified period of time, often between one to three years. IS employees of the company can, but don't have to become, employees of the outsourcing firm.

- The people resources of the IS department are quickly rationalized. In almost every case two or three high-level people from the outside firm are placed in senior positions in the department. Changes are made to the existing staff, so that headcount typically is decreased and more experienced and skilled people are utilized.

- The newly configured staff key focus is on short-term and intermediate systems and service improvements that have a positive impact on the business operation.

- Concurrently, the on-site consultants work on the longer-term improvements such as: creating a reliable IT infrastructure, establishing improved IT practices, and implementing new and improved systems.

Outsourcing IS eliminates a multitude of challenges: the difficult job of recruiting the right technical professionals; the high risk of depending on the knowledge in the heads of a few key people; the heavy costs of investing in technologies that aren't closely matched to future needs; and the high maintenance associated with mismatched skills and systems. Outsourcing also enables fast growth companies to get the technical talent they need without having to recruit all these fulltime people. Consulting firms that provide IS outsourcing services have the flexibility to bring in an expert for a few days or weeks, as needed.

Good outsourcing contracts provide for strong continuity. If the company wants to run its IS department internally after the contract period ends, it has the opportunity to recruit individuals from the outsource company. Many leaders of rapidly growing companies don't want to concern themselves with how IS departments work. They just want them to work well – to provide the speedy, reliable, meaningful information and systems that are flexible enough to support the rapid business growth.

## WHO WE ARE

Since 1988, IMS has specialized in fast growth companies and companies under new management. Our industry leading professionals works with businesses that need significant improvements in IT capabilities or a complete IT turnaround, domestically and/or worldwide. The IMS team has extensive executive level experience in Fortune 500 companies in diverse industries.

IMS' core capabilities focus on retail, direct sales, consumer goods, and business services industries. Additionally we work with the private equity community performing due diligence and assisting in complete IT turnarounds. We partner with companies at the executive level to insure processes, IT strategic and implemented solutions are business driven and aligned with critical business objectives. IMS is based out of California and the New York tri-state area.

We Understand Business.

Leverage Technology.

Get Results.