



Outsourcing INTERVIEW by James Murray

Outsourcing can offer something for all

Gary Woodward, CEO of Pasporte, explains how outsourcing can work for the midmarket

IT Week: IT outsourcing is often associated with large corporate accounts. Is there really demand from the midmarket for outsourcing?

Gary Woodward: We do see resistance in some cases, but more and more firms welcome the idea with open arms. Most midmarket firms will have some IT skills but they realise that they need to either spend a lot more or look for external support if they are going to significantly improve what they've got. In the past few years we have shifted from being a VC-funded, loss-making ASP to a rapidly growing and profitable supplier of IT outsourcing services to midmarket-sized companies. Our business is growing dramatically and we don't think that growth is above the market trend, which suggests attitudes are changing.



Woodward: Firms want a fixed service at a set cost

Why do you think this is?

One of the main reasons is that firms want cost control. That doesn't mean they want to necessarily cut costs. It is just that they want a guaranteed level of service at a set cost and that is what outsourcing can offer them. When they manage IT internally they tend to be able to hide the costs because they don't appreciate the wasted time and lost productivity that can come from doing it themselves. Technological improvements have also driven demand for outsourcing. The internet is now so prevalent that it is not just email and messaging that the IT department at a midmarket firm has to provide. The supply chain and customers want to use the web and everything is getting far more complex, with a need for greater security and control. Sup-

porting and maintaining these technologies is simply way beyond the in-house skill sets of many midmarket firms.

What types of services does Pasporte offer?

Our proposition is to provide selective outsourcing to midmarket organisations in the form of managed networking, managed hosting and application management services. It is difficult to define the midmarket, but we tend to target firms with between 250 and 2,000 staff. It is a different criteria to that used by a lot of the larger services firms, which will simply say you are in the midmarket if you don't spend enough with them to qualify as a corporate account. Through our Orchestra branded service the customer can outsource elements of their IT functions to us, outsource everything to us, or outsource parts of the department to us and other

About Gary Woodward

- Gary Woodward is CEO and founder of Pasporte. Prior to Pasporte, he co-founded IBM reseller Panacea.
- Launched in 2000, Pasporte is a managed service provider and IT outsourcer that targets mid-market companies.

parts to other providers.

One of the big criticisms of multi-sourcing is that firms find it difficult to manage all the different contracts. Is this problem even more acute for smaller companies?

I'd argue that the tendency to spend too much time worrying about SLAs and contracts and not enough time focusing on the actual delivery is more prevalent at larger firms. And that is where the problems occur with multisourcing. Our contracts aim to be lighter. We're not cavalier about them, but we try to embody the overall relationship rather than including everything down to the nth degree, and we find that suits the mid-market customer.