

In-Store Technology

What to outsource and why it makes sense for retail chains

By Ken Gish

Staying on the competitive edge of in-store technology—and keeping existing technologies current and functioning—is a primary concern for today’s retail businesses. Outsourcing for systems deployment and maintenance is a smart decision, as the immediate and long-term advantages are numerous. Outsourcing implementation allows a retailer to swiftly implement changes nationwide, putting the company in a “first to market” position and providing quicker ROI on new technology. Outsourcing technology maintenance can extend the life of current in-store assets, significantly reducing asset purchase expenses. It’s finding the right provider and justifying the decision that are the real issues for most retail decision makers. So, what are the answers to these questions?

Why outsource? Many businesses try to handle everything internally, believing that their own resources provide the best solution. For some, this works. But for most, it ends up being a costly oversight. Expenses can be significant in terms of human resources and associated costs, including compensation, benefits, travel and administration. And utilization of human capital is complex, as companies find they are employing full-time resources for part-time or variable work. A full-time staff could be an unnecessary expense due to loss of productivity in slower periods and overtime expense at busier times.

Most of all, though, retail businesses are choosing outsourcing over internal resources for one reason in particular: Providing these solutions is not their core competency. It’s a simple idea, but quite a shift for many decision makers, who believe that their people provide better knowledge and control, yet fail to recognize how significantly outsourcing reduces their costs, frees up their resources and puts their company in a more strategic marketplace position.

The key to success in outsourcing is choosing the right provider. In today’s environment, a retailer can afford to shop around until it finds a perfect fit. The *right* outsource partner for retailers is one that offers a complete solution—the right combination of price, quality, expertise, trust and a proven track record. In addition to the services provided by outsource com-

panies, most retailers find that the *right* partner offers significant value-added benefits, such as information sharing, real-time access to data, integrated systems, technical call center, asset management and tracking, nationwide coverage and solutions for the entire life cycle of technology products and service.

One factor for companies looking for an outsource partner is finding one with solutions that are mutually beneficial. For instance, most companies that manufacture technology benefit when their clients must purchase new systems and hardware. To run as efficiently as possible, retailers require a partnership that will keep their existing store systems running as long as it is practical, and then introduce new technology when it’s applicable. The right partner will have deep industry experience relevant to the retailer and will be uniquely qualified to report and share data that identifies trends, problems and opportunities within both the company and the market—giving the retailer a significant competitive advantage.

What can be outsourced? Outsource companies offer a number of services designed to make life and business easier and more cost-effective for retailers, including:

- **Help desk:** Expert assistance with help-desk calls keeps your resources from getting mired in troubleshooting.
- **Equipment repair:** Complete refurbishment and express replacement of assets increases efficiency and eliminates cost.
- **Staging and consolidation:** Technicians familiar with your equipment quickly and consistently configure your hardware and ready it for deployment.
- **Field deployment:** An expandable network of nationwide technical representatives, utilized to install your technology.
- **Maintenance and support:** Variable work force devoted to increased asset life and system availability.

All of these factors, and many more, are influencing today’s retail companies to outsource their in-store system implementation and maintenance needs. Most companies are finding that, with the right outsource partner, the decision has a powerful effect on the success of their business.



Ken Gish is COO, CrossCom National, LLC, Buffalo Grove, Ill., kgish@crosscomnational.com.