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IT SERVICES UPDATE

Top Issues IT Professionals Face in 2012

An annual study of IT executives prepared by global strategic advisory company, The Hackett Group, offers a good glimpse into the key issues facing IT organizations. In its newly published report, The Hackett Group concludes that 2012 will be a trying year for IT organizations.

The key issues facing IT executives for 2012 include:
- Tackling IT/business alignment.
- Enabling transactional processes via technology.
- Reducing the complexity of the technology infrastructure and application portfolio.
- Supporting data governance and data management initiatives.

Hackett reports that IT executives are also concerned their business will not be able to acquire or develop the necessary IT skills to meet its business needs.

Insurance & Technology, which reports on business and technology issues in the insurance sector, found their industry IT executives are concerned with incorporating data analytics, integrating legacy systems with modern systems, and moving past just accommodating mobile technology. The insurance industry is also concerned it will not be able to find IT professionals with proper skills. One potential solution to locate the necessary IT professionals is through IT staffing providers. According to *Insurance & Technology*, an executive with Novarica, an insurance and financial services consultancy, says that larger companies often have multiple staffing providers to help with diverse projects. All positive outlooks for IT staffing firms for 2012.

IT Spending Outlook: American Small and Midsized Business

Overall IT spending by American SMBs with fewer than 1,000 employees will exceed $138 billion this year, according to new estimates from IDC, a leading provider of market intelligence for technology markets. While packaged software and PCs will represent the largest share of this spend, the midsized (100-999 employees) portion of the SMB market in particular will also show strong spending in IT services.

SMBs will dedicate the largest portion of their 2012 IT dollars to packaged software and PC purchases. SMB packaged software spending will total almost $50 billion, or more than one-third of the total.

Commerce/Bureau of Economic Analysis
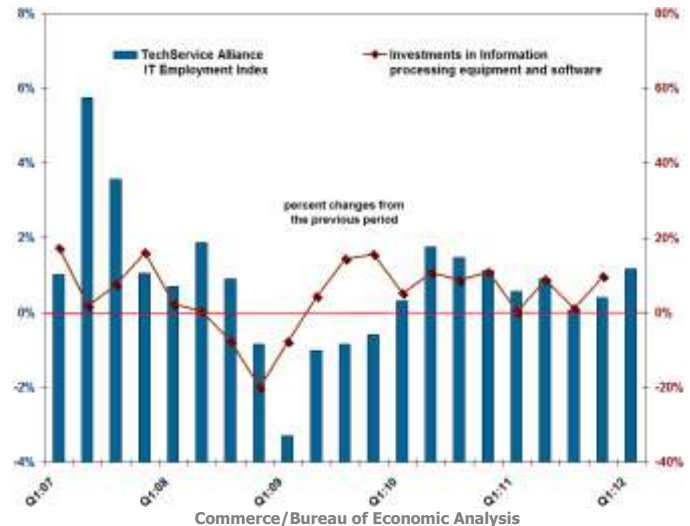
The Expanding Cloud of Cloud Computing

Cloud adoption is inevitable and so are countless studies and reports sponsored by vendors about its growth potential. Two reports published in March 2012 by high-profile consultancies focused on how the growth in cloud computing is contributing to job growth.

One white paper conducted by IDC, sponsored by Microsoft is entitled "Cloud Computing's Role in Job Creation". The white paper takes a global approach and estimates there will be 1.2 million cloud-generated jobs in North America by year-end 2015.

In contrast, "Job Growth in the Forecast: How Cloud Computing is Generating New Business Opportunities and Fueling Job Growth in the United States" conducted by Sand Hill Group, sponsored by SAP, reported that 11 cloud companies added 80,000 jobs in 2010 in the United States. This report, using a much different methodology than the IDC paper, estimated that the number of jobs created because of cloud computing in the next five years will be almost 475,000 in the U.S. and overseas and noted that "it is reasonable to expect that the bulk of new jobs will be concentrated in the United States."

In addition, the Sand Hill Group found that 12 cloud players averaged 24.5 percent revenue growth in 2010 compared to only 5.4 percent average IT spending growth for the same period. They also estimate that cloud-based revenues could grow $20 billion a year for the next five years.

The IDC paper estimates the size of the cloud market at $28 billion, which is 1.6 percent of the $1.7 trillion in of the total IT products and services spend.

IT INDUSTRY TRENDS, RESEARCH AND DEVELOPMENTS

IT Employment Well on Road to Recovery

Computerworld's reports that its 2012 Salary Survey, , found that "87% of hiring managers who responded expect IT staff head count to increase in the next 12 months or remain the same. Only 25% of the total respondents reported hiring freezes, compared with 39% last year. Other negative indicators, such as salary freezes, budget cuts and layoffs, are all in retreat."

Data examined by TechServe Alliance supports the contention that businesses are hiring greater numbers IT professionals. This is manifested by low unemployment rates for many IT and computer related occupations, which were significantly lower than the overall unemployment rate that was between 8.2 and 8.3 percent in Q1 2012.

Occupations	Q1 2012
Computer and information systems managers	3.1
Computer hardware engineers	4.4
Computer network architects	2.5
Computer programmers	4.3
Computer support specialists	7.1
Computer systems analysts	4.2
Database administrators	5.2
Network and computer systems administrators	5.5
Software developers, applications and systems software	3.6
Web developers	5.9
Source: unpublished tabulations of Current Population Survey data furnished by the U.S. Bureau of Labor Statistics.	

More IT Graduates in the Pipeline

The number of U.S. computer science majors, was up almost 10 percent in the 2011-2012 academic year according to the Computing Research Association (CRA). In addition, the number of graduates awarded U.S. bachelor's degrees has been on the increase since 2010 and up almost 13 percent in 2011 in schools that participated in the survey for the past two years.

The CRA, which is an association of more than 200 academic departments of computer science, computer engineering, and related fields, suggest that "growth in enrollment is being constrained at institutions not by student interest, but by enrollment caps in place in university computer science departments."

Hard to Fill IT Jobs

Although recruitment of IT professionals is, and expected to remain, tough into the foreseeable future, some positions are even harder to fill than others. Problems often arise because the expectations and /or requirements are unrealistic or other challenges arise because few IT pros want specific types of IT jobs.

Recently *TechRepublic*, a publisher of technology, news and strategies for IT professionals, published a list of the hardest to fill positions and the reasons why these openings often are going unfilled.

Since a successful IT career is often paramount on staying on the cutting edge, legacy/maintenance programmers are hard to find because, as *TechRepublic* puts it, "these jobs … are the kiss of death for a career."

Other roles that can be hard to fill because they require diverse and conceivably divergent skill sets such as senior IT management / leadership jobs. Companies may be making a leap of faith if they bring in a good leader with the needed business skills but with weak technical knowledge. Conversely, it can be equally dicey with going with someone with the proper technical skills and hoping the required leadership and business skills can be developed. The need for divergent skill sets is also the reason there is a dearth of IT trainers, who need to be both IT savvy and expert trainers. The same goes for pre-sales engineers, who must be a salesperson with superior technical knowledge, or the other way around depending upon a company's focus.

Finding good people to provide help desk support, which also has a reputation for being high stress, can be a challenge because since many companies see help desks as cost centers and therefore do not have the budget to pay for a person that can do the job well.

Tips & Tricks

Looking for a Needle in the Haystack?

Despite advances in search engine technology, anyone researching a subject or looking for a particular document or file often needs to scroll through multiple screens of results. Here's a quick trick that could save some time sorting through non-relevant search engine results. Just have the search engine of your choice – it works on all the major ones – only return results for the type of file you want.

For example, when looking for product manuals of any type, search for only PDFs since most are produced in that format. Just conclude the search string with ***filetype:PDF*** and only PDF files will come up in the results.

This tip works for any type of file.