



**MARKET
TRENDS
REPORT
Q4 2011**

**TECHNOLOGY
AUSTRALIA**

ambition



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Introduction



With 2011 drawing to a close it's now a great time to reflect on those early year predictions to see just how right or wrong we got it. There is often a sense of market strength or weakness that permeates business confidence way before the figures and analysis come about to prove or disprove.

The Reserve Bank of Australia (RBA) earlier this month cited wages as one reason why it cut interest rates by a quarter point to 4.25%, the first easing in over two years. This was supported by comments on the marked slowdown of employment growth where market caution has seen the jobless rate climb up to 5.2%, from a low of 4.9% back in April.

Already the predictions for 2012 are coming thick and fast with the usual swing of opinion; from optimistic growth on the back of sustained demand from China for our resources, to pessimistic claims of decreased consumer spending, a failing housing market and ongoing effects of the European economic financial crisis.

Predictions aside you only have to ask the man on the street and they will support the ongoing caution and trepidation that has peppered this year's economic performance. People are concerned, and perhaps more importantly for the first time people are now concerned about global economic data measures rather than those that relate solely to their own backyard.

So what should we expect in these uncertain times and can we take steps to prepare ourselves for the ongoing bumpy road we've come to expect of the last few years?

This report will take a cursory view of activities across the Technology and Recruitment industries. How some companies are battling ahead with innovation and where we might expect demand for human resources to thrive or dwindle in the coming year?

Kind Regards
Andy Cross
Managing Director, Technology

Recruitment/HR Issues

Hyper-connectivity and Recruitment

Hyper-connectivity is a term invented by Canadian social scientists Anabel Quan-Haase and Barry Wellman, arising from their studies of person-to-person and person-to-machine communication in networked organisations and networked societies. The term refers to the use of multiple means of communication, such as email, instant messaging, telephone, face-to-face contact and Web information services.

Take a glance around you while waiting to buy your next cup of coffee or when you're travelling home on the bus or train. The amount of people who are plugged in to mobile media devices is astonishing and as any technology commentator would attest the explosion has really taken hold in earnest over only the past five years. And look again at those people sat next to you and often you'll find that not only are they using multiple methods of communication channel, but they're using them simultaneously.

Information overload is becoming a real challenge and there is an argument that the huge number and sources of distraction have the ability to seriously change our cognitive abilities not to mention our ability to extract fact from fiction and evidence from bias. The art of communication is if not dying, very significantly changing.

And when it comes to recruitment today, forget about gut-feel or any other subjective measure; the answers are online can be sourced and cross referenced on Facebook, Twitter, LinkedIn and many more web based locations!

But with all this data, where is the time for reflection and quality decision making when the ability of technology to process complex information in milliseconds lies in the palm of the hands of millions of users? With the ability of Technology to streamline our work practices we run a very high risk of forgetting the significance of our role as recruiters, person to person connection. Why should I invest time in talking to someone and building rapport when I can gain all the insight I need to their personality and character from their online profile?

Recruitment is an Industry based on human interaction; where basic personal qualities of trust, persuasion, honesty and effective communication are essential to developing understanding of an individuals' drivers and career objectives. If we expect to maintain our value as recruiters then we must be wary of placing too heavy a reliance on the multi-source online data sources which we are using to source, screen and select our employees.

So when the pace of technology outruns the purposes it's designed to support, the answer lies in getting back to basics. Log-off, unplug, disconnect and take the time to communicate effectively, with a purpose and ideally in person.

Staying sane (and employed) through the Holiday Season

It wouldn't be Christmas without the annual guide of what to do and what not to do during the Holiday Season, but this year perhaps the landscape has changed a little with the advent of mass communication social networking tools such as Twitter and Facebook. You get it wrong now and your faux pax will be broadcast far and wide for all to see/hear about.

With the online world now more pervasive in all aspects of our lives than ever before there are a few new 'no-no's' to consider in your Holiday etiquette list.

Looking good and feeling confident is everyone's goal when attending a social function so be polite, and with a smile on your face, say 'hello, nice to meet you'. Do not go down any of the following paths...

1. Age is a definite taboo topic when meeting someone for the first time; remember discrimination legislation exists for a reason. So no matter how good you are at guessing people's ages, keep this one for a Saturday night out with friends.
2. Comments on physical attributes can lead to only one outcome, and it's usually bad. So the person has a tummy, they may not indeed be pregnant...the guy wearing glasses indoors may not be such an idiot he may be blind. Remember the wise proverb – people in glass houses.
3. Similar to point two above, comments on dress code or style should be avoided at all costs unless you remember the magic words "You look fabulous!"
4. Religion and Politics are for many, the two most boring topics in existence and as everyone knows prone to start wars. A party or social event is not the setting to engage in debate no matter how knowledgeable you may be in either. Plus with alcohol involved your plan to solve the financial crisis in Europe is unlikely to stand up to daylight scrutiny.
5. Recruiters, human resources and sales people take note: never, never ask anyone how much they make or what their salary is. You may do it every day in your working environment but not in a social setting. In fact this subject is so taboo to most people that it's often cited that they would rather talk about their sex life than their bank balance.
6. We may be the "always on" generation but avoid being the social pariah as the person glued to their iPhone all night or iPad, Blackberry...did I miss any?
7. Talking of Technology, the world is watching and listening for you to stuff up so avoid that Zoolander 'dance off' unless you're comfortable appearing on Australia's funniest videos or Youtube.
8. On the same subject, gossip is a turn off at the best of times but with the advent of twitter the playing field is no longer level. Your half whispered insider information may well be tweeted out to your confidant's 7,000 follower within the hour – you have been warned.

9. Flirting may be fun but it's also fraught with peril. Think 80's movie Fatal Attraction minus the bunnies only with added Facebook stalking. Every phone today has a camera, a voice recorder and video. It's no longer a question of interpretation if its on the web!
10. And finally when it comes to the web – if it's there it's there forever. So before you partake in any of the previous nine steps, remember that Monday morning you may laugh off the comments on your Facebook page but in six months time when a prospective employer checks your 'online brand' the laugh may be on you!

Social Media: The 'Tipping Point' in the Recruitment Industry?

Published in January 2002 Canadian author Malcom Gladwell in his book 'The Tipping Point' dissects trends in society and how they spread through the population like an epidemic. He looks at how the little things can make the biggest difference in gaining a market dominance or position.

Gladwell defines the factors which he believes contribute to the changes in society that create popular cultural and societal trends, fashions or habits. In summary he points to three main personality types that are critical in spreading trends: The connectors, people who by definition know lots of other people and who are comfortable sharing thoughts, opinions and views across their networks. The Mavens, people with an insatiable appetite for knowledge and information, and who will share detailed analyses on any issue or product. Finally the Sales People, those individuals who have the ability to convince others as to why they should change their behaviour.

The widely recognised trend of the day is of course Social Media and it would be fair to say that it's a trend that has taken a strong hold across society at all levels (epidemic style). Closely linked to Social Media and often interchanged is the term Social Recruitment which on the contrary is not the same and which, as a result, has become the root cause of many confused 'social' recruitment strategies.

You see recruitment per se has always and will always be a socially driven activity if performed correctly but the point people are missing is that Social Media is merely a collection of online tools (think Facebook, Twitter or LinkedIn) which if used correctly can be useful for recruiters to reach their prospective communities of job seekers. Technology will allow connection on multiple levels and through multiple media channels and indeed will also go some way to screening the type of connections that you are looking to make. What Technology cannot (currently) do is sit in front of a candidate and look them in the eye, ask questions which go to the character, integrity and personality of the individual.

The recruitment industry is certainly primed for significant shifts in practice over the next few years but will there be an all favoured trend or craze?

I think you need only look to the fractured nature of the Industry and its lack of legislative governance, to appreciate that Recruitment remains an industry of experimentation; of trial and error and micro, rather than macro level change.

Recruitment Mobility

In June 2010 Morgan Stanley announced from research that Smartphone Units sold will surpass PC units in 2012. Smartphone units sold actually surpassed PC units in Quarter four 2010.

Consider the following facts which support the incredible growth of this telecommunication medium.

- Desktop internet sold 1+ billion units in the first ten years.
- Mobile internet sold 10+ billion units in the first ten years.
- According to IDC year on year smartphone growth is 87.2% compared to 2.7% for PC's.
- India and China added 300 million new subscribers in 2010 – more than the total of the USA.
- Globally there were 5.3 billion mobile subscribers by the end of 2010.

Suffice to say this is not a bubble but a revolution upon which businesses are rapidly working out how to capitalise on the medium to advance their products or services. And with mobile technology developing so quickly, some are embracing the change whilst others are struggling to make the seemingly simple step of developing a mobile web platform upon which to engage their customers.

So what benefits can developing a mobile strategy create for your business?

1. Talent Acquisition remains a key driver for many organisations large or small and one of the major benefits of a mobile supported recruitment strategy is the ease with which this talent can connect to you and your open opportunities. A system which allows potential job seekers to apply for positions via their smartphone or web enabled device not only saves time but allows them to take control of the application process in a time and manner which fits in to their schedule.
2. Brand identity is critical in today's market and a strong online presence is essential for most industries to drive sales. Generation Y has grown up with an expectation to access information quickly and easily. By adopting an easy to use, positive consumer experience this will significantly increase the brand value as one that meets the needs of modern consumers.
3. Workforce make-up is changing and a disperse group of employees can benefit hugely from the ability to connect to their internal systems, applications or management. Efficiency and engagement will increase if workers are able to connect in a meaningful way to their employer and systems. The ability to complete and submit timesheets or expense requests on the fly gives management real-time access to workforce costs and expenses as does the use of employee self service HR/Payroll tools.
4. Delivering workforce data to smartphones and web-enabled devices will revolutionise HR service delivery. The productivity savings that accompany this technology are enormous and should be considered by any organisation that is preparing a business case for the implementation of mobile HR. Adopting this type of technology can remove the tactical burden from HR and provide more time for them to focus on developing workforce strategy and driving execution.

Technology News

Is Santa under threat from Technology?

Today Technology can make life easier for many people in many ways but the threat to the belief in Santa Clause is rising fast for kids around the world. Kids can video chat with Santa, follow him on Twitter or enlist NORAD to track his every move online. And whilst this is all fun for the kids, it's increasingly difficult for parents to keep the belief alive for their children.

At every junction the age of the Internet poses a threat to blow the big guy's cover. With a click of a button Google can answer the questions every kid wants answered, "Is Santa real?" and "How does he get around the world in one night?"

The answers will vary from science to magic with a plethora of websites that sell customized letters from the North Pole or offer advice to Mum and Dad on how to fool the kids.

Is mystery and magic lost on our technology weened generation?

2011 results for IBM were pretty good, topping off its centennial anniversary and marking a successful multibillion-dollar investment from Warren Buffett. In addition it recently announced that the company would be appointing a new CEO, Virginia M. Rometty, at the beginning of 2012.

Bobby Cameron, vice president and principal analyst at Forrester Research, said that "Rometty's appointment is all about staying the course. There's a transition that's been underway at IBM for quite a long time. It's toward an integrated set of offerings with consistent customer attention and service. The focus is increasingly around business results instead of selling products".

Cameron said that, for the most part, IBM's strategy going forward is to further integrate its products to focus on these business outcomes. For that reason, he said Rometty's appointment as CEO shouldn't bring about any major changes. That sentiment is also echoed from within IBM.

iTunes Match launched

iTunes Match, part of the iCloud suite that launched earlier month, stores the entirety of your music library in the cloud, at a cost of \$25 per year. Unlike competing cloud storage music services from Amazon and Google, iTunes Match saves a lot of bandwidth and time in your initial synchronization, because Apple can identify which songs in your iTunes library are already available in the iTunes Store. If Apple can positively match a song in your library with any of the 20 million tracks for sale in the iTunes Store, it won't bother uploading that song; only unmatched songs get uploaded to the cloud.

Although only available in the US it is expected to roll out to Europe and the rest of the world in the early part of 2012.

Consumerism of IT forces skills uplift

The consumerism of IT is placing pressure on Technology professionals to up their skills or face redundancy from a public no longer dependant on them for technical assistance.

Power users are now more comfortable than ever with technology, they're more likely to attempt to solve their own tech problems before they call IT and when they do call its only complicated problems.

Take the upgrade to iOS 5. Ordinary users downloaded and installed the new OS en masse, without involving techs and without much worry about ruining their device or breaking apps. Later, when users discovered that the upgrade had actually degraded the device's ability to maintain a charge; they still didn't turn to their IT department for help. And they couldn't call Apple, because the company hadn't acknowledged the problem at that point and couldn't fix something that wasn't broken.

Instead, users worldwide gathered on the Internet to share their problems and eventual solutions, a method once reserved for techs. One suggested solution was to delete all contacts and re-sync. Who but the collective experience of millions could have come up with that? Such collective troubleshooting – users turning to each other and trying to help themselves – is an effective system that will improve over time as more people feel comfortable using it.

Industry Sectors

Applications

The application development market has remained in a positive position throughout this year with only the upcoming holiday period stalling the slow but steady momentum, in a typical seasonal slowdown.

The focus on development projects have continued to fuel demand for workers across Industry Sectors with the Banking and Finance Industry (B&F) in Sydney drawing the highest demand followed by Technology and Vendors (T&V) then thirdly the Utility and Resources (U&R) sectors. In Melbourne the demand is more evenly split between B&F and U&R with Retail also drawing on the need for development specialists. Brisbane which has a lesser developed B&F sector saw most demand in its Government sector followed by T&V.

As a result of the 'wait and see' attitude that has kept the speed of project uptake to a moderate pace, the end of the year has seen a swing back to the use of contract resources to top up project teams and complete outstanding pieces of work in short timeframes.

Indeed the very nature of contract recruitment at its heart has always been about delivering discreet pieces of work under constrained parameters and this has driven the Agile Manifesto principle: of early and continuous delivery of software. With that in mind the demand for contractors skilled in Agile development methodology continues to rise, backed by a wide number of training providers who are keen to match market demand with supply of suitably skilled developers.

Rapid Development Application Languages, most notably for web applications on the server side continue to develop apace and more resources are being requested for projects with skills in PHP, Python, Ruby on Rails and Sinatra.

In the collaboration space MS Sharepoint remains popular with the Enterprise crowd but draws equal levels of acclaim and criticism. A blogger comments, "What starts out as a hierarchically organized file share ends up as a hierarchically organized file share with a web interface on top of it. SharePoint is constantly rolled out in a slipshod manner with little thought to governance or developing scalable and maintainable taxonomies. The resulting organic growth inevitably results in buried content with no easy mechanisms for ambient find ability".

Rates remain consistent with the usual spikes expected for niche skills or those required for critical roles under tight timeframes.

Business Engagement

A late run to complete projects before the end of the year has seen a sustained demand for contract business analysts, testers and project managers but on the permanent job front the market has already started to contract.

Around Australia the number of open roles for permanent resources in this space has been dropping for the past few months and indeed a number of organisations have also been releasing resources from the business back in to project pools pending new work being signed off. The end of the year often sees many of these types of role take an early summer holiday only to pick up again mid-January with new budgets and deliverables.

What is evident is that the push for strategic advantage through business intelligence continues to be at the forefront of the agenda of most mid/large sized organisations. The five recognised styles of Business Intelligence and Analytics are now gaining specialist focus from practitioners who recognise the ability to create a niche in their respective field. These areas are, self-service analysis, business reporting, parameterized & operational reporting, performance monitoring, and score carding. In each case there are a number of different software tools which can be employed to perform the necessary tasks, each with respective pros and cons.

While the Banking and Finance sector continue to bump up and down on the strength or otherwise of local and overseas markets, the NSW State Government this week released a draft ICT strategic framework, which it hopes will help it become a leader in technology across Australia.

This week's move is a follow up to the newly elected NSW Coalition Government's statement earlier this year making it clear that it wanted to become "the nation's leader in information communications and technology". To launch the initiative, a Strategic IT Forum attended by over 80 government and industry leaders had been held at NSW Parliament House in June – an event that Pearce described as marking a "new era" of ICT investment and opportunity in NSW.

NSW's drive to dislodge Victoria as the country's technology capital comes on the heels of the Victoria Ombudsman's report portraying the abysmal state of its ICT projects, which were attributed to the Labor government's gross mismanagement.

The focus on delivery of the framework objectives should hopefully over the coming 12 months and beyond, drive further demand in the Business Engagement space which will mean projects for Business Analysts, Project Managers, Testers and BI specialists.

Infrastructure

We ended our Q3 report on the advice that the hot skills in demand were in the more specialist areas of Storage, Security and Cloud/virtualisation. That much remains unchanged as we reach the end of the year, but what is of interest (see earlier piece on consumerism of Technology), is the need for the quality of Service and Help Desk delivery to improve. For years these roles have been the entry point for many IT positions from future Infrastructure Managers to Business Analysts and Chief Information Officers. With a greater complexity of systems and applications, a growing expectation from end users and a new breed of self service products, the skill level of these individuals needs to shift upwards.

The usual rhetoric about the skills shortage, whilst certainly true with some context, hits the most controversy from job seekers in this discipline. Many fall squarely in to the grey area roles which are required to gain corporate experience but which lack the specialisation to demand job or salary security. Ask them if there is a skills shortage and they argue they are underpaid or struggling to gain employment. We currently see a wealth of eager and passionate individuals who are looking for jobs in this sector yet struggling to match their skills against employer needs and wants.

CIO Insight's midyear IT Investment Trends study, pointed to a renewed interest in IT Infrastructure refresh projects but also highlighted some interesting statistics which job seekers should pay attention to.

“Cloud computing has contributed to much higher desktop and notebook budgets in 2011: On average, enterprises are expecting to spend 21.3 percent more than the previous year. The cloud has also led to sharp increases in 2011 spending plans for desktop management (18.1 percent), applications management (12.2 percent) and governance (11.6 percent) compared with 2010”.

Rates for contractors and permanent employees remain muted at the junior end of the scale whilst those specialising or which mid/senior management experience can expect to receive more favourable compensation levels. Those levels have not grown aggressively this year and with an economy bumping along we expect to see sustained, but minimal wage pressure in the New Year.

Executive

Executive level recruitment in the Technology space has seen a slow year at the more senior end of the market with \$200k+ roles harder to come by. While there have been lots of changes in terms of strategy, structure and leadership at most of the larger IT organisations, most have learned to do more with less.

A number of the top tier banks have undertaken a “changing of the guard” and this in turn has effected change at the senior and middle management levels. As is now customary in this space however, IT leaders with no exposure to finance are rarely first choice on the shortlist. Demand is most strongly targeted at mid-management level applicants who employers believe can be groomed as leaders of the future.

Another trend impacting the supply of IT leadership roles is the big push for outsourcing, co-sourcing, hosting, cloud (call it what you like) as this has reduced some of the focus on large team, people management skills. This in turn has created a shift in the skill sets required at a leadership level. Companies are now looking for managers with strong experience in consulting, integration, consolidation, vendor management and cloud computing.

Our advice for IT leaders in 2012 is to make sure they are managing their experience as well as their personal brand.

About Ambition

Ambition Technology

Ambition Technology, based in Sydney, Melbourne and Brisbane, is structured to mirror the IT departments of its National portfolio of clients, with three dedicated teams of consultants focusing on Applications, Business Engagement and Infrastructure.



We are actively involved in the Technology market, we know what's happening, where and with whom. You receive information to allow you to stay competitive and ahead of the curve.

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