

A Time of Growth & “Cloudy” Ambiguity in IT

Technology innovation and proliferation is a constant and has been even through this rough economy. Will new technology growth spur staffing in corporate and government IT departments? Will trends like cloud computing become mainstream methods of operation?

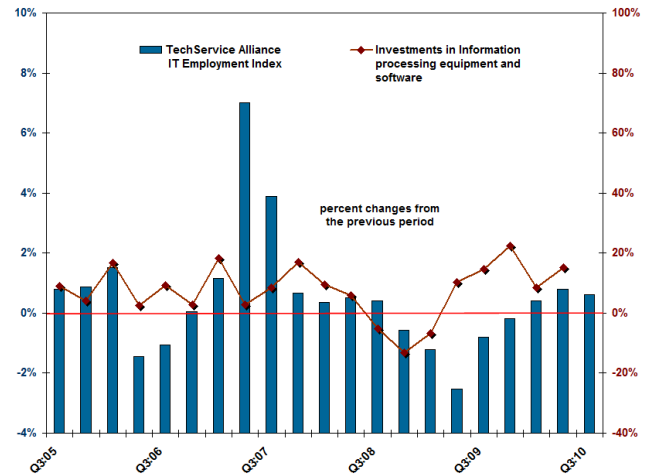
Predicting specific growth trends in the IT sector is virtually impossible in an unstable economic environment. Trends can easily be thrown off course by technological, legislative or regulatory developments. Today, one of the biggest unknowns is the role of cloud computing and how large of a role it will play.

Implementing new technologies, increasing IT automation and enabling technology into more business processes all translate for bigger and better IT departments and remain key goals for IT leaders. But obscuring the strategic picture is cloud computing. Although the concept has its detractors, it has garnered much interest among IT departments due to the potentially lower TCO it offers and fewer in-house resources its administration will require.

Where do the lower costs and resources come from? According the experts, cloud computing reduces the need for local staff positions in areas like data warehousing, server maintenance and data storage. In a cloud environment, those services would be provided by an outside vendor.

However, that doesn’t necessarily mean cloud computing will reduce the overall size of IT teams. Although cloud computing may reduce IT staffing levels for internal server and desktop support, it could also increase in-house needs in high-risk areas, such as networking and security.

A recent PricewaterhouseCoopers and CXO Media survey of nearly 13,000 business and technology executives found that "62 percent of respondents had little to no confidence in cloud-provider security." Until these security issues are resolved, it remains uncertain if and how cloud computing will change the size and make up of IT teams.



Sources: TechServe Alliance (www.techservealliance.org) and U.S. Department of Commerce / Bureau of Economic Analysis

IT Spending and Hiring Plans for 2011

Early indications are that IT spending, which began to increase in mid-2009 and carried on into 3Q 2010, will continue through 2011.

According to TechServe Alliance's analysis of national gross domestic product data from the U.S. Bureau of Economic Analysis, U.S. businesses continue to increase their investments in information processing equipment and software. *ZDNet* reports that financial services firm Webdush's survey of 100 IT decision makers and managers found that 77 percent of the respondents are expecting IT budgets to rise eight percent in 2011.

Several current trends and factors reported in that survey apparently are fueling this predicted rise in IT budgets, including:

- The realization of new software platforms in Q3 2010 were "critical" according to two-thirds of the respondents compared to only 47 percent in Q2.
- "High" priority projects were in demand such as ERP, collaboration, HR and SaaS.
- "Top" priority projects in Q3 included network deployments such as collaboration, performance management, routing and switching, and security.

IT employment started to expand in 1Q 2010 – ostensibly to prepare all that new hardware and software for use in these new areas. Although IT employment growth has decelerated in the most recent period, the total number of IT jobs is still growing. *ZDNet* concludes that Webdush's survey results point to "... a pretty positive view for enterprise IT going into budget season."

Demand for IT Professionals Picks Up in Third Quarter

While the overall unemployment rate varied little from the mid-nine percent range, the unemployment rate for persons in almost all IT occupations moved significantly lower in 3Q 2010 during the same period. The following chart shows the difference in the unemployment rate for IT professionals between 2Q and 3Q 2010.

Occupations	2Q:10	3Q:10
Computer hardware engineers	5.0%	n/a
Computer and information systems managers	4.9	4.1
Computer programmers	6.4	5.8
Computer scientists and systems analysts	5.9	5.9
Computer software engineers	5.1	3.9
Computer support specialists	6.1	4.1
Database administrators	2.5	0.4
Network and computer systems administrators	4.6	4.9
Network systems and data communications analysts	5.5	4.0

*Source: unpublished tabulations of Current Population Survey data furnished by the U.S. Bureau of Labor Statistics.
n/a: not available*

IT professionals also saw their hours and hourly wages increase as the demand for IT workers grew. While weekly paychecks for all workers in the private sector grew only 3.4 percent in the past year, persons in many IT related sectors fared much better. For example, those who manufacture computer and peripherals saw their paychecks grow almost 14 percent from a year ago due to both an increase in their hours and hourly wages.

As another sign of increased strength in IT-related sectors, persons working in data processing, hosting and related services ended up working more than two percent longer while their hourly wage expanded by more than five percent. When those two factors are combined, it resulted in those workers seeing a 7.5 percent rise in their paychecks.

The Bane and Benefits of Social Media

Social media giants Twitter, Facebook, LinkedIn and others may be keeping a lot of CIOs up at night due to security and privacy issues. *IT World Canada* recently reported on a CIO Canada Exchange seminar advocated that despite these drawbacks, companies should accept social media as an important means to innovation.

The panel of experts included Phil McBride, the head of global IT innovation and project management group at Procter & Gamble. "P&G uses social media in other ways both internally to generate ideas and spread information, and externally to connect to customers," reported by *IT World Canada*. According to McBride, "If we don't understand the tools they (customers) use, and don't use them ourselves to bring innovation, then we will never succeed as a consumer products company."

"IT has made security objections to social media a crutch," according to *IT World Canada* and there are myriad strategies for mitigating the risk that can be put in place for a company to embrace social media.

Tips & Tricks

What to do with an old computer

As computer OS constantly evolve, the old adage rings true: out with the old, in with the new. But what can you do with that old PC?

Other than the obvious of donating computers that are past their expiration date to a worthy cause (many charitable organizations don't care if it's an older OS), here are some suggestions:

- ✓ After scrubbing company data, offer the computer to employees; if they have no use for it, perhaps their children do.
- ✓ Turn it into a LLL (Linux Learning Lab!) and see what all the fuss is about.
- ✓ Make it a print and/or file (or a dedicated back-up) server.
- ✓ Automate the office and/or use it for security cameras.
- ✓ Keep running programs, especially ones that aren't used very often, that won't run on Windows *NEW*.
- ✓ Strip it for spare parts.
- ✓ And, if you decide to ditch it, don't throw it in the trash – get it to a recycling center.