

IT Executives Compute Cost Reduction as Top 2010 Priority

Priorities for IT executives, CIOs and CTOs have shifted according to the Society for Information Management (SIM) and its annual survey of IT executives. No doubt because of the tight economy, "business productivity and cost reduction" was listed as the top priority for 2010. In the previous year's survey, this goal ranked seventh on the priority list.

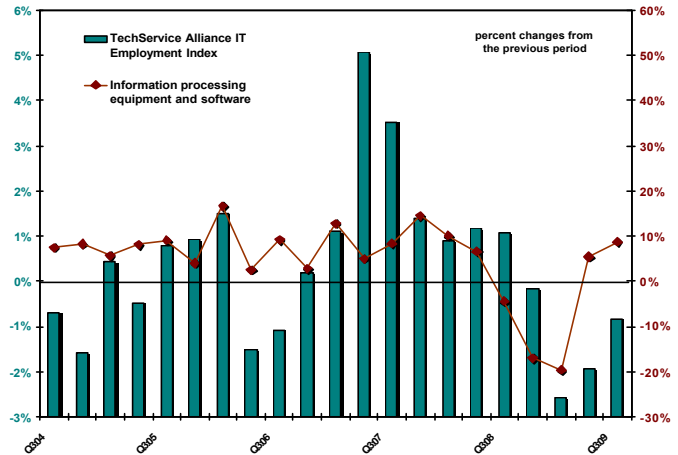
"IT-business alignment," which had been the top focus in the survey last year, is still very important. CIOs and CTOs, ranked it second in this year's survey, demonstrating a continued commitment to keeping their IT organizations closely coordinated with business strategy and bottom-line needs.

Below you will find a chart of 2010 priorities for IT leaders. The chart also lists the ranking of the priority in 2009 (if it was listed) to show how mindsets have shifted in the wake of a historic recession and in the midst of a slow and challenging recovery.

2010	Changing Top Concerns	2009
1	Business productivity & cost reduction	7
2	IT & business alignment	1
3	Business agility & speed to market	nl
4	Business process re-engineering	nl
5	IT cost reduction	nl
6	IT reliability & efficiency	nl
7	IT strategic planning	3
8	Revenue generating IT innovations	nl
9	Security & privacy	10
10	CIO leadership role	nl

nl = not listed

Given the current employment market, it should come as no surprise that recruitment and staffing are not top of mind issues for IT leaders. In a clear signal that these concerns have lost their urgency, "attracting new IT professionals" (ranked fourth in 2009 predictions) and "retaining IT professionals" (ranked ninth in 2009 predictions) did not even make the top ten priorities in this year's survey.



Sources: TechServe Alliance & Bureau of Economic Analysis (BEA)

IT Sector's "GDP" on the Rise

You can learn a lot from GDP data. GDP (gross domestic product or the total market value of all final goods and services produced in the U.S.) is not just a macroeconomic measure. Within GDP data are rich data subsets that report the total investment in things like IT-related goods and services.

In the chart above, the red line tracks changes in private fixed investment made in IT equipment and software since 2004 as found in national GDP data. The blue columns in the chart represent IT employment numbers for each year as tracked by TechServe Alliance.

By combining IT employment trends with IT sector "GDP" data, a clear picture of the industry's recent trajectory emerges. The IT sector is in recovery mode. IT's "GDP" results have been in positive territory since the second quarter of this year and continue upwards. Fixed investment made in IT equipment and software increased 8.9% in the third quarter of 2009 compared to the third quarter of 2008. That increase is a 5.5% rise from the first quarter of this year.

IT employment is also improving. While it didn't experience sustained decline until the fourth quarter of 2008, IT employment was down less than one percent (0.8%) in the third quarter of 2009 compared to the second quarter of 2009. IT sector employment did grow in both the last month of the third quarter and October.

Private organizations like Forrester Research, which bases some forecasts on GDP, wrote that "the U.S. tech market will start to recover from the downturn in Q4 2009" Forrester advised in its *Blog for Vendor Strategy Professionals* that "it is safe to say that the worst of the tech decline is over, with prospects for 2010 looking positive. Vendors need to look beyond the downturn and get prepared for a strong tech recovery in 2010."

IT Employment Trends: *Much Better than National Trends*

In the face of rising national unemployment, IT workers continue to experience lower unemployment across most occupations. While the comparable overall unemployment rate was 8.9% in 3Q:09, it was much less for many IT occupations. If low unemployment is a measure of demand, computer and information systems managers are in the highest demand category, followed closely by computer programmers and computer software engineers.

Occupation	3Q:09 Unemployment rate
Computer and information systems managers	4.4%
Computer support specialists	6.8%
Computer, automated teller, and office machine repairers	9.4%
Computer programmers	4.4%
Computer scientists and systems analysts	7.3%
Computer software engineers	4.7%
Database administrators	7.1%
Network and computer systems administrators	9.6%
Network systems and data communications analysts	5.9%
<i>Source: unpublished tabulations of Current Population Survey data furnished by the U.S. Bureau of Labor Statistics.</i>	

Nationally, average weekly wages improved incrementally by 0.2% in the past year despite an increase of 2.4% in hourly wages. Why? Because over the same period the number of hours worked declined by a similar amount of 2.1%.

That trend was somewhat similar for technology workers, although the magnitude of the change depended upon the specific occupation. For example, those working in data processing, hosting and related services saw, on average, their hourly wage grow nearly 15%. However, their paycheck was only 11.2% higher because their hours were cut by 3.1%.

IT professionals in custom computer systems design and related services experienced a comparable trend. With an hourly wage that rose 2.6% and weekly hours that fell by 1.3%, they ended up with only a 1.3% raise in their weekly paychecks.

Interestingly, those working in computer systems design services experienced the reverse. Despite working 0.5% longer, their weekly paycheck was essentially flat (up only 0.1%) because hourly wages declined by 0.4%.

IT Skills & Priorities Shift as the Recession Ends

As the recession recedes and recovery takes hold, IT executives are shifting hiring and talent management priorities. *Baseline* magazine recently asked experts from HR, staffing and IT services for their observations and predictions. Here are their insights:

- Compensation and demand are expected to remain stable in data management, business intelligence, data mining and warehousing.
- As companies conduct more business online (a major cost reduction strategy), there is more need for IT professionals with network security skills as well as .Net and J2ee development experience.
- IT management professionals with a blend of IT sourcing and vendor relationship management are in growing demand.

Where should IT professionals watch for growing opportunities?

- The education sector, which is demanding more IT support as enrollments rise.
- Healthcare as facilities add muscle to their automation and electronic records systems.
- Energy where demand and alternative energy programs are not expected to wane.
- The Federal Government as defense and homeland security initiatives expand.

Tips & Tricks

USB Flash Drives

Not Just for Storage Anymore

USB flash drives are often thought of as merely portable storage devices for shuttling files. But they can be configured for much more and are also valuable timesaving devices. Here's just a few of their many possibilities:

- 🔑 Flash drives can be used as a physical key to lock/unlock a computer (freeware is readily available).
- 🔑 Speed up Windows Vista® or Windows 7® using the USB flash drive to increase the memory cache on the hard drive.
- 🔑 Set up as a password reset disk rather than a floppy or a CD, which is increasingly important since few computers are now equipped with floppy drives.
- 🔑 Create a bootable operating system flash drive, which may not be the easiest task, but worth the effort when a system fails.
- 🔑 *And don't forget to password protect the flash drive itself to safeguard the data on it!*