**superior**

# IT spending to increase in 2012

*InformationWeek*'s annual Outlook 2012 Survey displayed a very bullish outlook on 2012. The report, which queries 605 business technology professionals on their plans for IT spending and hiring in 2012, found that 25 percent of companies are planning to expand IT staff and only nine percent will be cutting back. That's in stark comparison to two years ago when only 14 percent said they were expanding and 18 percent said they were cutting back.

Fifty-six percent of participants say they'll spend more on IT than in 2011, 28 percent said their spending plans are flat, and only 16 percent expect to shrink their IT budgets. Most encouraging is that 18 percent plan to raise their IT spend by more than 10 percent, up from last year's response of 15 percent.

However, *InformationWeek* presents several reasons why growing project demand won't necessarily lead to more hiring. Despite only three percent reporting that demand for new IT projects is dipping, almost one-third (30 percent) report there is a hiring freeze and "won't be allowed to fill openings" in 2012. "CIOs continue to rely heavily on outsourcing as the variable component to their workforces, absorbing the peaks of IT demand as well as fulfilling specialized skills." The editors go on to report that, there's strong demand for mobile app development, but much of that work is outsourced and cloud computing allows companies to add IT capabilities without the same staff."

CIO Insight also released a study with some interesting observations. CIO Insight's 2012 IT Investment Patterns Study used a random sample from parent company Ziff-Davis Enterprises. The 329 respondents in organizations with 50 or more employees were familiar with their company's budget and spending levels. They report three broad trends for 2012:

- Areas that organizations may have given short shrift to in the past due to the economy are now being funded in 2012. Increased investments in security are an example of what the editors call "Reversion."
- Increased popularity for organizations in mobility and cloud-related spending, or what CIO Insight calls "Innovation." Most (91 percent) organizations plan to spend 14.6 percent more on mobile devices, which is the third largest spending category after servers and desktops/notebooks.
- Spending continues in existing areas such as infrastructure and software. CIO Insight calls this trend "Integration" to ensure established areas don't "get lost to the newcomers" (e.g. mobile and cloud).



**Employment of workers in IT Occupations**
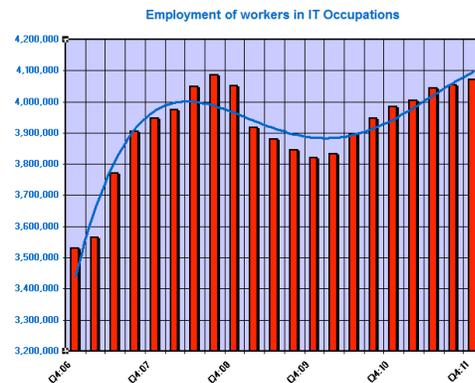
Source: TechServe Alliance (www.techservealliance.org)

# Dodd-Frank to bring major changes to IT organizations

As the Dodd-Frank Wall Street Reform and Consumer Protection Act enters its second year of implementation, the pressure to comply is expected to grow exponentially for IT organizations in every sector. According to International law firm Davis Polk, complying will not be easy: the law firm estimates that the Dodd-Frank will require 243 rulemakings, 67 one-time reports / studies, and 22 new periodic reports.

The impact to IT organizations in the financial sector will be particularly great, according to *Wall Street & Technology*. However, firms do not expect to increase their staff to meet compliance needs. Marty Leamy, president of the Americas at Orc Software, a provider of technology and services for the global financial industry, commented that, "for the most part, firms are trying to meet compliance demands with the same amount of people."

Unfortunately, *WS&T* reports that "IT executives, meanwhile, should not expect that a single expertise or piece of technology or off-the-shelf software will help their firms meet compliance demands …. [since the Act] requires extensive reporting to improve transparency across many business units, compliance will be achieved only with a combination of data management, risk analytics and data rationalization." Each firm will have to find the best combination to suit their own needs.

# IT INDUSTRY TRENDS, RESEARCH AND DEVELOPMENTS

## Low unemployment rates for IT professionals to challenge CIOs

While unemployment may be problematic in many areas of the economy, the hiring in the sector is on the upswing. However, given the low unemployment rate in the tech sector, as *FierceCIO* recently reported, "CIOs may not find it easy to fill vacant positions even after getting the go-ahead to do so." Data gathered by TechServe Alliance certainly supports that contention and found that as the overall unemployment rate dropped below nine percent in the last quarter 2011, the unemployment rates for many IT and computer related occupations were significantly lower.

| Occupations | Q4 2011 |
|---|---|
| Computer and information systems managers | 2.4 |
| Computer hardware engineers | 2.2 |
| Computer network architects | 4.1 |
| Computer programmers | 3.6 |
| Computer support specialists | 6.3 |
| Computer systems analysts | 2.7 |
| Database administrators | 0.8 |
| Network and computer systems administrators | 5.7 |
| Software developers, applications and systems software | 4.4 |
| Web developers | 3.6 |
| *Source: unpublished tabulations of Current Population Survey data furnished by the U.S. Bureau of Labor Statistics.* | |

## Is "big data" the next big thing?

Is business "ready for the era of 'big data'?" That's the question *McKinsey Quarterly*, the business journal of consultancy McKinsey & Company, poised in its most recent issue.

As *McKinsey* details, "data characterized the information age from the start. It underpins processes that manage employees; it helps to track purchases and sales; and it offers clues about how customers will behave." In recent years, the volume of data has increased exponentially. In most sectors of the economy (15 out of 17), companies with a 1,000 or more employees store more than 235 terabytes of data, which is more than is contained in the U.S. Library of Congress.

Confessing that it is still early in the development cycle of big data, McKinsey argues it potentially becomes a "new type of corporate asset" and warns that "companies need to start thinking in earnest about whether they are organized to exploit big data's potential and to manage the threats it can pose."

## Top skills for 2012

As 2011 draws to a close and 2012 picks up speed, the big debate is what skills will be the most sought after in the coming year. According to IT and business skills training company Global Knowledge, the top skill to enhance an IT career is data analytics. Global Knowledge explains that there will be a need for a "new approach to understanding data sets" and that "data mining and modeling will be key [for IT career opportunities]" in 2012. Second on the company's list are skills that address the consumerization of IT as IT pros will be called upon to identify "mobile opportunities, device management, security, community-driven architecture, and application development."

Computerworld also shares its picks for top skills of 2012. The top skill on *Computerworld*'s hot IT skills in 2012 list was programming and application development, citing that 61 percent from their annual forecast survey said they planned to hire for this skill in 2012 (up from 44 percent in the previous survey). The next most anticipated in-demand skill is project management ostensibly to translate the client's or the organization's needs for the technologists to build and implement.

## Where's your BYOD policy?

Allowing employees to bring or buy their own devices for use at work can open a whole can of worms of risks and consequences, both legal and security related. However, research finds positive aspects could outweigh the negative.

Avema Critical Wireless, which consults and provides service support to help companies manage wireless costs, makes a good case for having a BYOD policy. If personal devices are blocked from the corporate network, the company is 1) "… missing out on the free increased productivity associated with an employee making use of a mobile device; [and] 2) Personal devices are already accessing your corporate network, with or without your knowledge, and you aren't doing anything to ensure that this is being done securely."

*The Financial Times/FT.com* reports, Citrix, a cloud networking and virtualization provider, achieved a 20 percent savings mainly due to a "reduced volume of desktop support requests and incident reports from employees across the globe who have purchased and maintained their own work devices."

Acknowledging Citrix may be a special case because the company itself is in the virtualization business, *FT.com* cites an independent survey by UK-based international technology research specialist Vanson Bourne, saying of 53 percent of UK IT professionals that have applied desktop virtualization tools, 73 percent think it'll provide greater flexibility. Almost 80 percent believe it, and thus BYOD, will provide a reduction in IT and/or business costs.