

Security Skills Offer Top Draw in Still Challenging U.S. IT Jobs Outlook

Edited transcript of BriefingsDirect Analyst Insights Edition podcast, Volume 48, on where to find opportunities in IT during this stage of the recession.

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Dana Gardner: Hello, and welcome to the latest BriefingsDirect Analyst Insights Edition, Volume 48. I'm your host and moderator [Dana Gardner](#), principal analyst at [Interarbor Solutions](#).

This periodic discussion and dissection of IT infrastructure related news and events, with a panel of industry analysts and guests, comes to you with the help of our charter sponsor, Active Endpoints, maker of the ActiveVOS visual orchestration system, and through the support of TIBCO Software.



Our topic this week on Analyst Insight Edition centers on the [IT job landscape for 2010](#). We have with us here today [David Foote](#), CEO and chief research officer, as well as co-founder, at [Foote Partners LLC](#) of Vero Beach, Fla.

David closely tracks the [hiring and human resources trends across the IT landscape](#). He'll share his findings of where [the recession has taken IT hiring](#) and where the recovery will shape up. We'll also look at what skills are [going to be in demand](#) and which ones are not. David will help those in IT, or those seeking to enter IT, identify where the new job opportunities lie.

So, please join me in welcoming David Foote to our show. Hello, David.

David Foote: Great to be here, Dana.

Gardner: First, tell us a little bit about yourself, your background, and then a bit more about the [Foote Partners](#).

Foote: I started my career in technology in Silicon Valley, just about the time the IBM PC came to market. About half of the 10 years I spent there were working with vendors. I started in consumer electronics, in the games business.

Then, I gravitated to consulting, particularly with extremely rapid-growth technology companies, those that were making their first billion within four years. That led to becoming an analyst, and I started at [Gartner](#) in the '90s.

I was recruited to META Group to start and run their service for CIOs. While I was there, the discovery I made was that there was so much the analyst community was offering executives in IT and in business around vendors and products, and not much on the execution side.

Once we've made all of our purchases, how do we actually execute and get this stuff done? That's a spending issue, a people issue, a workforce issue, and, these days, very much a skills issue, and there really wasn't much being done.

Business focus

So, I developed a number of products and took them out to my own company in 1997. I co-founded this company with a former senior partner at [McKinsey](#). We not only have that big IT executive and trends focus as analysts, but also very much a business focus.



We've also populated this company with people from the HR industry, because one of the products we are best known for is the tracking of pay and demand for IT salaries and skills. It's been a wild ride over 13 years, but that's pretty much it. We are in the execution business.

The last thing I'll say is that we have a proprietary database -- which I'll be drawing from today -- of about 2,000 companies in the U.S. and Canada. It covers about 95,000 IT workers. We use this base to monitor trends and to collect information about compensation and attitudes and what executives are thinking about as they manage IT departments.

Gardner: Before we get into where we're going in 2010, maybe we should pause and take a look at what's happened for the last three years. We know the bigger story about [the recession](#), but what has happened in IT hiring? What have the last three years and, more specifically, 2009 been like?

Foote: One of the biggest trends has been in defining [who an IT person is](#). For many years, IT people were basically people with deep technical skills in a lot of areas of infrastructure, systems, network, and communications. Then, the Internet happened.

Foote Partners, LLC
Foote Research Group

All of a sudden, huge chunks of the budget in IT moved into lines of business. That opened the door for a lot of IT talent that wasn't simply defined as technical, but also customer facing and with knowledge of the business, the industry, and solutions. We've been seeing a maturation of that all along.

What's [happened in the last three years](#) is that, when we talk about workforce issues and trends, the currency in IT is much more skills versus jobs, and part of what's inched that along has been outsourcing.

We have labor arbitrage now. If you need to get something done, you can certainly purchase that and hire people full-time or you can rent it by going anywhere in the world, Vietnam, Southeast Asia, India, or many other places. Essentially, you are just purchasing a market basket of skills. Or, these days, you can give it over to somebody, and by that I mean managed services, which is the new form of what has been traditionally called outsourcing.

In execution, you don't have to hire bodies. It's not so much about hiring, but about how we determine what skills we need, how we find those, and how we execute. What's really happened in two or three years is that the speed at which decisions are made and then implemented has gotten to the point where you have to make decisions in a matter of days and weeks, and not months. To move an organization, or shuffle resources around, which in this case are people and skills, is tough to do in these very, very short time frames.

So, agility, flexibility, and speed of execution in a global market have been extremely important. In the recession, the idea of being constrained by costs has really tested the mettle of a lot of managers -- how good they are as leaders and managers. Clearly, we have seen that a lot of them are not, but a lot of them are.

Resisting the temptation

There have been some interesting behaviors during this recession that I haven't seen in prior recessions. That lead me to believe that people have really resisted the temptation to reduce cost at the expense of what the organization will look like in 2011 or 2012, when we are past this recession and are back into business as usual.

Do you have the people and the skills necessary for the long-term or were you stupid enough to let people go, simply because they weren't the right person at the right time, in the right spot, and were vulnerable? People have learned something. That's been a big difference in the last three years.

Gardner: So, clearly this is a complex issue. Shuffling people around and maintaining skills, while also recognizing there is a pressure for cost, but also wanting to be mindful of what the recovery is going to look like, has all got to be done carefully. But, generally, did IT, as a sector, fare better than other sectors in this recession? Was it as bad as it was perhaps back in 2001-2002?

Footnote: IT has always done better. You have to realize that unemployment in IT is usually half of what it is in the general job market, if you look at [Bureau of Labor Statistics \(BLS\)](#) numbers. I can tell you right now that jobs, in terms of unemployment in IT, have really stabilized.

We put out a report recently. Every month we look at the BLS numbers, and in this most recent report we saw that if you look at the five bellwether segments in the BLS where you would find IT jobs, in the last three months there has been a net gain of 11,200 jobs in these five categories. If you look at the previous eight months, prior to September, there was a loss of 31,000 jobs.

There has been a real stability, and in the case of the services industry in particular, a BLS segment called Management and Technical Consulting Services has gained 11,600 jobs in the first 11 months of 2009, including gains for the last five months.

Looking for talent

So, let's just say that, going into 2010, the services industry will absolutely be looking for talent. There's going to be probably a greater need for consultants, and companies looking for help in a lot of the execution. That's because there are still a lot of hiring restrictions out there right now. Companies simply cannot go to the market to find bodies, even if they wanted to.

Gardner: So, 2010 is already a recovery period for IT. IT's not as bad as other sectors in this recession, but clearly this is spotty. This isn't across the board that we're seeing these recoveries already. What are the hot areas that you can see so far for hiring picking up in IT?

Footo: Well, number one, overall in 2010, we're not going to see any kind of, what I would call, a meaningful return to employment in IT. It's going to be a very slim-to-no chance of any noticeable hiring, particularly if you look at the way things were in 2008. I don't see that happening in 2010. At the earliest, 2011.

Companies are still very nervous about hiring, or to put it this way, investing in full-time talent, when the overhead on a full-time worker is usually 80-100 percent of their salaries. If they can find that talent somewhere else, they are going to hire it.

There are certain areas, for example, like security, where there is a tendency to not want to hire talent outside, because this is too important to a company. There are certain legacy skills that are important, but in terms of things like security, a lot of the managed services that have been purchased in 2009 were small- to medium-sized companies that simply don't have big IT staffs.

If you have 5,000, 6,000, or 7,000 people working in IT, you're probably going to do a lot of your own security, but small and medium size have not, and that's an extremely hot area right now to be working in.

Generally speaking, Dana, you're not going to see much happening in hiring in 2010, except maybe certain industries or niche skills, which I will talk to today. [Security](#) is one. [Enterprise resource planning \(ERP\)](#), particularly around [SAP](#) is another. We're looking at eCommerce, whole market basket of eCommerce jobs and skills, and web development. We can talk about a few of those as we go on today. There are pockets, but overall, don't expect much.

Gardner: Right. So, as with the general economy, doing more with less will continue for some time. I think people have a sense that productivity can be squeezed out in a number of ways, and just because the recession technically might be over, doesn't mean that they are going to stop looking for that productivity.

I guess the question then moves to, if you are an IT person, and you already have a job, what skills should you be investing in? Where should you be taking your own skills in order to make yourself more valuable, perhaps to your current employer, or perhaps even to ensure your ongoing employment with a particular company? Where are the hot skills?

Security gains value

Foote: We track the value of skills and premium pay for skills, and the only segment of IT that has actually gained value, since the recession started in 2007, is security, and it has been progressive. We haven't seen a downturn in its value in one quarter.

Since 2007, when this recession started, overall the market value of security certs is up 3 percent. But if you look at all 200 certified skills that we track in this survey that we do of 406 skills, overall skills have dropped about 6.5 percent in value, but security certifications are up 2.9.

It is a tremendous place to be right now. We've asked people exactly what skills they're hiring, and they have given us this list: forensics, [identity and access management](#), intrusion detection and prevention systems, disk file-level encryption solutions, including removable media, data leakage prevention, biometrics, web content filters, [VoIP security](#), some application security, particularly in small to medium sized companies (SMBs), and governance, compliance, and audit of course.

Most recently, we've seen some nice numbers go up in the certifications related to auditing. You tend to see that towards the end of the year and the beginning of the year when a lot of this auditing happens. There are few more that I could mention, but these are areas in security for which companies have said they are absolutely looking for talent and skills.

Gardner: Does this cut across both public and private sectors, do you break that out?

Foote: Oh yes. The public sector has been on a real tear. As you do, we get a lot of privileged information. One of the things that we have heard from a number of sources, I can't tell you the reason why, is that a lot of recruiting is happening in the private sector right now with the National Security Agency and Homeland Security -- in-the-trenches people.

I think there was a feeling that there weren't enough real deep technical, in-the-trenches kind of talent, in security. There were a lot of policy people, but not enough actual talent. Because of the [Cyber Security Initiative](#), particularly under the current administration, there has been a lot of hiring.

Gardner: And that of course reduces the pool available to the private sector?

Smart place to be

Footnote: Well, you could say that, but I believe that there are more people that have gotten religion and listen to people like us. We've actually gone out on a limb and we have been saying for about a year and a half that, bar none, for short and long range IT job security, the smartest place to be is, ironically, in IT security.

Unlike a lot of other job segments, pay and demand has risen steadily for the last two years. Neither budget nor headcount has diminished during the recession. There is this perfect storm of drivers right now that is driving momentum, and that is the idea of more regulation, constant fear of increasing threats, greater customer expectations and demands aimed at vendors who have responded. If you look at the [Oracles](#) and the [Ciscos](#), they have built a lot of security into their products now.

The other thing, which isn't spoken about a lot, has been the splitting of the operational securities activity side from the business and strategic risk side. That has created a lot of job opportunities in security for people who don't come at it from this deep, in-the-trench technology focus. You can now work in a line of business or in a corporate staff without these deep technical skills, and work in governance and risk management side of that. It has attracted people into the field who didn't think they had the chops to really do it.

So, Dana, what you've seen is a lot of people who were network administrators and systems administrators now choosing security as a career. As more people come into the field, supply starts to match demand, and it has been such that there has been a pretty steady increase in pay, because demand has really exceeded supply in a lot of cases.

Gardner: Now, another big issue that we have heard about in the last year is cloud computing. And I see from your list of where hiring has taken place the strongest and SAP and ERP, but also open-source operating systems, virtualization, IP networks, social media, [PHP](#), and what is called [web-oriented architecture \(WOA\)](#). Is there a building sense that the cloud hysteria is not just vapor, but that there is now starting to be a call for these sorts of jobs that might be driven by [cloud-computing](#) activity?

Footnote: Let's be careful about what we call cloud. There's a lot of disagreement as to what cloud computing actually means. Let's call it [managed services](#) for a second. That market is projected to be a \$66 billion market by 2012. Most people estimate the global managed services market at between \$22 billion and \$31-32 billion right now.

You're seeing compound annual growth rates in various segments of managed services, particularly in networking of between 19 and 39 percent, between now and 2012-2013. There absolutely is this x-factor. If people choose managed services, and many of them are right now, more will companies need to hire many full-time workers.

We're saying that you'll see increase in headcount in IT, because as companies farm out some of the work that they don't want to do and purchase services in those areas, that allows them to

reshuffle their workforce and put people into a lot of other areas, which don't get a lot of mention, except from companies like ours.

Business technology work

And, that is the number of IT people you see in product development groups, marketing, finance, accounting. There are so many IT people now that don't work in IT departments under a CIO, but work in the lines of businesses, doing all kinds of business technology work.

They are in product development groups right now, because most companies have gotten smart and said, "Security is a product feature now, because our customers tell us it is. We need to have IT people involved from the very beginning as we are conceiving our products, which we'll be delivering over the web and supporting and maintaining, and all of that stuff."

I don't want to simplify it, but the definition of an IT worker has really changed quite a bit over the years. When I visit companies, I can't really tell if a person is "IT" or not, because they are in the fabric of companies.

That's one of the reasons right now that in 2010 we'll see a lot of activity around eCommerce and web development, in places you wouldn't exactly expect. It's cost effective to deliver products over the World Wide Web, and companies have simply now defined that as a launching point or as a delivering mechanism for a lot of what they do.

Plus, there is all that market intelligence that can be gained. The web has become central to business globally.

Gardner: That's probably going to become probably more the case over the next several years, right?

Footo: At some point, where we have an IT department, or where we just have a bunch of consultants, analysts, and expeditors, a lot of the work traditionally done will be farmed out -- either rented, as I said before, or given over -- but that doesn't diminish the number of people working in IT. It just changes what they do on a day-to-day basis.

Gardner: If service management is a hot area, does that affect the regions where hiring would be taking place? You look at the U.S. and Canada. Are there any geographic or regional trends afoot that we should look at vis-à-vis security, the recession, or even this emphasis on managed services providing?

Footo: I don't know if we have enough time in this forum to go much outside of North America, but I would say, yes, of course, it's global.

Gardner: And global, but it's not in terms of regions?

Footo: You mean around the world?

Gardner: Let's just stick with North America for now.

Managed services

Footnote: I talked about managed services before. It looks like one of the hottest areas right now in managed services is in networking and communication: [Metro Ethernet](#), [VPNs](#), IP voice, and wireless security. And if you look at the wireless security market right now, it's a \$9 billion market in Europe. It's a \$5.7 billion market in Asia-Pacific. But in North America it's between \$4 and 5 billion.

There's a lot of activity in wireless security. We have to go right down into every one of these segments. I could give you an idea of where the growth is spurting right now. North America is not leading a lot of this. Other parts of the world are leading this, which gives our companies opportunities to play in those markets as well.

For many years, as you know, Dana, it was everybody taking on America, but now America is taking on the rest of the world. They're looking at opportunities abroad, and that's had a bigger impact on labor as well. If you're building products and forming alliances and partnerships with companies abroad, you're using their talent and you're using your talent in their countries. There is this global labor arbitrage, global workforce, that companies have right now, and not just the North American workforce.

Is it appropriate to always think of a home labor force? No, it's appropriate to think of your labor force all around the world. And it's cost-effective too. Look at the number of people that IBM has displaced in Europe and North America and moved those jobs over to places like India. That's our world now.

Gardner: So, just as the idea about cloud computing is that you go for resources when you need them and acquire them the best way that you can under the particular circumstances, you think there is a parallel from cloud computing into hiring. You don't necessarily hire people. You acquire skills. You pick them up and then you drop them as you need them. Is there a strong parallel there? It's like a human resources cloud of skills that you can have elasticity with?

Footnote: For many years, to anyone who would listen, we were reminding companies that the way that you need to run yourself is to be flexible, to have an extremely agile workforce. Companies had such trouble with that idea, because they were so used to the idea of hiring people, keeping them around, reskilling them, and carrying so much inappropriate skills. The idea is that, at any one moment, six months to six months to six months to six months, the mix of skills you need changes.

The idea they finally learned is that it's better to mix-and-match your skills. Hire people up front who you know are flexible enough in terms of the market basket of skills, the multidimensionality they bring into the job, when they start, knowing that you are going to be

moving that person around in the company. You're going to be tweaking their skills from here to there.

Not cutting it

The idea of a specialist who came in -- this is our Microsoft guy, this is our Lotus guy, this is our Novell guy or girl -- ain't cutting it. Companies are looking for Swiss Army knives quite a bit, when they hire people. If they need deep specialists, often they will go to the market, independent consultants, or contractors to get a lot of that deep skill. Then, when it's over, bye, bye.

Gardner: To this issue of recruitment, traditional recruitment methods seem to be giving way to more social-media or community-generated word of mouth, but in a digital format sort of activity. Can you help us, David, understand a little better about what's shifting in terms of how companies are recruiting these skills?

Footnote: Right now, about 80 percent of employers are using or tell us that they are using or plan to use social media to fill vacancies. Ninety five percent of employers that we talked to use [LinkedIn](#) in one way or another. On the recruiting side, about 60 percent of recruiters that we talked to use [Facebook](#).

Now, that was 36 percent in 2008 and 59 percent in 2009. Forty two percent of recruiters use [Twitter](#). You're looking at a situation now where companies have finally decided to do this, after many years of being unwilling to change the traditional method of recruiting. That was to use body shops and headhunters, collect CVs and resumes, apply the software that searches through them with filters. You had a lot of people who are incredibly good at what they do, but who don't have certification get knocked out.

They have now said, "If you are an employee, let's talk to those people in your audience." You have got a brand, and your brand is you. It's a combination of technical skills, your personality, and other skills that you have. What is it that companies are hiring when they hire you, beyond simply what you see on paper in terms of skills? What have you done? What solutions have you been a part of? If you worked in SAP, how many cycles have you gone through? Have you been through two or three full development cycles?

Using social media sites, you're going right upfront answering the kind of questions that people ask you in a job interview. You're networking in places like LinkedIn, where you can actually get people to recommend you. Recruiters are looking at those recommendations that are given by executives and by colleagues. They are right there. You see it. It's an online picture of you and your brand.

Why wouldn't you use social media, if you look at the kind of numbers I just gave you? The recruiters and employers, they are all using it. You should be smart as a worker in IT to connect with them there.

Going back to security for a second, it's unbelievable to me the number of boutique, niche security consulting firms that I have been talking to over the last two and three years who say that the demand for their services is greater than their ability to meet that demand. They are in a perpetual situation of not having enough consultants on board to do the work that comes their way.

Now that's unbelievable. Why can't they connect to the people? There are reasons for that. If you go to [RSA](#) conferences or SAP TechEd conferences, you meet all these people who say, "I have been looking for a job for months and months and months and I just can't find one." I say to them, "Well, exactly how are you looking for that job? Are you on LinkedIn? Are you using Facebook? Are you using Twitter? There are people out there that want to find you. They can't find you. You have to find them and make yourself available to them." Basically, it's old fashion networking, web-enabled, that's what social networking is.

Strut your stuff

Gardner: Perhaps there's never been a better time, if you have good stuff to strut, to strut it in these forums. And, there's never been a better time, if you're recruiting, to use these tools to find those folks that you need to fit that exact need that you have.

Foote: Yes. And those areas right now seem to be in security, SAP, web development, eCommerce applications and systems, [business intelligence \(BI\)](#). There are number of areas that we have identified in 2010 that will be hot.

You can go to our [website](#). We put out a [hot list](#) where we look at all the data we have: pay and demand data and what 2,000 companies are telling us they are looking for in the market. We put all that into a list of 24 certifications and 32 non-certified skills, and we rank them 1, 2, 3, 4, 5, and you can see that list.

It's updated every three months as to what the hot skills are. These are skills people are looking for. People should get ahold of that hot list and map to it. Where are you on that list? If you are anywhere in the top 15 or 20, get out there, pound the pavement, and be smart.

Gardner: What about the not-so-hot list? Are there certain IT niches or skill sets that just seem to be drying up, where there is really no demand or very little growth?

Foote: Well, always. Yes. Do you want to talk about those?

Gardner: Yeah. What's the new not-hot list?

Foote: I haven't looked at that list lately, but we do get calls, about every two years, from an enterprising editor or a reporter, who wants to publish the dead or dying list. We say to them, "This is going to kill your career as a writer, if you do this, because anybody who is on that list, and that's their specialty, is going to come after you." It has happened where reputations have

been badly sullied. You can Google "Foote Partners' dead and dying skills" and you can find us, because we contribute to every one of these lists for good or bad.

Gardner: At the risk of being overly reality-oriented, let's take that plunge anyway and come up with a few areas that just don't seem to be growing any more.

Foote: There are a number of networking skills that have fallen out of favor over the years. Things like [Smalltalk](#). I would say probably the C language, not C++ and C#, but I would say the C language probably has taken hits. There have been a number of older web development, web authoring tools that are no longer on that list.

I wouldn't put [Gigabit Ethernet](#) on that in general, but I think there are some people that will tell you that certain old brands of Gigabit Ethernet, like 1 Gig versus 10, would be falling more out of favor. The [OS/2](#) from IBM, is that still hanging around? It's probably dead.

There are so many dead skills that companies have just abandoned them as platforms and products. There are still people around that might have those skills. So yeah, there are plenty of dead skills.

What's hot

Gardner: Back to the more lively news. What certification areas are hot? You mentioned the idea of being a Swiss Army knife as a person, the walking in with multiple skills. I would think that having multiple certifications would be a very strong thing to have, make you more valuable and more interesting. What sort of certifications should people be looking at?

Foote: Well, the certifications that are on our current hot list that are doing quite well -- in fact, the first and sixth positions -- are Red Hat certification engineers, open systems, Linux. Twelve of 24 on this list of hot certifications are security.

In order, the [GIAC](#) Certified Incident Handler is at the number three position. The [ISC-squared](#) Systems Security Certified Practitioner is at number four. [Check Point](#) Certified Security Administrator is at number eight. The [CISA](#), the gold standard auditing certification from [ISACA](#) is number 11. And then at positions 14, 15, 16, Check Point Security Expert, the Forensics Analyst, and Intrusion Analyst from [SANS Institute](#).

One not related to security is Cisco Certified Design Expert, which is the number five position. That is an excellent advanced-level certification. Again, it's always on our list, somewhere in the top ten positions most of the time.

What's interesting this time is that the [SAS](#)-Certified Advanced Programmer is there. Before, I mentioned BI, and now we see SAS coming in at number seven on that, so good news for SAS. BI and business analytics is on our hot list, as I mentioned before, as strong skills for 2010.

Even the [Java](#) Programmer Certification from Sun. Java is also number eight out of 32 on our non-certified skills hot list too. As I look at eCommerce and web development skills, we're looking at things like the [Microsoft Commerce Server](#), [Microsoft SharePoint](#), C++, [SOAP](#), [Python](#), [Perl](#), a number of those. The certifications, I think, are mainly in the areas of open systems, security, and believe it or not, things like [WebSphere](#).

Some of the [service-oriented architecture \(SOA\)](#) skills are back. There has been sort of a resurgence of not these big grand, huge SOA projects, but point solutions. Small-chunk SOA has made a comeback this year. We see that both in the number 12 ranked certification, the Certified Solutions Developer - WebSphere from IBM. And then you see the [BEA](#) SOA Enterprise Architecture Certification. In that regard, what I didn't mention before is, architecture continues to be a good skill area for 2010.

What's interesting about architecture is its one of those skills, as we've said to people, is a long run kind of career opportunity for you. There will always be a great need for architects, and most companies will tell us that. They have been flat lining as far as pay in those certifications in 2009 because of cost containment.

You don't look at architect skills and certifications as short-term investments, but more sort of long-term, core competency skills for organizations. So, the focus has gone off of architecture a little bit.

Need for architects

On the other side of this recession, I think you'll see what we saw in 2007 and 2008, which is a lot of companies looking for architects. They're continually telling us, "We don't have enough of these architects around here. We need more of them." I mean, enterprise architects, data architects, security architects, SAP architects, and information architects, a whole lot of them.

I'd like to see that come back in 2010. I always put architecture on the list, but it comes down to how much money people have, and how short range a lot of their decisions are.

Gardner: To just touch briefly on the notion of having a cross-pollination of skills. In the past, someone with an engineering degree and an MBA would have done well in certain sectors. Are there any two areas that we might not think intuitively would be related, but that stack up really well in 2010, if you wanted to combine skills in a way that would give you an advantage in the market?

Footnote: Well, I have been saying for a while, and also for 2010, is if you are in college, you want a minor in computer science and a major in something like mathematics, marketing, finance, or accounting. When you look at IT hiring in the last two or three years, you see that they want IT people working in their marketing departments, their human resource departments, their finance and accounting departments, operations, and logistics.

They want people with that kind of background to understand what that part of a business does. Then, they want that person to help them to think through how technology can either have them do it quicker and more efficiently to raise the bar on their ability to deliver services internally in those areas.

I have often said that you can easily have a major in any of the functional areas of business that I just mentioned and have some sort of knowledge that you have gained, either through a degree or by personal experience in IT, and you would be a very strong candidate for a lot of companies.

These are those jobs that don't fall under the corporate CIO, but under the lines of business, where you are an IT person working in a line of business, usually under a CTO or some managing director level person in IT. But, you're working in a P&L part of the business. Your job is to figure out how to make money, how to increase profitability, and how to improve customer satisfaction. There are so many ways that IT has been able to do that. As I pointed out before, you're also now involved in product development in these areas.

Gardner: That's very interesting, because in the past, let's say, 10 or 20 years, the conventional wisdom was that you wanted to have a general business education background, but then specialized in IT. I think what I am hearing from you is that you want to have a jack-of-all-trades, general sense of IT skills and maybe some certifications, but then specialize in a particular business function. Is that what's happened, a sort of a flip?

Multiple areas

Foote: Yeah. Right now, you can hear this by talking to anybody. We talk to a lot of people who hire and we ask them exactly what they need and what they're looking for. And they will say, "I need somebody who understands our business and our customers, who really understands this industry and the products that we supply in this industry. And, oh, by the way, they should have a good IT background too." It's the third or fourth thing they may mention.

Now, of course, if it's in security or if it's in routers or something like that, they may be looking for a deep certified person in that infrastructure specialty. This is particularly true in areas like SAP and ERP, and in Oracle. Look at what SAP has done in its product strategy. They have really gotten down to industry and function.

You're really looking at being a specialist in finance and accounting systems, sales distribution or logistics, or even global travel management, and you become an expert in that area using SAP products. So, you're an IT person, but you are specializing in a domain that is usually functional or industry.

That was a smart move for SAP, and a lot of companies have taken to that sort of segmentation of the market. That's what a specialist is in IT these days. They have a technical specialty and they have a business specialty, and it's probably in a function within that business that is supported and enabled by technology.

Gardner: Well, just to recap a little bit, we have said that the recession has certainly hurt the IT sector. There are fewer jobs, not as severe in cuts in terms of some others, perhaps half the general unemployment rate in IT. Things have leveled out. We're seeing some rehiring in specific areas, late in 2009, going into 2010.

You expect 2010 to be fairly flat, not a huge spike in demand, but in specialized areas that we have talked about, security being prominent among them. There's going to be growing demand. There's going to be this opportunity to position yourself, if you have that right balance of technology, skills, and business acumen.

But, you expect things to be picking up later in 2010, perhaps 2011, where we might see a bit more of that significant growth. And, the hot skills and being able to present yourself through a social network makes a lot of sense. Did we miss anything?

Foote: No, but the projection of late 2010 or 2011, that's for hiring. There is still a tremendous amount of investment and money moving around in 2010, but the focus is more on skills than it is on hiring full-time workers. That creates a lot of opportunities for contractors and independent consultants, as I pointed out before, which is supported by the BLS numbers.

The IT services business, the [systems integrators \(SIs\)](#), the small boutique consulting firms, are going to get a lot of play in 2010, because there won't be a lot of full-time workers added to companies in that period.

They're still in a time where they are going to have a lot of work to do and they've got to get it done. They won't have nearly the restrictions in renting or giving over some of this activity to managed services, but they still will have certain restrictions in full-time hiring, and that full-time hiring will be in niche areas and in the four, five, or six specializations I have mentioned.

Gardner: So, perhaps it's a good time, if you've got the right skills, to hang your shingle up, go into your own boutique consultancy, maybe partner up with a few other folks that are in complimentary skill sets, and then promote yourself through a social network. This will be a good time to do something like that.

Foote: Yeah. But, as a person who has actually hung a shingle a lot and competes against those big firms, you have to have a lot of intestinal fortitude if you are going to do that. I'd recommend that the best thing you could do is find old pals who you used to work with -- even if it was five, six, seven, eight years ago -- and network with them. You might find that they're interested in bringing you on, because I do think there is going to be much more activity in 2010.

And then, in 2011, we may see a return to some full-time hiring. Then, you can choose whether you want to go back into working for a big company or a small company, or stay as a consultant. Again, Dana, consulting and that kind of activity is not for everybody's personality.

Gardner: Excellent. We've had a deep penetrating and interesting discussion about IT hiring and trends. I certainly want to thank our guest David Foote, CEO and chief research officer, as well as co-founder at Foote Partners LLC, in Vero Beach, Fla. Thanks so much, David.

Footnote: You bet, Dana.

Gardner: I also want to thank our sponsors for this BriefingsDirect Analyst Insights Edition podcast, and that would be Active Endpoints and TIBCO Software.

This is Dana Gardner, principal analyst at Interarbor Solutions. Thanks for listening, and come back next time.

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