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Bridging the skills gap

MicroScope contributor
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A sustained economic recovery might be on the horizon but persistent doubt about the immediate future has precipitated a crunch in the skills market as personnel in senior management positions keep their heads firmly below the parapet. *MicroScope* takes a look at the strategies some channel firms are using to cope with the skills shortage

Although business confidence may slowly be starting to return, 2010 is still expected to be a tough year. Economic growth is fragile and turbulence on the money markets due to fears that the Greek debt crisis will spread to other Eurozone countries are continuing to fuel concern over a double-dip recession.

But some of the returning optimism is currently being reflected in private sector recruitment activity, which is beginning to pick up again. For the first four months of this year, for example, CWJobs.co.uk saw the total number of IT positions posted on its employment website rise by 6.4%, only marginally below the 6.5% general market rate witnessed by sister site, TotalJobs.com.

That said, however, 2010 is not expected to be a smooth ride. As Richard Nott, a director at CWJobs, says: "The come-back will be slow and relatively hard and I don't think we'll see the great big spikes of previous downturns."

One of the challenges over the next quarter at least will be the uncertainty generated by the election of a coalition government. Many organisations are likely to remain in 'wait and see' mode until the dust settles and, as a result, will hold back on releasing large chunks of money for new IT projects.

But the IT sector is also expected to be hit by the new government's decision to scrap the controversial ID card system and ContactPoint child database, both of which would have required large numbers of personnel that will now not be hired.

Swingeing public sector budget cuts elsewhere are likewise anticipated to have a negative impact, with private sector partners that work for public sector clients being hit as purchasing is curtailed. Swathes of public sector IT staff are also likely to join the ranks of the unemployed as the function becomes one of the key targets for cutbacks and this situation should contribute to swelling the ranks of the available talent pool still further.

Jobs return

Into the more medium- to long-term, however, Nott expects the jobs market to come back at a steady pace. "We're in line for another tough year, but not as tough as 2009, which was pretty bleak in places. But 2010 will be hard, with people looking for a bigger rejuvenation in 2011," he says.

Vertical markets such as financial services, consulting and retail, which is spending quite heavily on introducing new point-of-sale systems, are already starting to rebound quite strongly, however, Nott adds. The same is true of London and the south east of England, although the story is much more

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mixed in other areas of the UK, with regions such as the West Midlands continuing to be badly hit.

Investment banks, in particular, are beginning to move into fairly aggressive hiring mode. This is because they are now undertaking infrastructure projects that were put on hold over the last two years and are spending money in new areas such as trading platforms to try and gain competitive advantage over rivals. Related sectors such as accountancy and law are likewise showing growth due to a trickle-down effect.

Claire Goodwin, sales director of womenintech's recruitment services, which specialises in female employment in the City of London, explains that, although the recession may have affected the financial services market first, those that are hit first tend to come out of it first.

"The finance sector stopped investing a good 18 months before the credit crunch as it knew what was coming and that's why it also started coming out of it six months ago. So it might be a sign of things to come for the rest of the private sector," she says.

But while underlying IT skills shortages are currently being masked by national unemployment levels of around 8%, some pockets of expertise can still be difficult to find.

The challenge for many employers is that highly skilled and motivated workers can be hard to come by because, unless they are made redundant, the current uncertain economic climate means that people tend to stay put.

"Assuming all things are equal and people are happy with their employer, they won't take a chance on their career. If people feel more confidence in the market, they're more likely to look for new challenges and opportunities, but in bad times, they tend to stick with what they know," explains Nott.

This situation can result in a Mexican standoff where skills gaps lead to shortages of candidates in certain areas and employers feel reluctant to compromise, believing the world should be their oyster in the current environment.

Areas where there are particular skills shortages at the moment include good internet design and programming skills in languages such as Ajax and Python as the e-commerce sector continues to grow. Experienced business analysts and project managers with soft skills and a good performance track record are also in high demand.

To try and get around these skills gaps in their businesses, some employers are starting to look at alternative hiring methods rather than simply relying on traditional recruitment agencies.

A small but growing number, for example, are choosing to outsource their recruitment processes to third party service providers such as Hays Recruitment or Resource Solutions for a one-off fee, not least to contain costs. Others, however, are opting for social networking sites such as LinkedIn or Facebook to find passive candidates who are not necessarily actively looking for new work.

With this backdrop in mind, MicroScope talks to three channel partners to find out how they are finding the skills market at the moment and what action they are taking to try to ensure they appoint and retain the best people for the job.

Inatech

"The number of unemployed is banded about quite a lot and there are a significant number so, to a degree, you can find most skills. But we're still finding trouble in getting senior architects who have been there and done that," says Keith Rock, sales and strategy director at Inatech Solutions.

The Oracle systems integration house, which is now majority-owned by

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software development firm California Software Co Ltd, had until recently focused predominantly on implementing enterprise resource planning systems in small to mid-market organisations. But last year, it saw growth rates of about 34%, driven mainly by growing demand for integration, SOA and CRM-based initiatives.

Inatech currently employs about 50 UK staff, but also has access to a pool of 180 employees in India that it can tap into for project-related work as required. Offshore personnel tend to focus on tasks such as remote systems monitoring, database administration and answering out-of-hours helpdesk calls relating to the firm's managed services offerings, but most client management and consultancy activity takes place in the UK.

And it is here, Rock explains, that the problems arise in finding senior people who have customer-facing skills, but can also see the big picture while juggling several projects at once. Ideal candidates would likewise be able to demonstrate strong design skills and be senior enough to mentor junior staff.

Unfortunately he says: "There's been a shortage for a while. We can find people with a year's experience or who have read the book, but to get the best out of these projects, we need guys with a track record."

As a result, the firm employs a number of techniques to try to get around the situation. On the one hand, it uses the services of traditional recruitment agencies, although numbers are generally restricted to only one or two.

"It's about economies of scale because if they're preferred vendors, we get better rates. But it's also about having people who understand your business and what you're trying to achieve. If you can build better relationships, you get better people," Rock explains.

At the same time, the company likewise taps into its extended network of contacts, which includes taking word-of-mouth recommendations and communicating with suggested candidates via social media sites such as LinkedIn.

On the other hand, it also has an active strategy of skilling up more junior personnel and cross-training more senior ones. "We try to generate the skill set underneath. So we take local resource and guide them so that hopefully we'll be able to develop the next one or two senior guys based on their experience of different projects. It's like an old-fashioned apprenticeship really," Rock says.

Another useful approach has been to build up a "virtual resource pool" of about 15 independent contractors rather than agency staff. This pool comprises senior personnel, which includes former chief executives, who work as and when required as a lifestyle choice, mainly for the firm's training division.

"For a smaller organisation like us, it's a better way to handle costs and still have people available. It works for all of us," Rock says.

Shoden Data Systems UK

"There are certainly good people out there, but the trick is finding them. Recruitment is as much an art as a science and there is definitely a skill to it," says Phil Jones, chief technology officer of Shoden Data Systems UK.

Shoden is a value-added reseller specialising in mainframe technology that was set up by its South Africa parent company two years ago in order to expand into Europe. The London-based business employs eight staff and its parent about 150, many of whom can be called in to provide support.

Although the company is not hiring at the moment, it has budgeted to take on more staff later in the year if the economy picks up. But Jones says that,

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even today, it can be tricky to find suitable technical personnel with more consultative business skills.

"It's easy to say 'we need an extra engineer so go out and hire one', but I believe customers want more," he explains. "They're looking for more than just a narrow technical focus so it's about good personal skills and having an understanding of their environment. But a lot of technical people are almost oblivious to the industry that they're operating in."

The firm has just run a week-long classroom-based training course for its own sales and technical staff to focus on the message that it's all about business benefits, says Jones.

"The aim is to help them understand that it's about selling a solution rather than just a product and that people don't buy IT for IT's sake. So getting them attuned to 'what is the real problem?' rather than tactical things like 'can we make it go faster?'" Jones says.

But he also believes that simply sending people on a training course can never be enough. Because behaviour and attitudes must be embedded into corporate culture, it is important to provide staff with ongoing on-the-job guidance, as well as to involve them in sales calls to help them understand commercial realities, Jones says.

As for the recruitment process itself, he is a great believer in word-of-mouth recommendations as the most productive and efficient way of finding suitable candidates.

"If someone rings up who you know well and says they know Fred, we'll always speak to them as there's at least some point of contact because they've been recommended," Jones says. "It's important to get it right for both employer and employee because, if you get it wrong for whatever reason, neither they nor the organisation get what they want."

Because most candidates attend interviews with nicely presented CVs and carefully prepared answers to expected questions, however, it is necessary to try to probe beneath the surface to get a true picture of their goals and what motivates them.

Therefore, a favourite question is "where do you want to be in five year's time?", not least to try to ensure that the right blend of skills and ambitions is achieved within the organisation.

"No course that you can send people on will make them more flexible or a better team player. It comes down to the individual and the corporate culture and doing as much as you can with a limited pool of labour," Jones says.

VADition

"It's difficult getting good people at the moment. There's a bunker mentality and with so much uncertainty around, many people are deciding to stay put," says Barrie Desmond, business development director at VADition.

One of the problems in a general sense, however, is that the competitive nature of the third-party channel means that even high-flying sales people - which the specialist network and security value-added distributor is always on the look-out for - can find life in the world of partners testing.

"The guy with a great CV from a blue chip is not necessarily going to get on well in the channel," Desmond says. "It's OK walking into an organisation with a well-known logo on your business card because it'll open doors. But you can only go through your black book once and people will see you out of courtesy, but try it again and it's less likely to work."

In reality, it takes a different kind of person to succeed in this world and the aim is to get the right street-fighters on board, he adds.

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On the technical side of the equation, meanwhile, the process is somewhat more straightforward because the skill sets of staff in this environment are more scientific and more predictable, he says. But even if people look perfect on paper, they often have unexpected quirks or personality traits that mean they do not necessarily perform their role as effectively as anticipated.

"It's about minimising those risks so getting a combination of official qualifications, track record and references that should always be taken up, but it's still not perfect," says Desmond.
The more successful hires usually come from word-of-mouth recommendations, but the distributor also uses a mix of recruitment agencies, recruitment sites such as Monster.com, online notice boards and chat rooms.

Social networking sites are likewise becoming a more popular medium to find staff. "They accelerate word-of-mouth in a modern way," he says.

"So you can ask for suggestions and people come back and say they know someone here or there and they're very good in, say, business development. It's a good way of meeting people in the pub without being in the pub," explains Desmond.

Nonetheless, he is unsure how proposed job losses in the public sector are likely to pan out for private sector employers because of a potential clash of cultures.

"When it comes to recruitment, I don't care how many psychometric tests people have done, it's still 50-50 as to how they'll fit in and whether their personality traits will make them suited to this environment," Desmond says. "Technology isn't a 9 to 5 sequential job. It's like a box of chocolates - you never know what you're going to get."

As a result, whether channel partners are large enough to have HR people in place or not, he advises putting a good structure in place by which to measure staff performance.

"It's about ensuring performance targets are simple, measurable and achievable and that staff are results-oriented and timely. You have to know what you want, but if you can't measure it, you can't manage it. It's as simple as that," Desmond concludes. •

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