

## 21st Century IT - What Does Outsourcing Mean for You (Feb 06)

February 2006 - Cari McLean

The U.S. IT job market has been comparable to a pendulum—swinging freely under the force of the economy and technological advancements. However, as India and China steadily climb the high-tech ladder, the U.S. IT job market continues to narrow as talent competition grows. It is common knowledge that offshoring and outsourcing are widespread in today's IT industry—and most importantly, that this trend is not expected to change any time soon.

However, according to Kent Anderson, CISM, managing director for Network Risk Management LLC, projections show that offshoring and outsourcing will not continue to hit IT professionals in the pocketbook. “The early motivation for companies to outsource was cost reduction, and for several years in the early part of this decade this created significant pressure on IT salaries. However, as the economy improves and companies realize that wholesale outsourcing is not always their best option, salaries appear to be stabilizing, and some are beginning to increase,” Anderson said. “Companies have learned—sometimes painfully—that not all IT activities can be efficiently outsourced. Some tasks requiring close alignment with the organization's business, such as application integration and security, cannot be easily outsourced.”

In fact, many offshored IT functions today are positions that require lower-level skills, including jobs on the help desk and support team. “These jobs include any kind of problem-solving that can be made into a decision tree and scripted, and could be done in theory by anyone who has the baseline knowledge and can understand the easy answers to a technical question,” said Gretchen Koch, director of skills development for the Computing Technology Industry Association (CompTIA). “But what this has meant for the Western IT professional marketplace is that most people that were holding these jobs previously are now left to find other positions in IT—by either staying in the IT industry itself or by looking for positions in other industries that have become very dependant on IT, like health care or finance.”

Perhaps the greatest effect of offshoring and outsourcing experienced thus far has been the increasing demand for U.S. IT professionals to expand their technical and soft skills. It is becoming clear that it is not only necessary for IT professionals to hold an assortment of technical expertise, but to have strong soft skills as well. “The biggest change for American professionals is that the bar has been raised regarding their skills,” said Doug Harward, founder and CEO of TrainingOutsourcing.com. “To be considered highly marketable, employers are going to be looking for highly skilled, highly certified and highly trained professionals who have strong design skills.”

### **Rivaling Competitors With Skills**

The role of the IT professional is becoming strategic for organizations, and it is becoming more commonplace for IT project managers to have seats in boardroom meetings. It seems that IT professionals' career futures will heavily rely on their capability to go beyond the abilities of their competitors in India and China, and stay current with technology advancements. Flexibility also will be a critical factor in the marketability of today's IT professional. “The idea of going to a university, learning a skill and then working for a company until retirement is pretty much gone. Professionals will need to be more flexible not only in their skill sets, but in salaries and where and for whom they work,” Anderson said. “The single biggest driver impacting IT professionals will be national and global economic performance—when the economy is good, jobs will be easier to get and salaries will be better. During economic downturns, those with the greatest flexibility will survive to the next upturn. Those that can't will migrate to other non-IT job sectors.”

IT professionals will have to broaden their skill sets and become business and financial specialists in order to leverage their technical skills with their organization. “IT professionals will

need to closely align their skills with the needs of businesses. During their lifetime, they may have to re-tool several times to keep up with changing requirements,” Anderson explained. “IT professionals should evaluate their skills in terms of what drives today’s C-level management: revenue and regulation. Those IT functions directly enabling revenue or satisfying regulatory requirements will have the best protection from outsourcing.”

A strong IT professional will not only develop his or her skills to a high-level and maintain currency in the field, but also develop soft skills, such as project management, problem-solving and communication, so that he or she is a more valuable asset to the organization. Soft skills and a thorough understanding of business processes are and will continue to be vital to achieve autonomy against the worldwide IT population.

Certification also will play a critical role in the ongoing success of IT pros in the United States. For that reason, certification vendors have modified their certifications to the market’s demand as well. “As companies become more dependent on IT operations and regulatory pressures increase, education and certification will become important. Companies will not have the luxury of hiring lower-skilled workers and then training them because this type of work will be offshored,” Anderson said. “Companies will want to know workers can perform their job functions almost from day one, and certification will be one of the tools employers use to determine basic competency. A broad education, including both formal and continuing education, will provide professionals with the flexibility to meet changing business requirements.”

In some cases, managerial certifications are emerging to fulfill the demands of IT professionals and their employers. In addition, significant numbers of professionals are earning certifications across various vendor-specific platforms. “I am seeing people coming in and not being so concerned with a straight certification on one particular piece of equipment, but they are coming in and getting experience across multiple vendors so that they can participate in buying decisions,” said Mike Walsh, worldwide product director of networking for Global Knowledge. “They understand the applications, the scenarios and the case studies that we walk them through so they can go back and replicate that for their organization. They are pursuing training—whether technical or soft skills—that allows them to better interface with their internal customers. That is really the biggest change: People are grabbing a hold of that holistic picture as opposed to the past mentality of, ‘How can I add more acronyms to the end of my name using certifications?’”

### **Tracking Industry Demands**

It is critical that IT professionals not only move and adapt with the latest and greatest technologies, but understand where the opportunities are as well. According to Koch, information security professionals and IT project managers are currently in high demand. “There is a lot of growth around having data secure, with all of the networking firewalls and that sort of stuff. We are also seeing a lot of opportunities in IT project management, and that is when someone is either working for one of these outsourcing companies that are doing these project-based consultancies or working for large organizations that are constantly putting in large IT installations and integration projects,” she said. “Higher-level IT professionals with project management certification are very marketable. In fact, in certain parts of the country there is more demand than there is supply.”

Experienced and qualified IT professionals also are in high demand in the health-care, finance, real estate and insurance industries. As the regulations in these industries continue to increase, the demand for professionals to manage, mine and safeguard their data will continue as well.

In addition, because onshore outsourcing is considered a standard operating procedure for many organizations today, working as an independent contractor or for an outsourcing consultancy is a viable option as well. Working in a non-traditional IT sector, independently or for a consultancy are great options for experienced professionals or for recent graduates trying to build their

résumés. Again, being flexible and mobile will be essential for IT professionals both now and in the near future, because the IT industry will continue to evolve.

“Outsourcing and offshoring is a part of our forever-economic world. It has been around for years and years, and will continue to be around as our global economy continues to flatten. The way we believe professionals should look at the market is to recognize that there are two types of companies to go work for—an end-consumer services company or service-provider company,” Harvard explained. “Many professionals believe that outsourcing is bad. It is not bad: It just means that the jobs are being performed by a different company. The jobs still have to be done. It just may mean he or she may be working for supplier A, instead of working for customer B.”

Regardless of an IT professional’s career goals and the status of the marketplace, never-ending education is a requirement. In the IT industry, it will continue to boil down to the value a person can bring to an organization via their performance, technical expertise and ability to leverage their technical and soft skills for the greater good of organizations.

–Cari McLean