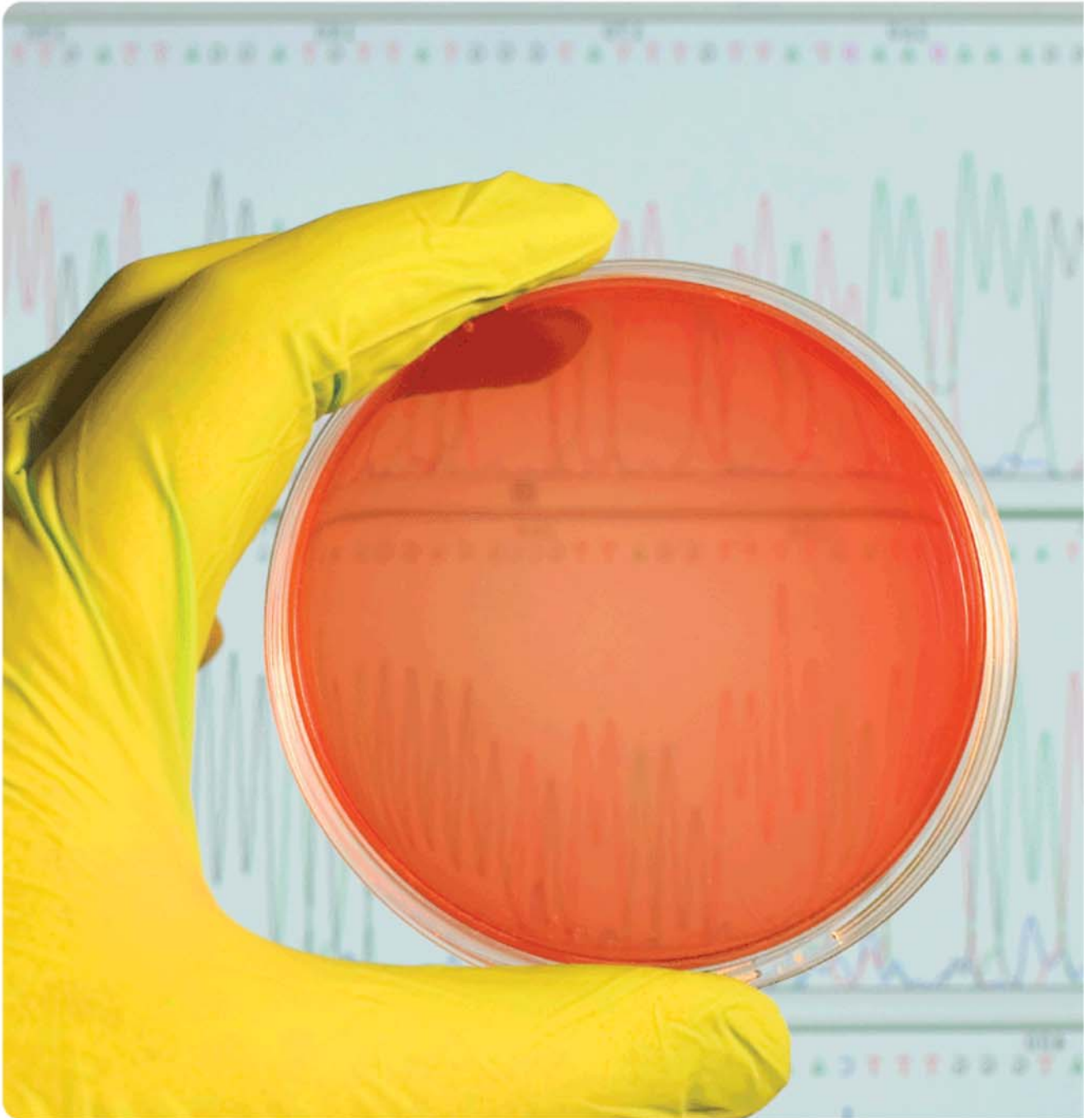


TECHNIQUES

# IT Hot Spots: Niches,

TEGAN JONES



# Industries, Regions



As the country climbs out of its longest recession in recent history, many companies are forsaking their foxholes and making a reticent return to the economic arena. After a five-year hiring hiatus, businesses are conveying their fiscal confidence by making an effort to reinforce their ranks. This national trend applies to the IT industry, as well, with 14 percent of CIOs expecting to increase employment in the first quarter of 2007, according to the Robert Half Technology Hiring Index and Skills Report.

"We finally got past the ramifications of the war and so many other factors that contributed to the downturn," said John Estes, vice president of IT placement firm Robert Half Technology. "Projects from so many companies are finally being dusted off and pulled from the shelf, and people are hiring again."

Yet, this growth has not been spread evenly across the board. As always, certain regions, industries and niches are hiring more IT professionals than others, with some elite fields and focuses paying more than the rest.

## Industries

The highest-paying industry for IT pros is research and development. As the economy rebounds, companies are using their enhanced profits to find the most effective methods for making more money, said David Foote, CEO of Foote Partners LLC, an IT workforce and compensation research firm. As industries become increasingly competitive, corporations must dedicate more resources to collecting and analyzing market data.

IT professionals, including data warehousing and business intelligence specialists, are needed to secure storage and build predictive models to help corporations get the edge on their competitors, he said.

"Exxon Mobil made a ton of money this year — they set a record for the amount of income they generated, and now they're spending a lot of time and money trying to find where oil is buried," Foote said. "That's IT, as well. That's GPS systems, that's looking at patterns. All this stuff comes down to data and computers holding that data."

With the recent rise in military spending, IT pros in the defense industry also have experienced a boost in salary. Since Sept. 11, classified documents and counterterrorism activities have gained more media attention, creating an even greater need for qualified security professionals in this field.

"There's been a lot of money going toward homeland security and national defense," Foote said. "It's not talked about a lot, but it's created a whole job path for people, and it's put a lot of people in security to work."

The next-highest-paid industry is transportation, which is also experiencing the most growth. With 24 percent of CIOs expecting to add personnel in the first quarter of 2007, this field sits 10 points above the national hiring average, according to the Robert Half Technology report.

This growth also is due to the recovering economy, Foote explained. As household budgets and disposable incomes increase, transportation is one of the first areas where people begin to spend more money. While last year the average person spent less than \$700 on travel costs, this year the amount was nearly \$900, he said.

"The airlines are having trouble making ends meet because of the price of energy and oil, but people are traveling like crazy," he said. "And that's an industry that has a lot of IT — there are all the reservation systems, there are all the inventorying systems. So much of it is IT."

The manufacturing industry also is anticipating a high level of growth, with 19 percent of CIOs expecting to increase staff.

## Regions

The East Coast is experiencing the greatest surge in hiring right now, with 22 percent of executives in Alabama, Kentucky, Mississippi and Tennessee (which are in the East-South-Central region of the country) expecting to look for new recruits at the beginning of 2007. Twenty-one percent of executives in the Middle Atlantic States — New Jersey, New York and Pennsylvania — also expect to hire more IT pros.

Estes said although most regions are experiencing some sort of bump in hiring because of the national economic upswing, a lot of the East Coast is recovering faster because it also experienced a much quicker downturn. He said this pattern is part of the normal recessionary cycle, but the region took a harder fall this time because of the added stress of Sept. 11.

"When 9/11 happened, it was literally like a light switch just went off in regard to hiring — it was almost at a standstill," he said. "Don't get me wrong, everybody was affected, but not to the degree the larger cities, particularly the larger cities on the East Coast, were affected."

Foote added that the East-South-Central region also has grown because it has a relatively low cost of living and an agreeable location. With companies looking to use their returning surplus to

expand operations, the cheaper real estate and lower wages required in this region make it a prime location for doing business.

"It's really tough to get people to move to areas of the country where the cost of living is very high," he said. "So, the question is, 'Do you want to work in Montana? Do you want to work in the Mountain States, or do you want to work in the Sun Belt?'" he said.

In relation to pay, in-demand locations such as the Bay Area, the greater New York City region and metropolitan Boston generally offer the most for IT skills. The elevated salaries generally correspond to the demand created by the high concentration of companies there, as well as the cost of living, Foote said.

Globally, research firm IDC reports that although the BRIC countries — Brazil, Russia, India and China — will continue to drive worldwide growth, the "beyond

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BRIC" countries will provide the best financial opportunities for business in 2007. These countries include the "Emerging Asia" countries, Latin America's Southern Cone, the Middle East and North/East/West (NEW) Africa.

IT spending worldwide is expected to grow about 6.6 percent in 2007, but many of the countries in these regions will grow twice that amount, said Stephen Minton, IDC analyst. Some of the highest-performing countries include Turkey, Indonesia and Argentina, which have expected growth rates of 15 percent, 12 percent and 11 percent, respectively.

Minton said this expansion corresponds to increased buying power, which has created a market for international technology companies such as Dell, IBM and Hewlett-Packard.



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"Those regions represent very small and immature technology markets, so that's the main reason why they have such high growth at the moment," he said. "The penetration levels are very low in terms of the overall number of people or companies that are using technology compared to the more developed parts of the world."



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Alone, the IT market in the Asia/Pacific region — excluding Japan — will reach \$132 billion in 2007, up 10 percent from 2006. Bangladesh, Pakistan, Sri Lanka and Vietnam are expected to see increased spending power and infrastructure budgets, pushing them closer to the growth rates of the BRIC countries, according to IDC.

“The region’s astounding rates of economic and IT market growth have resulted in dynamic and rapidly evolving corporate and consumer markets,” Eva Au, managing director for IDC Asia/Pacific, said in a press release. “The region’s economic empowerment has created more discerning and demanding IT users who now require technology that is sensitive to the region’s unique demands.”

### Niches

It’s no surprise that Microsoft Windows administration skills continue to be in high demand, with Robert Half Technology reporting that 77 percent of CIOs expect to hire those specialists in the first part of 2007. Network administration (Cisco, Nortel, Novell) and database management (Oracle, SQL, Server, DB2) skills are also highly marketable, with 71 percent and 63 percent of executives looking for specialists in these fields, respectively.

Because of the recent trend of aligning IT performance with business goals, customer-facing skills such as applications development and Web development are also hot right now, according to Foote Partners.

In the past few years, many companies have been forced to focus large portions of their budgets on complying with evolving government regulations, but now more of that money is free to focus on the customers, Foote said.

“For years, a lot of IT was in the back office, doing transactions and network security, but a lot of IT these days is customer facing,” he said. “You’re building applications in order to work offline and online with your customers and to deliver products and services.”

This shift is being reflected in hiring increases in related fields. Jobs in project management will expe-

rience an increase of 36 percent, programming/systems development jobs will grow 33 percent and help desk/tech support positions will increase by 30 percent, according to Foote Partners’ research.

When it comes to pay, enterprise business applications and Web/e-commerce development are the noncertified skills experiencing the highest pay premiums. Oracle Developer, SAP NetWeaver, IBM WebSphere and Microsoft BizTalk Server are just a few of the proficiencies earning 9 percent to 16 percent of base pay.

In the certified category, IT security and project management skills are earning professionals the biggest bucks. SANS/GIAC Certified Forensic Analyst (GCFA), Certified Information Systems Auditor (CISA), Project Management Professional (PMP) and IT Certified Architect (ITCA/Open Group) are just a few of the certifications worth 10 percent to 14 percent of base pay.

In 2007 and beyond, finding a specialty will be extremely important for IT pros, Foote said. As customers become more demanding, companies are looking for people who understand their specific consumers and can help them look into the future.

“It’s becoming more and more important that an IT person has instinct and real experience beyond simple technology,” Foote said. “Companies are saying that it’s a lot easier if you hire people who understand what the customer’s asking and who have been in this industry.”

Niches are becoming narrower, and specialists have to add more focused faculties to their already-concentrated skill sets. For example, where certified Oracle database administrators used to be marketable for their database skills alone, hiring managers are now looking for candidates who have experience working with specific types of data, Foote said.

“What we’re finding is, not only do you need that specialization in technology, but now you might need more than that,” he said. “The very definition of what a specialist is has changed from a person that’s specialized in just one thing to that person having to specialize in several things that surround that.”

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