



# Start

TECHNOLOGY IN BUSINESS



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## IT SKILLS

### A CHEQUERED LANDSCAPE

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2015 HR BUYER'S GUIDE, TALENT MANAGEMENT, SOFTWARE  
USABILITY, PROCESSIFICATION, IT SALARY INSIGHTS

# HIGH

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*for Microsoft Dynamics*



## From the editor

Over the last several months we've been walking a mile in your shoes as we develop our new website. I'm sure we've encountered many of the same frustrations as you do in your IT projects, but it's certainly been worth it as we're getting ready to launch the new and improved *iStart* online, complete with responsive design so you can read up on the latest industry research, opinions and news on any device you choose.

Working on the site got me thinking about the combination of the human and IT factors in every IT project and this, in many ways, is the focus of this issue. For example, as the world becomes increasingly digitised and globalised, those regions with strong ICT skills will be the winners. Unfortunately for us, we are experiencing an ICT skills shortage that seems to be worsening. Indeed it was a significant talking point in the recent New Zealand general election, which at least bodes well for the future. I talked to a number of experts on p18 to find out what a skills shortage means for our region and what we can do to help assuage it. What surprised me the most was the fact that most parents and teachers do not see IT as a profession to encourage their children to take up as a career, which is strange when you consider how lucrative and stable such a career can be. To confirm this, we took a look at the salaries available in the sector on p64.

Education does not end at school or university, so this issue we asked Donovan Jackson to look at how HR systems can help to manage internal talent, organisational capabilities and ongoing education and certification. You can find out more about how the role of HR is changing on p26.

Happy, constructive employees are key to a successful and profitable business these days. One cause of employee disgruntlement is ineffective systems and processes that cause frustration. If nothing is done about this then staff will leave. Business process management, or BPM, aims to improve processes with employee involvement and often on the fly. It's even becoming part of the innovation fabric in some companies as we find out on p52. Sometimes it's not the overall process but the clunky software that causes frustrations as one of our contributors points out. Today, however, we are finally seeing the lessons learnt in consumer software apps filter through to business software, as developers focus more on the user interface and overall user experience as well as the underlying processes. Anthony Doesburg took a look at how simplicity is winning the enterprise software battle on p44.

The more I read about it and the more I am involved in IT projects, the more I see the importance of the human element in IT. For example, Jeff Dance, usability expert, explains why certain web designs work better than others on p74, while SimpliHealth CEO Jodi Mitchell discusses the merits of having a diverse workforce in IT on p34. In fact, almost everything we have written about in this issue has a strong human element, which goes to show just how far IT has come from its early days of brainiacs in walk shorts, pen protectors and thick-rimmed glasses.

Enjoy the read,

**Clare Coulson**

Editor



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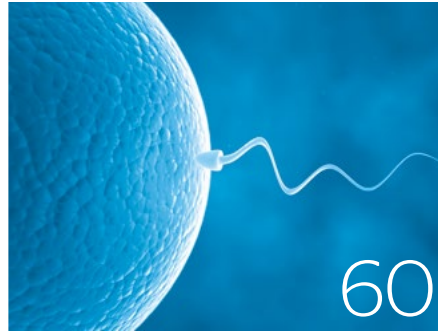


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### iStart AUSTRALIA EVENTS – Q4 2014

#### Gartner Symposium ITxpo 2014

17-20 November 2014 | Gold Coast  
[www.gartner.com/technology/symposium/gold-coast/](http://www.gartner.com/technology/symposium/gold-coast/)

#### GovInnovate Summit 2014

25-27 November 2014 | Canberra  
[www.2014.cebit.com.au/govinnovate](http://www.2014.cebit.com.au/govinnovate)

#### Chief Data Officer Leadership Forum

10-11 February 2015 | Sydney  
[www.cdoleadersanz.com/](http://www.cdoleadersanz.com/)

#### Gartner Business Intelligence & Information Management Summit

23-24 February 2015 | Sydney  
[www.gartner.com/technology/summits/apac/business-intelligence/](http://www.gartner.com/technology/summits/apac/business-intelligence/)

### iStart NEW ZEALAND EVENTS – Q4 2014

#### Conferenz Internet of Things (IoT) Conference

19 November 2014 | Auckland  
[www.conferenz.co.nz/conferences/internet-things](http://www.conferenz.co.nz/conferences/internet-things)

#### 2014 International ALGIM Conference

24 November 2014 | Auckland  
[www.algim.org.nz](http://www.algim.org.nz)

#### HR Analytics Conference

24-25 November 2014 | Auckland  
[www.conferenz.co.nz/conferences/2nd-hr-analytics-conference](http://www.conferenz.co.nz/conferences/2nd-hr-analytics-conference)

#### International Conference on Information Systems (ICIS)

14-17 December 2014 | Auckland  
[icis2014.oisnet.org/](http://icis2014.oisnet.org/)

#### 4th Multicore World Conference

17-18 February 2015 | Wellington  
[www.multicoreworld.com/](http://www.multicoreworld.com/)

#### 2015 Business Intelligence Summit

24-25 February 2015 | Auckland  
[www.conferenz.co.nz/conferences/business-intelligence-summit](http://www.conferenz.co.nz/conferences/business-intelligence-summit)

### UPCOMING iStart WEBINARS 2014

#### iStart Lunch Box

#### Selecting cloud applications: a how-to guide

10 December 2014 | at your desk  
[www.istart.co.nz/lunchbox.htm](http://www.istart.co.nz/lunchbox.htm)



## MICROSOFT SWITCHES ON LOCAL CLOUD, SOFTWARE STORE

**MICROSOFT HAS SWITCHED ON** its Australian cloud, operated out of data centres in Sydney and Melbourne.

After a lengthy gestation period Microsoft has delivered a local instance of its Azure platform-as-a-service and infrastructure-as-a-service cloud, tackling data sovereignty issues for many clients and prospects. The company joins a host of other cloud companies which have established Australian sites including Amazon Web Services, Rackspace, Macquarie Telecom, Dimension Data, IBM and Fujitsu.

The launch includes an impressive list of early users of the facilities including the Commonwealth Bank, accounting firm BDO, Carsales.com and iCareHealth. In New Zealand, Zespri also recently announced it had migrated SAP hosting to Azure.

Microsoft has also inked agreements with Equinix and Telstra which will supply express network support to facilitate secure and fast connection to the Azure cloud. The company also launched the Azure Marketplace which will provide users with app-store style access to virtual machines, apps and cloud services.

Microsoft's cloud platform system being developed in association with Dell, will also

allow local users or systems providers to essentially create an Azure cloud in their own data centre, allowing a private, or hybrid cloud architecture.

The lure of the cloud was reinforced by users speaking at the Azure launch, which coincided with TechEd, Microsoft's annual gathering for the developer-faithful, now in its 21st year in Australia. According to David Whiteing, CBA's CIO: "Cloud allows us to go to a different price point on our services and gives us elasticity," adding that over time the bank wanted "a much more pay-as-you-go model than we have had traditionally".

Meanwhile Carsales.com's CIO Ajay Bhatia said that the company had priced in-house infrastructure needed to support the internet car sales business and that had been a "high seven-figure number". Azure meant "we are literally dropping a zero" off the cost he said.

Microsoft managing director Pip Marlow said that the availability of Australia-based clouds was of particular interest to financial services and healthcare organisations which had historically higher levels of risk management. "Bringing this in country ...will open doors," she said.

## CHEAP SOFTWARE FAILS TO SELL INTUIT MESSAGE

**INTUIT'S STRATEGY OF SELLING** its cloud-based accounting system on the cheap in order to spur demand has backfired – and from the end of the year the A\$4.99 price tag seems set to revert to A\$35.

Until March 2012 Intuit's accounting system was sold exclusively in Australia by Reckon, but the final link between the companies was severed this February, leaving Intuit to build its own local user base. To spur demand it has been offering the QuickBooks online, cloud-based accounting system for as little as \$4.99.

But its sales strategies have only netted it around 7000 Australian customers – well behind its cloud-based rivals. The company has yet to tackle the New Zealand market.

While Intuit claims it has enjoyed fast growth percentage wise, it has come off a low base. Asked whether the pricing strategy had failed Intuit Australia managing director Nicolette Maury said; "What we are hearing from advisors is that the price seems too good to be true."

Intuit's local user numbers are a distant fourth behind Xero, MYOB and Reckon.

Demand for cloud-based accounting systems has risen strongly, however there is still a huge untapped market among SME customers, as the report noted that only 27 percent of small and medium businesses in Australia had yet deployed cloud accounting systems themselves.

Terry Hicks, vice president and general manager for QuickBooks Online, who was in Australia recently said that Intuit's strength remained in North America despite the company's global ambitions. But he noted: "As a company we are extremely patient and we look at the progress we are making relative to our growth aspiration."

He said that internationally "our biggest competitor is non-consumption" because of the proportion of businesses which had not deployed an accounting platform. Even in the US where he said that there were 30 million small businesses, only about 8 million of them yet use an accounting system.

## XERO SIGNS MARKETING GURU ANDY LARK

**ANDY LARK, FORMER MARKETING** lead for Dell and Commonwealth Bank, has signed on as the chief marketing officer of Xero, effective from November.

Lark, who has 15 years' experience marketing in the US is a particular coup for Xero as it continues its push into North America.

In an operating update provided to the Australian Stock Exchange the company noted that the US was its fastest growing market. It grew the number of Xero users by 120 percent and revenues by 131 percent. However this growth comes off a low base – by the end of September Xero had just 22,000 US users out of a total 371,000 users internationally.

However, in its ASX report the company notes that the North American opportunity is significant for the firm given the 29 million small businesses which are potential sales targets.

Writing in his blog, Lark notes his consulting business has been working with Xero on the company's global marketing strategy for some time.

According to Lark, "the opportunity is nearly limitless with the majority of small businesses not using any kind of platform to grow on". He said that the rise of mobile platforms coupled with cloud computing services would eventually make accounting less of a dedicated task and something that would be completed during the normal flow of business.

Lark, a New Zealander, will continue to live in



Sydney but work with Xero in NZ, the US and UK.

Australia is currently the company's largest market after the user base doubled to 158,000. According to Xero 67 percent of its new customers signed up since September 2013 had switched from a rival accounting software provider.

The company is continuing to offer its free MYOB to Xero conversion tool to Australian customers.

Growth clearly remains the company's focus. Subscription revenues for the first half of the year were \$A52 million – since 2010 the company has enjoyed a compound annual growth rate of 98 percent on subscription income. It is however still loss making.

For the six months to the end to September Xero made a net after tax loss of around \$A25 million.

## INDIAN TECH FIRMS UP THE ANTE IN AUSTRALIA

**LEADING INDIAN TECHNOLOGY VENDORS** are expanding their footprint in the Australian market, and looking to acquire already scarce local IT skills to meet growing demand.

India-based Wipro has announced its first graduate hiring initiative in Australia, seeking engineering and computer science graduates who it plans to take to India for a six month training programme, before returning the employees to Australia.

The company says that the initiative is part of a plan to localise its workforce in geographies across the world. The company has 1500 employees working for Australian clients.

Infosys also recently announced that as part of a global IT services deal signed with BP it would provide computer services in Australia, while HCL Technologies has been chosen by Sydney Trains to provide application management and IT support services.

Tata Consulting Services is another enjoying success in the financial sector, along with HCL, and newcomer Servion Global Solutions which this year established an office in Melbourne.

The PR benefits of hiring local personnel is another factor. Big player Infosys has been warned by Gartner that it needs to overcome the perception that it is an offshore outsourcer if it wants to win more public sector business.



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## NZ'S OLDEST HONEY BRAND POTS TECH WORLD-FIRST

**IN WHAT IS BELIEVED** to be a world first, Airborne Honey has released online tool TraceMe into the wild. The tool allows customers around the world to look up specific details about the contents of their honey jar. The details available include pollen percentage, colour, conductivity, glucose levels and whether the honey has been heat damaged. The honey can also be tracked all the way back to the hives with the tool pinpointing it's provenance on a map of New Zealand.

"This technology allows us to be completely transparent," explained Peter Bray, Airborne Honey managing director. "We are giving customers and retailers everything they need to identify their honey, whether it is manuka, clover or any other honey in the range, as true to variety, undamaged and traceable. The 'traceable' feature will also make it easier for consumers and importers overseas to identify counterfeit honey – something that continues to be a problem internationally."

TraceMe works by scanning a QR code on the honey label with a smartphone, tablet or iPod. Customers who do not have a smartphone or tablet can also use TraceMe via the Airborne Honey home page or <http://abh.tips> and enter the batch number in the TraceMe section.

Airborne Honey says the launch of TraceMe is timely given the current focus on manuka honey authenticity. New Zealand's Ministry of Primary Industries has released its Interim Labelling Guide for Manuka Honey, which includes recommended information to print on honey labels, including pollen presence, HMF (a measure of heat damage) colour and conductivity, all of which are recorded by TraceMe.

"The data provided by TraceMe gives consumers all the information they need to make fully informed purchase decisions. The power is in their hands now. We believe it's a great step forward for both Airborne Honey and the New Zealand honey industry," said Bray.

## iOS 8: APPROACH WITH CAUTION, BUT APPLE'S ON TRACK

**A BIT OF A** confusing release this one. iOS 8 at release did not support the iCloud Drive – Apple's answer to Dropbox – which is being touted as one of the major features of the new operating system. iCloud Drive needed the new Mac OS, Yosemite (since released), so early adopters were left for several weeks with software that wouldn't sync. iOS 8 would have been better launched without iCloud Drive and then released it as an update once Yosemite was available, rather than confuse everybody.

Despite Apple's fastidious attention to detail and quality, the iOS 8.0.1 version, which was released a week after the original iOS 8, had some major issues, chiefly the fact that it disabled the new iPhone 6's ability to make phone calls (oops). Apple pulled the update an hour after it went live on the App Store (presumably NOT after the call centre went mad). Fortunately all of this happened in the wee hours for us.

The difference between Apple now and Apple under Steve Jobs is that Apple now tries to please its audience, whereas Steve Jobs didn't care. Nothing was ever released until he signed it off. Apple nowadays is much more responsive to what people want and with that desire to please comes pressure to deliver. It has also changed the organisation into one much more pleasant to deal with - at least as a blogger.

The new era has also brought the larger format iPhones – which Jobs had flatly refused to do – and they have been hugely popular. Apple sold 10 million iPhone 6 and iPhone 6 Plus in just three days after launch.

iCloud Drive issues aside, the new system is really slick and there are lots of little details that make for an overall improved experience. For example you have more control over the camera (timer, exposure, focus), and easier, faster access and reply options for recently called contacts, incoming mail and messages which can all be done without having to boot up the individual apps.

*This article was written by iStart's resident Apple blogger, Mark Webster. Check out his weekly posts on our digital channels.*

## AUSTRALIAN ENTERPRISE LEADS IN MOBILE AND CLOUD

**A SURVEY OF OVER** 1000 Salesforce users around the world, including Australia, has revealed that local enterprises are even more enamoured of mobile and cloud services than their international peers.

Conducted by consulting business BlueWolf the survey found that while 70 percent of international Salesforce users were planning to redirect technology investments away from in house platforms and onto the cloud, that figure was 74 percent among Australian enterprises.

It also noted that 26 percent of Australian respondents reported using mobile access to the platform on a daily basis, compared to 24 percent internationally. A massive 95 percent of Australian survey respondents also reported using Salesforce's App Exchange – a much higher percentage than internationally.

According to the BlueWolf report

further growth lies ahead with 71 percent of respondents saying they plan to spend more on Salesforce services this year, with 54 percent using two or more Salesforce cloud services.

Mobility, which the BlueWolf report describes as "the cornerstone of digital disruption" has already been widely deployed with 89 percent of respondents saying they had embraced Salesforce 1 mobile solutions.

As far as Australian enterprise Salesforce intentions are concerned, Arlene Wherrett, BlueWolf APAC managing director noted, "We are anticipating that investments in multi-cloud solutions, intelligent data, mobile and marketing stand to gain the largest share of new investments. We also see predictive analytics exploding in use with 80 percent indicating they will be investing in 2014/15."

## SEMBLE LAUNCHES NZ'S OWN MOBILE WALLET

**SEMBLE HAS ANNOUNCED THAT** is launching a pilot of its mobile wallet, with a full launch to follow in 2015. The company is a joint venture between market heavyweights Paymark, Vodafone New Zealand, Spark (then Telecom New Zealand) and 2degrees.

The intention was to provide a common TSM, or trusted services manager, so that all New Zealanders could make secure payments, collect loyalty points and use public transport using NFC technology embedded in smartphones.

The demand, says Semble, is demonstrated by Kiwis transacting over 20 million card-based contactless payments worth an estimated \$735 million up to August this year, at the same time as 82 percent of Kiwis carry their smartphone with them everywhere.

Semble is positioning its mobile wallet solution as the common national platform for smartphone-based contactless transactions. It will provide the secure infrastructure that sits between service providers (such as banks, loyalty providers, merchants) and the mobile phone providers.

CEO Rob Ellis said the name Semble evokes "an assembly of parts and

partners", and that is what the mobile wallet is.

"We are creating a world where your bank cards sit in a virtual wallet on your smartphone together with your coffee cards, your reward cards and more," he said.

Semble has been working with all of New Zealand's mobile network operators, plus ASB, BNZ, Air New Zealand and Samsung to bring this mobile platform solution to market.

Although it is starting with 'cash' payments, Semble has an open philosophy, which means that any organisation offering contactless transactions can participate. Semble expects transport cards, loyalty cards, airplane tickets, concert tickers, hotel keys and more to join the "uniquely Kiwi collaboration" driven by the same attitude that saw New Zealanders embrace EFTPOS 20 years ago.

Samsung will be the marketing partner for the initial roll out, and no mention has been made of the role that Apple or its Apple Pay facility may play.

The roll out of Semble began in October with a 250-user live pilot and it will launch on Google Play early next year.

## ONLY ONE A/NZ BUSINESS MAKES GARTNER GRADE ON SUPPLY CHAINS

**ONLY WOOLWORTHS IN AUSTRALIA** has made the cut for Gartner's annual list of the most effective supply chains in Asia Pacific – and New Zealand fails to rate a mention.

The top ten supply chains across Asia Pacific, as identified by Gartner were those of Samsung, Lenovo, Toyota, Hyundai, Huawei, Woolworths, Honda, Flextronics, LG Electronics and Sony.

According to Gartner, the company had one of the highest return on asset performances in the region.

"While other regional retailers are still developing supply chain strategies, Woolworths has already embarked on its supply chain transformation journey. Initiatives like 'Mercury One' – that touched procurement, distribution, order consolidation, inventory management, merchandising, and in-store stock availability – have helped integrate and mature Woolworth's supply chain capabilities.

"The next step, 'Mercury Two', adds advanced analytics and deeper direct selling expertise, while last year's investment in Quantum delivered advanced demand-sensing capabilities to help optimise the flow of goods."

Woolworths' arch rival Coles announced a slew of changes planned in its Store Support/IT centre. The company announced that 438 positions would be lost as a result.

## ATLASSIAN FEATHERS ITS FINANCIAL NEST

### TEAM COLLABORATION SOFTWARE PROVIDER

Atlassian has announced revenues for the year to the end of June have surged 44 percent to \$US215 million. The company has added 9000 new customers during the year; today almost 40,000 organisations use Atlassian software to help them build software and support customers including the likes of Coca-Cola, NASA and Audi.

According to co-CEO and co-founder Scott Farquhar: "Atlassian's combination of work and project management, content collaboration and real-time communications is the key to unlocking the potential for teams to have an extraordinary impact on their products, services, companies and industries. We're honoured to help teams at companies as diverse as Tesla to Tesco work better together."

Farquhar and his co-CEO and co-founder Mike Cannon-Brookes have built the company over the last 12 years into Australia's premier software

shop. They have also continued to build their wealth.

The 2014 BRW Rich List estimated that Farquhar and Cannon-Brookes were worth just over \$A 1 billion apiece. Its calculation was based on the \$A161 million minority stake that US investment firms took in Atlassian this April, and the value that then ascribed to the co-founders' shares.

The next big financial step for the business is likely to be a public listing. While both men are strongly supportive of making Sydney the nation's technology hub, Atlassian has been expanding its US footprint, and this year also moved the firm's headquarters to London.

That has been interpreted as being a move intended to position the company for a US rather than Australian Stock Exchange float. However Cannon-Brookes in particular has in recent months hosed down speculation that a float



could be imminent, saying that the firm could remain private for many years to come.

However even happy employees, many of whom are also shareholders, may be keen to see more liquidity surrounding their Atlassian stakes.

Internationally the company has almost 1000 staff, and seven global offices following the opening of operations in Manila and Austin during the last year.



## GOVERNMENT SIGNALS CRACK DOWN ON TAX AVOIDANCE/PRICE RORTS

**AUSTRALIA'S TREASURER JOE HOCKEY** has instructed the Commissioner of Taxation to "double his efforts" and undertake more audits of multinational companies "considered a risk to Australian tax collections".

He has also called on the ATO to take a closer look at the pricing of technology in Australia.

A 2013 Australian Government investigation confirmed that Australians pay 50-100 percent more than overseas peers for technology.

The House of Representatives Standing Committee on Infrastructure and Communications report *'At What Cost? IT pricing and the Australia tax'* found that for the most part prices were high because of vendors' regional pricing strategies and an approach which saw them charge "what the market will bear".

This price disparity has also been held up as an explanation, if not justification, for why online piracy levels remain relatively high in Australia.

In a curtain raiser to the meeting of G20 finance ministers being held in Cairns later this month the Treasurer has again confirmed that Australian consumers often pay much higher prices compared

to US consumers for identical IT hardware, software, music and games. While the Government is not able to demand



price parity, it can apply a blowtorch – in this case tax office audits – to other areas.

Hockey referred to a flurry of media reports regarding international companies which supplied high priced goods to local consumers but still pay relatively little tax in Australia. Apple and Google have received particular attention for the apparent disparity between their Australian profits and tax bills.

The treasurer warned that the tax commissioner would take a close look at where profits were being made locally by multinationals and shifted overseas, and whether the transfer pricing rules had been properly applied.

"I have also asked the Commissioner to double his efforts in applying our rules so that his officers are able to look at these price differences to ensure that profits earned in Australia are taxed in Australia.

"We are determined that multinational taxpayers will not be able to avoid their Australian tax obligations by shifting their international profits to low tax or no tax jurisdictions."

## NZ'S FIRST FIBRE-ONLY ISP MYREPUBLIC PROMISES TO CHALLENGE INCUMBENTS

**NEW ZEALAND'S FIRST FIBRE-only** broadband company MyRepublic has launched with an invitation to all Kiwi homes to try out its 100Mbps unlimited fibre broadband service for three months for free – that is, if they have fibre outside their address.

MyRepublic is a Singaporean challenger brand that has grown to be the third largest ISP in its home country. Earlier this year, MyRepublic in Singapore became the first operator in South-East Asia to offer consumer fibre broadband plans of 1 Gigabit per second (1Gbps) at mass market prices – a move that has made Singapore's internet access one of the fastest and most affordable in the world.

MyRepublic has stated that it intends to do the same here in New Zealand. After its success in Singapore, the company says it knows how to compete against the bigger guys and how to sell fibre into a new market.

According to Vaughan Baker, MyRepublic's New Zealand managing director, "MyRepublic is purpose-built to unleash the potential of the UFB. We engineer the network using its unique capabilities to provide the best online streaming and gaming experience possible. Nobody else is doing that. By leveraging the UFB, we're actually able to customise the internet experience for each and every customer."

## BITCOIN FACES DOUBLE WHAMMY TAX LOAD

**AUSTRALIA'S FLEDGLING VIRTUAL CURRENCY** sector was disappointed by the ATO's recent guidance which indicated payment in Bitcoin would be treated similarly to barter. People buying the virtual currency will have to pay 10 percent goods and services tax when they buy Bitcoin in Australia, and will then be charged a further 10 percent on the goods and services they buy with it.

Bitcoin start-ups and digital currency associations warned that the ruling could drive many virtual currency start-ups offshore or underground.

Ron Tucker, chairman of the Australian Digital Currency Commerce Association, said that he was disappointed in the line that ATO had taken. He said that there was a need for regulators and

governments to take a more holistic approach to virtual currencies, and that the guidance would "tie innovation's hands".

He also noted that the treatment of the currency was at odds with the situation in the UK, where although a consumption tax was originally applied to Bitcoin it was dropped when it was found to be stifling businesses. He said that the ATO's decision could, "drive Bitcoin further underground".

As the managing director of Bitcoin exchange BitTrade Australia, Tucker said he was still weighing his options, but that the company intended to continue "to engage in conversations with our advisors to ensure we can navigate the challenges".

Many of those challenges will be



administrative, with Bitcoin exchanges now having to report to the ATO any sales of Bitcoin, and collect the GST.

There is also paperwork for users of Bitcoin as the ATO's guidance means that taxpayers filling in their 2013/14 returns will need to ensure they have records detailing the date of any Bitcoin transaction, the amount in Australian dollars, what the transaction was for, and the other party (even if that is just a Bitcoin address). There are capital gains tax implications also – although these are waived for individuals up to a threshold of \$A10,000.

## IS ALIBABA A THREAT TO AMAZON, eBay?

**IF YOU HAVEN'T HEARD** of Alibaba, you should have. It is the largest e-commerce company on the planet, and has just become the largest IPO, ever. It has always dreamed big. The Chinese company was founded in 1999 by 18 people who wanted to help small business leverage innovation and technology to better compete with the big boy.

How big? During China's equivalent of the Thanksgiving Day sales, Alibaba processed more transactional revenue on its own than all of America's e-commerce sites combined.

Now it has made stock market history with the biggest IPO the Nasdaq has ever seen. Following overwhelming demand, Alibaba chose to set its initial share price at \$US68 bringing in in excess of \$US25 billion – more than the \$US19.7 billion garnered by Visa upon its listing in 2008 and far greater than the nearest internet company, Facebook, which raised a paltry \$US16 billion in 2012.

The e-commerce behemoth is not well known in the Western world, but according to IDC it is the largest online and mobile commerce company in the world in terms of gross merchandise volume.

Outlining its market opportunity, it said "our business benefits from the rising spending power of Chinese consumers". It says that China's online shopping population is relatively underpenetrated but the increased use of mobile devices combined with underdeveloped physical retail infrastructure, limited product selection and inconsistent quality (through counterfeiting) in China will cause consumers to "leapfrog the offline retail market in favor of online and mobile commerce".

In addition, according to Jeremy Hillwriting in Forbes, "86 percent and 89 percent of its past two year's revenues were from commerce in China when not including cloud computing and 'other' revenues". Ovum principal analyst for the consumer sector, Eden Zoller, said that Alibaba's plans to expand outside of Asia are a longer-term play and she expects them to "to put as much effort into growing business in its home market as it will into international expansion".

## XERO BLASTS AT ACCOUNT POACHING "ZOMBIES"

**XERO HAS ANNOUNCED AN** overhaul of its partner programme, which will be trialled in Australia before being rolled out internationally. Xero Australia managing director Chris Ridd, speaking at Xerocon in Sydney, said that the new model would reward partners which engaged in training and quality service delivery, rather than just those which had the greatest number of customers.

In the past he said there had been complaints about partners being zombie-like in their efforts to poach clients from other Xero partners. "We don't want to create org-hungry zombies," said Ridd.

The new regime comes into effect next April, which he said would allow partners to accrue the points required in order to acquire one of four status levels.

Xero also plans to introduce a new code of conduct for its partners in 2015 that will guard against instances of companies holding users' data hostage in order to settle payment disputes. This has occasionally been a problem in the past when the Xero subscriber who accesses the data may not be the person or company which owns it.

Ridd said that there were now 147,000 customers of Xero in Australia.

It's gunning for a whole heap more, also announcing an arrangement with Telstra to offer a six-month free trial of Xero for SMEs as part of the Telstra T-suite range of software-as-a-service.

The company also announced a small business marketplace with around 350 different add-on solutions for Xero users.

It wasn't all beer and skittles for the company however as its shareprice was knocked around by negative reports and the lack of returns on tech stocks in general.

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## KIWI SMARTS LEAD TO WORLD-FIRST VIDEO CALLING APP FOR CRMs

**KIWI BUSINESS IDENTITIES CRAIG** Meek and Richard Mannell's new business has become the first in the world to launch a recordable video calling app that integrates fully with any Customer Relationship Management (CRM) system.



The CRM video app is the product of Meek and Mannell's New Zealand-based software development company Suitebox which specialises in app development for the mobile enterprise. Discussing the reason for the app, Suitebox CEO Mannell explained that video calling is fast becoming a standard tool in the business arsenal but calls are usually conducted using third party applications that "offer variable video quality and don't integrate well in the business context".

"We looked at the top 40 CRM systems to see which ones enable video calling from within their product set and not one includes video natively. To us, that was such an oversight and an obvious niche, so we designed Suitebox to work agnostically with any CRM system.

Suitebox founder Meek added: "Two of the biggest drivers of growth in the ICT industry are mobility and video. But the biggest, as yet untapped space, is embedding them seamlessly into business process and business systems. Suitebox has achieved that goal with this solution."

With Suitebox staff can video call clients, interact with them and record some or all of the conversation and then store the footage directly in their CRM systems for easy retrieval and sharing.

According to its makers Suitebox allows any customer to access their own continuous video room at any time with a single secure click and smart document sharing allows both users to move, view and interact with their documents.

## TECH-SAVVY BOSS TAKES REINS AT CSIRO

**THE CSIRO HAS APPOINTED** Dr Larry Marshall – who has 20 patents to his name and has founded six companies – as its chief executive officer joining the organisation from January next year.

According to CSIRO board chairman, Simon McKeon, Marshall was chosen following an international search which considered 70 candidates to lead the nation's peak science and research organisation.

While Marshall has impeccable credentials and a strong track record of innovation and entrepreneurship, he joins the CSIRO at a time when the future of the organisation is under a cloud due to budget cuts and the loss of several hundred personnel.

Sister organisation NICTA, which focuses on technology innovation, is facing even more swingeing cuts and will be cut loose from the Federal government's purse strings in 2016.

In an interview with the *Financial Review* Marshall said that while CSIRO needed to do better at "creating technology for Australian industry and the public" that should not come at the expense of pure science.

The appointment of Marshall is a savvy move for CSIRO which wants to build stronger links with industry and raise the issue of science up the national agenda.

He will however have his work cut out given that Australia's chief scientist Professor Ian Chubb has already noted that the country is the only OECD nation without a strategy for science, technology or innovation, and a poor track record in terms of encouraging students to study science, technology, engineering or maths.

Besides battling a less than committed Federal Government and potential skills issues, Marshall will also have to repair staff morale according to CSIRO's staff association secretary Sam Popovoski who noted that; "CSIRO needs strong leadership as it struggles to cope with heavy cuts to funding, jobs and research."

Marshall will replace Dr Megan Clark who has led CSIRO for six years.

He is currently managing director of Southern Cross Venture Partners, an early stage Australia tech venture capital firm.

## AUSTRALIA BAWLED OUT OVER SCIENCE FAIL

**PROFESSOR IAN CHUBB, AUSTRALIA'S** chief scientist has launched a paper stressing the need for the nation to more properly engage with science, technology, engineering and mathematics (STEM). Chubb said that Australia's STEM investments and policies suffered from a "lack of co-ordination, misdirected effort, instability and duplication".

"We are the only OECD country without a science or technology strategy. Other countries have realised that such an approach is essential to remaining competitive in a world reliant on science and science-trained people," Professor Chubb said.

He has long lamented the lack of a strong STEM education and skills base in Australia. This required addressing urgently he argued as international research shows that 75 percent of

the fastest growing occupations in the world now require STEM skills and knowledge.

The chief scientist's latest paper *Science, Technology, Engineering, Mathematics: Australia's Future* noted that the impact of allowing STEM to languish was already being felt by industry. The paper cited statistics which showed that only 1.5 percent of Australian firms had developed something completely new in 2011, compared to a 10-40 percent average across other OECD countries. Additionally only a third of all research work is being conducted in industry.

According to the report Australia now ranks 81st in the world in terms of its ability to convert raw innovation capability into new knowledge, better products, creative industries and growing wealth.

One of the most politically charged recommendations will be the chief scientist's call

for a long-term plan for science and research, including covering the full direct and indirect costs of research, and to enable strategic investment in national research infrastructure.

The current Government in contrast has introduced substantial budget cuts targeted at research flagship CSIRO, while NICTA will have all federal Government funding cut from 2016. There isn't even a minister for science.

Unbowed by the apparent lack of focus on science Professor Chubb again called for STEM education to be reinvigorated at all levels. He called for all Australian primary schools to have at least one teacher with specialist STEM skills and recommended that schoolchildren be compelled to study the scientific method, philosophy of science and history of scientific discovery.

## IRD CHOOSES ACCENTURE FOR FIRST STAGE OF \$1.5 BILLION TRANSFORMATION PROJECT

**INLAND REVENUE HAS SELECTED** Accenture as its preferred provider for the first stage of its business transformation programme, in favour of Cap Gemini. The project will re-design nearly every function within Inland Revenue, and is New Zealand's biggest public sector IT project ever with a budget estimated at NZ\$1.5 to \$1.7 billion. Accenture will now undertake the first big chunk of the project as preferred supplier of design services.

Commissioner of Inland Revenue Naomi Ferguson, said of the appointment: "Tax and entitlement administration is critical for New Zealand, and it is essential Inland Revenue plan its changes carefully, and implements them properly, so New Zealanders can have trust and belief in its systems. That is why we need a partner like Accenture, which has designed and implemented systems of similar scale and requirement before."

"Throughout the procurement process, Accenture clearly demonstrated it had the right capabilities, capacity and experience to assist Inland Revenue."

Accenture has previously worked on a number of tax-related projects overseas, including at the Australian Taxation Office where it helped to transform the efficiency and effectiveness of ATO's internal operations

and drive improvements in terms of taxpayers' experiences and compliance. As a result, the ATO has delivered improved client services and realised \$A150 million per year in operational savings.

Accenture has also revamped the United Kingdom's tax authority's IT processes, completed a number of projects with the Ireland Office of the Revenue Commissioners, and a project with South African Revenue Service to integrate its disparate tax systems.

Deputy Commissioner Change at Inland Revenue Greg James said, "Our business transformation programme will reduce compliance, administration time and costs, deliver better services for our customers, and make it easier for Government to implement policy."

"Accenture's experience and knowledge will make an important contribution to the success of the business transformation programme."

Questioned about the potential role of New Zealand technology companies in the IRD project back in May, Revenue Minister Todd McClay said: "It was always envisaged that the capability and capacity required to implement Business Transformation would come from both New Zealand and overseas."

## MYOB ACQUIRES PAYGLOBAL

**MYOB HAS ACQUIRED HR** and payroll solutions company PayGlobal.

MYOB chief executive officer Tim Reed said, "I'm really proud to announce the acquisition of PayGlobal by MYOB. The union leverages the strengths of both organisations to broaden the range of leading HR and payroll solutions MYOB provides to the mid-to-large-size market in Australia and New Zealand. It also creates new opportunities for PayGlobal clients."

With 500 customers across 850 installations serving 500,000 employees, the purchase of PayGlobal is a significant customer acquisition play for MYOB. While MYOB has a payroll offering across its family of products, and an enterprise solution in EXO Employer Services, ownership of PayGlobal will provide access into big-name clients and the opportunity to

extend and integrate the PayGlobal solution into its products. It has a number of well-known customers in New Zealand including The Warehouse, Forsyth Barr, Gallagher, Lyttleton Port, Calder Stewart and Allied Tellesis. The company has 120 staff, and the customer base and office network extends across Australasia – a similar size footprint to that of MYOB.

Reed said: "In introducing complementary solutions to our popular EXO offering for larger businesses – a market we continue to focus heavily on – MYOB is also demonstrating our commitment to invest exclusively in the local market. Over the past three years we have invested over \$NZ100 million in research and development to provide comprehensive solutions that make business life easier."

The deal was completed August 31st.

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## NAVMAN WIRELESS LAUNCHES FLEET MANAGEMENT BI PRODUCT

**NAVMAN WIRELESS, A PROVIDER** of GPS-based fleet optimisation products and services, has launched a cloud-based BI-as-a-service solution for enterprise fleets called Adaptive Intelligence.

While traditional telematics and tracking systems accumulate a lot of data about an organisation Matt Minor, director of business intelligence at Navman Wireless, says the solution takes it a step further. It allows users to wrap company-specific KPIs around the data they already collect and to track progress against performance benchmarks for the 'people and plant' aspects of fleet management.

"We give them the platform to allow them to take advantage of that data – now we can put the data in a KPI that makes sense for them," he explained.

During the development of the solution Navman ran a parallel early adopter programme to pilot the solution. Minor said there are already 30 customers using the tool across Australia and New Zealand – "there's huge appetite," he said, especially because it offers BI for a fraction of the cost of traditional systems.

Trucking firm Smith and Davies is one of the early adopters and is already seeing the benefits. Its managing director, Graham McKinnon, explained: "Managing fuel consumption and safety is critical to our business. Using [the solution] has enabled us to measure fuel consumption, fuel spend, idling and utilisation so that we can quickly identify areas for improvement, set targets for the fleets and implement and monitor the results of our policy implementations. We've seen a 79 percent reduction in speeding and had a 10 percent improvement in distance travelled per litre of fuel purchased so far.

## GARTNER: DIGITAL ECONOMY DRIVES IT SPENDING AND CIO AGENDA

**THE SEARCH FOR DIGITALLY** enabled business models is driving global IT spending which will rise by 3.9 percent to more than \$US3.9 trillion next year – but CIOs are controlling less and less of it.

At its sell-out symposium in Orlando, technology analyst Gartner noted that since 2013 650 million new physical objects have come online; 3D printers have become a \$US1 billion dollar market; 10 percent of cars are now connected; and the number of chief data officers and chief digital officer positions have doubled. "In 2015, all of these things will double again," according to Gartner.

Peter Sondergaard, senior vice president at Gartner and global head of research, noted another major trend – 38 percent of total IT spending now came from outside the IT department. "By 2017, it will be over 50 percent," he said, as business units took on the mantle of internal technology start-ups driving internal innovation.

"Digital start-ups sit inside your own organisation, in your marketing department, in HR, in logistics and in sales. Your business units are acting as technology start-ups."

"The new digital start-ups in your business units are thirsting for data analysts,

software developers and cloud vendor management staff, and they are often hiring them faster than IT. They may be experimenting with smart machines, seeking technology expertise IT often doesn't have," according to Sondergaard.

"You must build talent for the digital organisation of 2020 now. Not just the digital technology organisation, but the whole enterprise. Talent is the key to digital leadership," he told CIOs.

While skilling up the enterprise for a digital future will fall to the CIOs, so too will managing associated IT risk. In its 2015 CIO Survey of 2800 CIOs from around the world Gartner found that 89 percent of CIOs agreed that enterprises faced new and higher order risks, with the majority worried that these risks were currently not being adequately managed.

Three quarters of CIOs acknowledged to Gartner than they needed to change their leadership style over the next three years from "control first" to "vision first" with the most successful leaders delegating some of their responsibilities in order to free up time for planning and engaging with senior executives about what might be possible in the future.

## AUSTRALIA PASSES ORWELLIAN WEB-TRAWL LAWS

**AS PART OF A** bid to tamp down terrorist activities Australia has passed legislation which will allow sweeping searches of the internet using a single warrant.

In its undertaking to combat terrorism both at home and abroad, the Australian Parliament has agreed to legislative reforms which allow much broader warrant search provisions.

The Attorney General, Senator George Brandis first outlined the planned reforms in June when he indicated that the new legislation would adopt a series of recommendations made by the Parliamentary Joint Committee on Intelligence and Security.

One of the key changes was a proposal to update the warrant provisions available to the Australian Security Intelligence Organisation (ASIO) such that searches could extend not just to physical computers, but

networks of computers, hence the internet.

The changes will allow for electronic equipment to be operated at the warrant premises to access data, including "data not held at the premises". No limits have been placed on what can be accessed.

Greens deputy leader Adam Bandt who fiercely opposed the move said that the legislation would allow authorities to computers or mobile devices, monitor them and even add files.

The Government has described the legislative changes as the most important reforms of the ASIO Act since it was enacted in 1979, claiming that they strike "the right balance between ensuring that our intelligence agencies have the capabilities to counter emerging security threats, and protecting the rights and privacy of Australians."

## IOT VULNERABILITIES TIPPED AS 'WEAKEST LINK' OF THE FUTURE

**CISCO'S LATEST SECURITY REPORT** paints a bleak picture of the extent to which enterprises have so far succeeded in fending off concerted attacks by cybercriminals.

The report cites Ponemon Institute research which shows that in the last year the average cost of an organisational data breach has soared from \$US4.5 million in 2013 to \$US5.4 million this year.

While internationally media and publishing are most vulnerable, in the Asia Pacific/Japan region insurance companies top the list – in part, the report argues, because of the embedded links that these organisations have with other businesses.

The weakest link approach is a common theme in this year's report which also notes the continued targeted approaches made to unsuspecting employees who might inadvertently provide information about or access to corporate networks, fuelled by information from social networks such as LinkedIn.

Cisco estimates that by 2020 50 billion 'things' will be connected to the internet with varying levels of security. Coincidentally, HP also recently warned that 70 percent of devices currently used to create 'internet of things' networks feature vulnerabilities in terms of privacy settings, authorisation and encryption.

According to Cisco the internet of things will provide what amounts to a source of big data for the black hats, noting: "When adversaries reach a point where they can begin correlating information from different sources – a car, a smartphone, a home automation system – they will be able to gain a much bigger picture about a user than if they were looking at information from only one device, system, or application. These details about users, from their shopping habits to their physical location, will allow actors to launch well-crafted, highly targeted campaigns at a level of sophistication never before seen."

## AUSTRALIAN GOVERNMENT FLAGS TWO YEAR METADATA STORAGE PLAN FOR ISPs

**INTERNET SERVICE PROVIDERS WILL** need to store two years' worth of customer metadata under new legislation introduced to the Parliament.

As part of Australia's heightened approach to national security the Government has introduced the Telecommunications (Interception and Access) Amendment (Data Retention) Bill 2014.

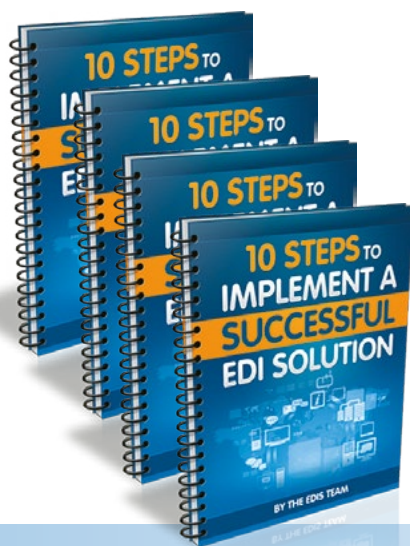
If passed the legislation would force internet service providers (ISPs) to store, for two years: the identity of the subscriber to a communications service; the source of the communication; the destination of the communication; the date, time and duration of the communication; the type of the communication; and the location of the equipment used in the communication. ISPs will have two years to implement the change.

The Government has been at pains to explain that it will not require ISPs to keep information about the content of communications or users' web browsing history.

It claimed that access to "metadata is vital to nearly every counter-terrorism, counter-espionage, cyber-security, organised crime, murder, rape, kidnapping, child sex abuse and child pornography investigation". However it claimed that ISPs' current record keeping habits were limiting law enforcement agencies' ability to interrogate metadata stores.

Communications minister Malcolm Turnbull said that for many ISPs there were no reasons to store metadata for any length of time. Having a mandated two year store of metadata would provide agencies with a better chance of identifying and prosecuting individuals he argued.

This is the latest in a series of legislative changes branded as critical in order to stem, or prosecute, crime and terrorism offences.



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## APPOINTMENTS



**UXC Limited**, the largest Australian-owned ICT consultancy firm in the region, has appointed **Craig Wishart** to the combined role of **group chief information officer** (CIO) and **chief technology officer** (CTO). He will be responsible for the UXC group's IT strategy, policies and programmes at a time when the group moves towards a more unified IT structure. Wishart has many years of experience in senior roles in technology and operational at **Service Steam, ANZ Bank, Telstra, Rio Tinto** and **Sensis**.

**Qrious**, the smart data business launched by **Spark New Zealand** (formerly **Telecom NZ**) in March 2014, has appointed **Ed Hyde** as chief executive officer. Hyde brings years of senior-level experience in technology companies across New Zealand and the United Kingdom and played a key role in the establishment of Spark's innovation and incubator business unit **Spark Ventures**. **Rod Snodgrass**, chief executive of **Spark Ventures**, said, "Ed has a strong strategic, product and commercial focus, but more importantly Ed is a guy who wants to push boundaries, challenge the status quo and change the game. That approach and mind-set will be pivotal as Qrious helps New Zealand organisations create value from data, analytics and applications."

**Anne Weatherston** has joined the **Mint Wireless** board as an

independent non-executive director, effective immediately. Weatherston has 30 years of experience as a leader of business and technology change in the finance sector and was most recently chief information officer and a member of the management board of **ANZ Banking Group** responsible for the provision of all technology services across the bank.



**Nuance Communications** has appointed **Robert Schwarz** as managing director for Australia and New Zealand. He will be responsible for growing Nuance's market share and operations in the region and will play a role in strengthening its reputation as a leader in intelligent speech language technologies. Schwarz brings more than 25 years' experience in IT and telecommunications to the Nuance team and was most recently director of the OEM and managed cloud-as-a-service businesses for **SAP** Australia and New Zealand.

**Airbnb** has appointed **Sam McDonagh** as **country manager** for A/NZ. McDonagh has over 20 years' experience in senior management roles at companies including **eBay** and **iiNet**. He also co-founded **Quickflix** in 2003. As Country Manager for ANZ, McDonagh's first initiatives will be to increase awareness of Airbnb in the region.

**Dimension Data** has appointed **Jo Healey** as New Zealand **CEO** to lead its local operations, effective 10 November 2014. With more than 20 years' experience in the ICT industry, most recently as managing director of **Fujitsu New Zealand**, Healey takes the reins from **Nick Halikias**, interim chief executive. **Sunil Desai**, **Dimension Data Asia Pacific COO**, says Healey's proven track record will set Dimension Data in good stead as the business advances as a full spectrum IT service provider in New Zealand. Fujitsu New Zealand, meanwhile, has replaced Healey with **Stuart Stitt**, who is returning to New Zealand after three years as chief financial officer of Fujitsu Australia and New Zealand.

New Zealand's **IMS Payroll**, has appointed **Doug Jopling** to a newly established role of chief executive. **IMS Payroll managing director Kevin Atkinson** said Jopling's appointment heralded an exciting new era for the business, which had recently launched a cloud-based payroll solution to complement its desktop version. **IMS Payroll** has over 10,000 customers throughout New Zealand and the Pacific Islands.

## DEALS, SIGNINGS AND IMPLEMENTATIONS

**Shellharbour City Council** has gone live with **TechnologyOne** Human Resource & Payroll, and



**Asset Management** – including mobile – moving the company from a non-integrated, best-of-breed approach to a tightly integrated solution. The aim is to reduce costs, improve efficiencies and future-proof its operations as the new solution will also help the council to achieve its mobility and cloud objectives. "We hadn't really changed our systems over the last ten years and we wanted to introduce something new that was really leading edge," said Group Manager Information & Customer Services **Harin Perera**. The council will implement the second phase of the enterprise solution in 2015.

**The Warehouse** has successfully launched a five-supplier pilot of its new supplier web portal built and run by **B2BE**, which allows all suppliers to access a website that sends and receives documents by EDI. It also announced that it has a target of getting all its local suppliers to trade electronically by June 2015. The Warehouse's mantra is 'better, simpler, cheaper' and the web portal and EDI are critical to achieving that. **Michelle Newsome**, relationship manager for **B2BE**, said: "The deployment of the web portal will ensure that all TWL's suppliers have the opportunity to send and receive EDI documents and messages without having to invest in the cost and technology of EDI. All suppliers need to use the web portal to access the internet."

**Reid and Twiname**, an importer and distributor for the motor body hardware and industrial and outdoor textiles industries since 1923, has recently implemented **Abel ERP Software** into its Auckland and Christchurch

operations. In addition **Nautech Electronics**, which designs, manufactures and installs electrical and electronic equipment for thousands of emergency service vehicles, is expanding its use of Abel ERP into its Queensland operation.

**Gallagher Bassett**, a third party claims administrator, has selected **Objective ECM 8** as its next-generation enterprise content management (ECM) platform. Objective ECM 8 for its ability to integrate with Gallagher Bassett's policy and claims management systems and deliver complex workflow capabilities to improve efficiencies. Gallagher Bassett also required a solution that would be scalable to suit future growth and adoption across the wider Gallagher Bassett organisation.

Australian **Aconex**, a provider of cloud solutions to manage the large construction and engineering projects, has been chosen by **Concert**, a Canada-based developer of residential, **rental, senior** living, commercial,



and industrial properties, for the **88 Scott** condominium project in Toronto. Concert has already successfully used Aconex during the pre-construction phase to manage information and processes, including tendering, and will continue using the platform throughout the construction phase. "Aconex opened our eyes to a better way of dealing with project collaboration and document management," said Joseph Grassia, senior project manager at Concert. Aconex has also been selected by **Waterfront Toronto** and **Hines** for the first phase of public infrastructure for the **Bayside Waterfront** project in Toronto.



IT services provider, **HCL Technologies** has been selected by **Sydney Trains** to provide bespoke systems support services. HCL will provide end-to-end application management and support services. HCL will also be responsible for optimising the company's application portfolio in alignment with business processes across its Australian operations. CIO of Sydney Trains, Malcolm Pascoe, said, "HCL's in-depth experience in managing complex applications landscape globally, strong delivery framework, knowledge management methodologies and core domain expertise in the transport sector made it an ideal choice for this engagement."

**Qlik** has announced that **Colliers International**, a leading global commercial real estate company, will be introducing **Qlik Sense** across EMEA to arm its senior leadership team with critical business insight and inform strategic decision making. Perry Willis, head of information technology EMEA at Colliers International, said: "Qlik Sense allows our regional managing directors and senior managers to access the data they need to

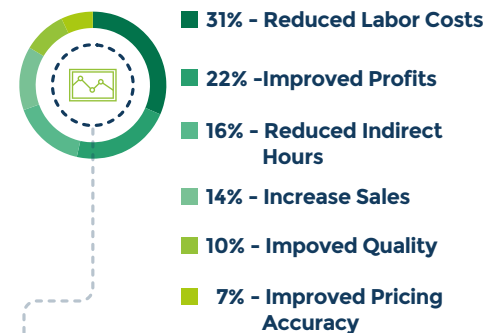
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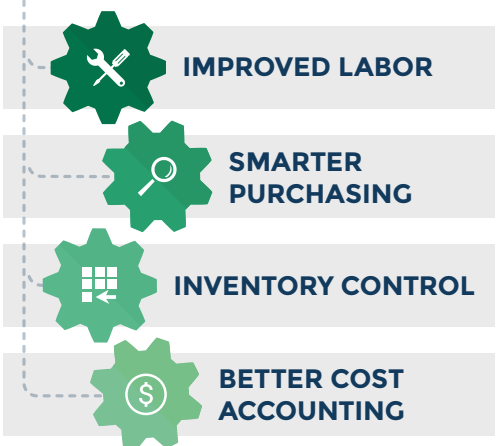
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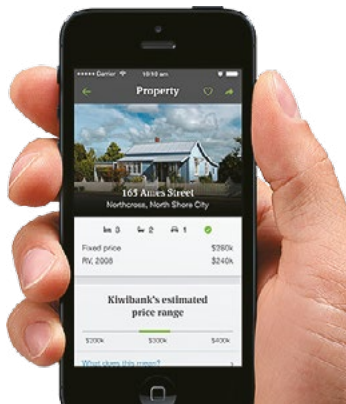
help make decisions that can ultimately impact our bottom line. Data visualisation is now being actively used in the boardroom and informing our senior discussions, and we're even more excited by how Qlik Sense can help the company grow in new directions."



#### MERGERS, ACQUISITIONS AND PARTNERSHIPS

**MYOB** has acquired HR and payroll solutions company **PayGlobal** to expand its HR and payroll offering for larger businesses in Australia and New Zealand. The purchase of PayGlobal is a significant customer acquisition play for MYOB and ownership of PayGlobal will provide access into big-name clients and the opportunity to extend and integrate the PayGlobal solution into its products. PayGlobal also has a mature private cloud architecture that will be of interest to MYOB. In addition MYOB has also announced a minority investment in Washington-based **Acumatica**, provider of cloud-based enterprise resource planning (ERP) and financial software. The announcement follows a recent multi-million dollar agreement which allows MYOB to develop a localised cloud based ERP solution.

Kiwi company **Sush Mobile** is set to become a wholly-owned subsidiary of Auckland-based financial technology company **Finzsoft** in a deal reportedly worth \$1.9 million. Sush Mobile is responsible for creating the Kiwibank Home



Hunter app and The Warehouse mobile apps. Finzsoft managing director Andrew Holliday said the Sush Mobile deal is part of a planned approach for Finzsoft to build next generation capabilities to help it lead the development of transformational products for the banking and finance sector.

Software giant SAP has forged an international deal with IBM which will host its **SAP HANA Enterprise Cloud Services** in its data centres around the world – including those in Sydney and Melbourne. SAP is banking on its global data centre deal with IBM to provide it and its clients with greater geographic reach. IBM has been selected as a "premier strategic provider" of cloud infrastructure to run HANA. According to a spokeswoman IBM plans to offer the service from its Australian SoftLayer data centres, the first of which has opened in Melbourne and also from its Sydney cloud services centre which will be available to run large HANA instances.

**Sage Business Solutions**, a global supplier of business management software, has announced it will distribute the range of **Aritmos** software solutions for the agri-

business and apparel clothing sectors. Sage and Aritmos originally entered into a collaborative IT partnership ten years ago to develop new vertical software solutions for distinct business sectors and industries.

**Global Shop Solutions**, a global leader in ERP, has opened a new office in Sydney, Australia. Working in tandem with the Global Shop Solutions' Jakarta, Indonesia location, the Sydney office will primarily serve as a sales, service, and consulting hub for the company's growing customer base throughout Australia, New Zealand and Asia Pacific. Following the opening Global Shop Solutions also announced the impending release of Version 2014.1 of its ERP software and the hard release of its process documentation and testing (PDT) product.



**VMware** has announced that it is working with **Telstra** and other local partners in order to deliver an Australian hosted version of its **vCloud Air** service available next year. Three core service offerings are anticipated under the vCloud Air banner – a dedicated cloud, a virtual private cloud and a disaster recovery-as-a-service cloud. VMware also announced a partnership with **Deloitte Consulting** which will help customers with "cloud enabled business transformations" according to technology partner Kevin Russo. This will include the rollout of SAP

solutions as-a-service.

**UXC Eclipse** is now a certified member of the **Microsoft Azure Circle Partner Program**. Microsoft Azure is a platform for building, releasing and managing applications across data centres in a global network. With this certification UXC Eclipse can provide its customers with a complete cloud solution with Microsoft Dynamics hosted in Azure plus Office 365. In addition UXC Eclipse's **VinPoint** solution, an integrated business management software solution for the wine market, has been **Certified for Microsoft Dynamics**. This accreditation signifies that VinPoint has met Microsoft Corp.'s highest standard for partner-developed software.

Leading Australian software developer, **Flamingo**, has announced that it will co-create healthcare solutions for Australian consumers following an injection of \$1.5 million in funding from **Epic Pharmacy**, one of Australia's largest, specialty pharmacy groups providing hospital, oncology and aged care pharmacy services. The Flamingo platform launched earlier this year supports a new and innovative approach to customer relationships and retention. It provides ways for customers to co-create the experience they want by enabling customers to personalise the way they communicate, how they interact and want to be treated by an organisation and the mix of goods or services they want to receive. The Epic Pharmacy funding will be used by Flamingo to build out customer-directed healthcare solutions initially with healthcare insurers and hospitals.



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# ICT SKILLS SHORTAGE: A CLEAR AND PRESENT DANGER

*As businesses across the board are becoming increasingly digitised, technology and high-tech companies alike have been bemoaning the shortage of available ICT skills. Yet the number of graduates with the requisite skills to fill ICT rolls continues to fall across A/NZ. **CLARE COULSON** investigates whether there is a real possibility that this region is being left in the ICT dust...*

**I**f the CEOs of some of our most successful technology companies are to be believed, then the biggest barrier to their growth right now is the lack of a local skilled workforce. And the CIOs of our largest employers are likewise reporting challenges hiring skilled staff. The problem seems to be similar on both sides of the Tasman. But not everyone agrees – ex-Commonwealth Bank CIO Michael Harte has called it “nonsense” and “a myth” but Woolworth’s CIO Clive Whincup counters saying that companies are being forced offshore by the skills shortage. At first glance the statistics would appear to be on Harte’s side. The Australian Department of Employment, for example, states in its June 2014 *Labour Market Research report on ICT Professions* that there is no shortage in ICT business analysts, systems analysts, analysts and developer programmers or computer network and systems engineers. It does allow that “employers recruiting for workers with appropriate government security clearances face some difficulties”, a fact that is particularly evident for software engineers.

Delve deeper, however, and the report shows that because ICT professionals are employed across a broad range of industries, employers have a diverse range of skill and experience needs, which can make it harder to find the perfect candidate. The research also shows that employers are becoming more explicit in their requirements

for applicants, and would rather wait for their ideal candidate than recruit someone who was ‘close enough’. In addition, employers are placing a high value on soft skills (such as communication and stakeholder engagement), as many jobs require the successful applicant to liaise with clients and other stakeholders. “A large number of employers commented on the difficulty in finding people with the right mix of technical and soft skills,” the report notes.

It may sound like the technology companies are trying to have their cake and eat it too, but, as technology continues to diversify and specialise, getting the right person for the job may not only become harder but also paramount to ongoing success. Indeed, the same report notes an increased demand for positions with emerging technologies (such as mobile-based applications) and suggests there may be “a potential skill gap for workers with web development, mobile applications and cloud computing experience in the future”. And it’s this talk of the future that is important, because any skills shortage we may be suffering now will likely be amplified in the era of the internet of things, when everything is interconnected and always online.

In New Zealand, Xero CEO Rod Drury and Orion Health CEO Ian McCrae have both been highly vocal about their inability to find the requisite skills onshore – much as they both say they wish to hire

locally. Andy Jackson, manager of skills and employment policy at the New Zealand Ministry of Business, Innovation and Employment (MBIE) goes even further. He says that research and engagement with the sector undertaken by MBIE in 2013 suggests that the issues firms face in finding the ICT skills they need go beyond insufficient supply of skills, and relate to the quality of the skills available, and the ability of employers to retain and effectively use the skills that are available.

“Over the past 10 years, the employment of highly-skilled ICT professionals has been increasing in particular – specifically software engineers and ICT system test engineers – with a slight decline in the employment of lower skilled technical occupations,” he explains, which echoes the Australian Labour report’s comments on finding the perfect employee.

Professor Michael Myers, Head of Auckland University Business School’s information systems and operations management department says there is certainly demand for his graduates and that, while 10 years ago most of them would have been hired by the corporates, today they are being hired by the technology sector whose CEOs want programmers and creators.

Brenda Aynsley, Australian Computer Society president, says that she sees there is a skills shortage and there will be one in the future when it



comes to technology. She suggests, however, that many of the more ordinary skills such as developer and coder are already being outsourced to countries which have employees with the requisite skills, and that is disguising the shortages in these areas. "That is why that Government skills list is like it is to be honest. It's the higher order of the skills that are much harder to outsource. Your ordinary coder or website developer can be anywhere." She is referring to the Federal Government's skills shortage list which includes business analysts, systems analysts, analyst programmers, developer programmers, software engineers, computer network and system engineers, telecommunications engineers and telecommunications networks engineers.

Jackson says that New Zealand firms are making extensive use of work visas, which are approximately 2.5 times more common in ICT occupations than in other occupations. Over the past five years there was an average of 1700 skilled migrant visas approved per year for people in ICT occupations. To help Immigration New Zealand is also working with ICT sector employers to attract top talent to New Zealand, as part of its

wider attraction and settlement work and a new campaign is also under way in Australia to attract expatriate New Zealanders, Australians and third country nationals with technology skills to work in New Zealand, suggesting that the Government in New Zealand is well aware of the problem and that it will continue to grow without intervention.

### THE MOST MISUNDERSTOOD PROFESSION?

Paul Matthews, CEO of the Institute for IT Professionals (IITP) in New Zealand is well aware of the skills shortage, which he says is huge and has already been felt for a number of years. Talking about solutions for the shortage, he says: "There have been lots of short term solutions that have tried to fix it, but it's a systemic problem." The only way to truly fix the issue, he says, is by promoting technology in schools and making a clear pathway from school to ICT as a career, as well as helping people who want to move into ICT from other professions.

Claire Douglas, deputy secretary for graduate achievement, vocation and careers at the New Zealand Ministry of Education explains that there was a "softening" in the numbers of students studying ICT

from the peaks at the beginning of the decade. "That was a response to changes in the employment market in the mid-2000s, when there was some oversupply of some types of IT skills, leading to lower employment rates." Since then, she says, demand has strengthened, particularly for more specialist skills, and that has been reflected in a firming in numbers of students studying IT subjects. Prof Myers says that while his numbers of students continue to increase he had been surprised by reports of static growth from his counterparts at other universities. He suggests that the reason some universities haven't been growing their student numbers in the technology arena is down to there still being some bias from senior staff, and parents, against the importance of ICT, saying that many still don't really understand the profession.

ACS's Aynsley says it is a similar story in Australia where there has been less and less interest in studying ICT since the dotcom era 14 years ago. She puts this lack of interest partly down to the role of teachers and parents who influence children on the types of careers they should pursue and partly down to the ICT industry which has not done enough to define what ICT is

**"THERE HAVE BEEN LOTS OF SHORT TERM SOLUTIONS THAT HAVE TRIED TO FIX IT, BUT IT'S A SYSTEMIC PROBLEM."**

**Paul Matthews**, CEO, Institute of IT Professionals



and why people should consider it as a career. She also adds that the government doesn't have good statistics on IT and it doesn't slice the economy up to reflect IT in the services and professional areas, which makes it even harder to define and quantify the field. In addition, Aynsley says figures show that less than half of the ICT graduates end up working in their professional discipline.

Aynsley, Matthews and Prof Myers are unanimous in saying that technology still needs to shake off its 3am-pizza-and-programming image, because today it's so much more than that and can be applied in all sorts of different contexts. Indeed, technology not only includes systems architects and programmers but also business analysts, project managers, change managers and so on. There are continually new roles evolving in line with the technology changes - for example, Aynsley says the next wave of roles will likely be "intermediaries" or "interpreters" to help end users use the increasingly complex technology offered by the internet of things. And the so-called soft skills, communication and business acumen, are increasingly required to be successful in the technology-related field of work.

## SCHOOLS HOOK UP TO NEW TECH

Schools broadband provider Network 4 Learning, a Crown-owned company, has also hooked up over 1000 schools to the country's ultra-fast fibre network and will soon be giving schools full access to a digital learning hub called Pond, specifically designed for New Zealand schools. In its own words, Pond offers a collaborative environment where teachers can discover a wide range of educational resources for classrooms and share them with their peers. The aim is to give schools equitable access to digital technologies that can enable new ways of learning and improve student achievement. Not that using the latest technology begets teaching how to create and implement it - but it does give children access to more engaging ways of learning and discovery.



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This also goes to illustrate a point made by Prof Myers with regards the lack of women studying technology. He said we need to change the mind-set surrounding technology and promote it as people helping people. "There is still a lack of understanding of the whole industry. There are so many 'people' jobs in the industry," he said. Anecdotally universities that have re-named their degree courses and modules to themes that appeal more to women have seen their female enrolment numbers soar.

### BETTER EDUCATED

The number of IT graduates might not look too bad on the surface and is even trending up, but the real question is whether the training is actually useful. And it would appear that that is not necessarily the case. A spokesperson for the Australian Department of Employment said that data from Graduate Careers Australia's *GradStats* publication shows that employment outcomes for Computer Science bachelor degree graduates were below average in 2013 and, what's worse, they have fallen by around 13 percentage points since 2008.

The *ICT Labour Market* report quoted earlier comments that a large number of employers are facing difficulties in finding people with the right mix of technical and soft skills, which suggests that many of the qualifications are not aligned with the needs of the industry. Sometimes they are simply behind the times, and sometimes they are the victims of a marketing opportunity, such as courses in cloud computing. The IITP in New Zealand has recently completed an audit of all the sub-degree qualifications – all 224 of them – and, in consultation with the industry, has reduced them down to 14 qualifications accredited by the New Zealand Qualifications Framework which cater to the needs of the industry now and five years down the track.

"The new qualifications are very aligned with industry needs, very focused and very coherent," says Matthews, who explains that while institutions can teach whatever they like, only these 14 will be funded by government. "We are now going through the whole process for degrees – aligned with the internationally recognised Soul Accord."

In June the New Zealand Government also

announced a commitment to review the positioning and content of Digital Technologies within the New Zealand Curriculum. Digital Technologies, which is what ICT-related topics are called in schools these days, are currently housed in the 'technology learning area' with food technology and hard materials (previously woodwork and metalwork) etc, which are completely different types of discipline. The announcement came with the launch of the *A Nation of Curious Minds: A National Strategic Plan for Science in Society*, which outlines a series of initiatives to increase the science and technology focus of New Zealand, including within the school system.

It's not just people wishing to pursue a career in ICT who should be up with the play on ICT-related skills however, and the IITP has requested ICT be a separate learning area (subject) so children can do some of the more interesting creative or complex learning while the basics are covered off in other areas, such as word processing in English and spreadsheets in maths.

The New Zealand Government has also allocated \$28.6 million over four years for the development and delivery of three ICT Graduate Schools in Auckland, Wellington and Christchurch. The schools will provide a unique opportunity to bring technology companies together with some of the country's leading tertiary education providers. It is also making a significant investment in the tertiary education system. The 2014 budget allocated \$84 million over the next four years for computer science courses, alongside significant investments in software engineering and other related science and technology tuition.

The Australian Federal Government, in comparison, seems to be dragging the chain, at least according to its chief scientist Professor Ian Chubb. A paper he released in September stressed the need for the nation to more properly engage with science, technology, engineering and mathematics (STEM). "We are the only OECD country without a science or technology strategy. Other countries have realised that such an approach is essential to remaining competitive in a world reliant on science and science-trained people," Prof Chubb said. The current Government however, introduced substantial budget cuts in May targeted at research flagship CSIRO, while

NICTA will have all federal Government funding cut from 2016.

Aynsley, writing in *The Australian* at the release of the Federal budget in June this year asked why, when all the evidence points to the need for Australia to boost its capacity for innovation and drive digital enablement, was so little emphasis placed on science and technology when it is recognised by governments around the world as the means to boosting economic prosperity.

"A STEM education not only equips people with skills for research and technical roles, but it also fosters knowledge and approaches in problem solving, communication and critical thinking that are essential to a wide range of occupations, including ICT. A recent report from the Australian Council of Learned Academies claims that building capacity in the STEM fields is pivotal to Australia's

competitiveness in the global economy," she wrote.

Some relief came in October in the form of the Government's innovation regime which is offering streamlined immigration processes for scarce skills, a liberalised employee share ownership regime, investment in science, technology and maths education, and a \$60 million co-funding programme for start-ups.

Aynsley does not believe that it is all up to the government, however, and says that business needs to do its bit to get people skilled up too: "It's a common problem. One of the things that really worries me is that employers want people who have at least two years' experience. We produce graduates who can't get jobs to get that experience. Professional societies can only do so much. It's up to the employers to recognise that if they want the product of someone else's training

why aren't they contributing as well?"

## A CLEAR AND PRESENT DANGER

If we don't close the ICT skills gap we are going to lose a huge opportunity. We're seeing companies across Australia and New Zealand doing some amazing things with technology. But we are also hearing them all say that they can't get the people they need locally to do what they want to do. "They can't grow as fast as they want to grow and as a consequence of that the economy doesn't grow," says Matthews. "On the other side of the coin we've got people coming out of tertiary study with skills that we don't need."

At least on some levels progress is being made, but it's clear that we all need to do more to ensure technology is provided a firm foundation to flourish and contribute to the economy. ■

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# 2022: the future world of work

*The boundaries between work and personal life may disappear as companies assume greater responsibility for the social welfare of their employees, according to PwC's report, 'The future of work: a journey to 2022.' PwC partner and HR transformation specialist **Debbie Francis** looks at the possible outcomes that may evolve in the workplace of the future, thanks to radical changes in technology, social media and the demographics of the workforce...*

New technologies, data analytics and social networks are having a huge impact on how people communicate, collaborate and work. Many of the jobs of tomorrow haven't even been created.

Workforces will become more diverse as generations collide, with people working longer in their careers and traditional career paths set to become a thing of the past.


Organisations are already grappling with skill shortages, managing people through change and creating an effective workforce and creating more sophisticated people management techniques, increasing the importance of social drivers and relationships as crucial to business success, are other key issues that companies will face.

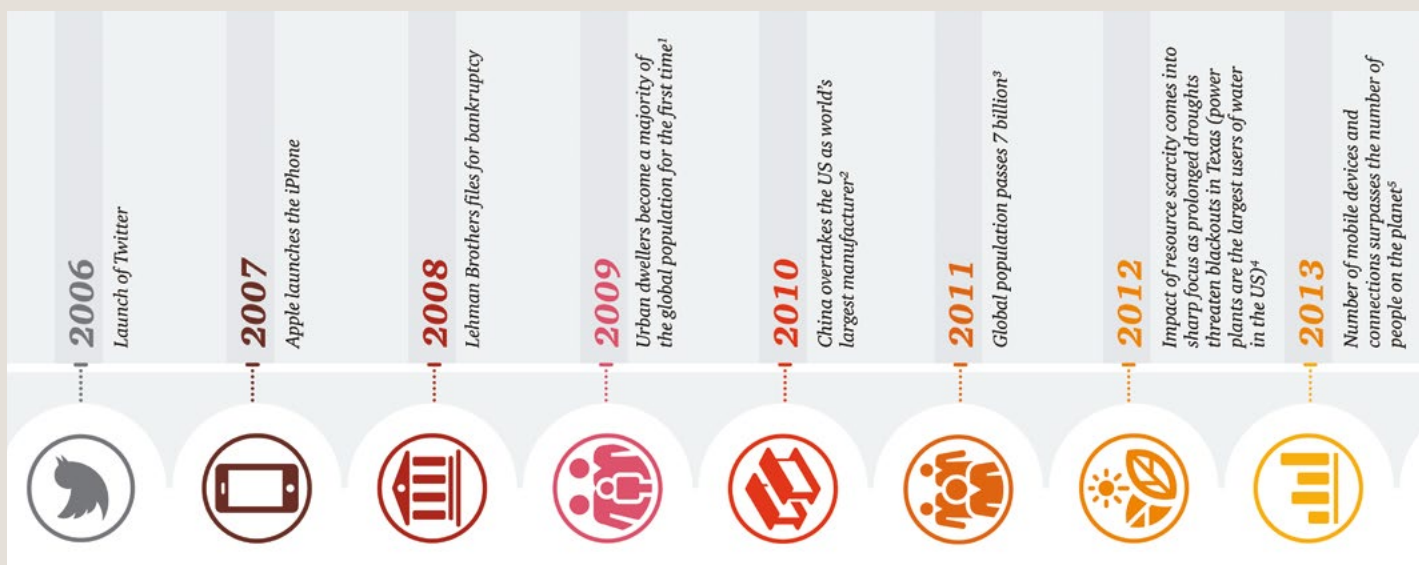
HR is at a crossroads. Once perceived as service-oriented and only reactive to business needs, the demands of tomorrow's workplace and business environment are going to force major change and it's not just HR that will need to act, business leaders will need to lead their organisations through these seismic shifts.

The HR function will go one of three ways: they will take on a wider people remit incorporating and influencing other aspects of the business, become the driver of the corporate social responsibility agenda within the organisation or be seen as transactional and almost entirely outsourced.

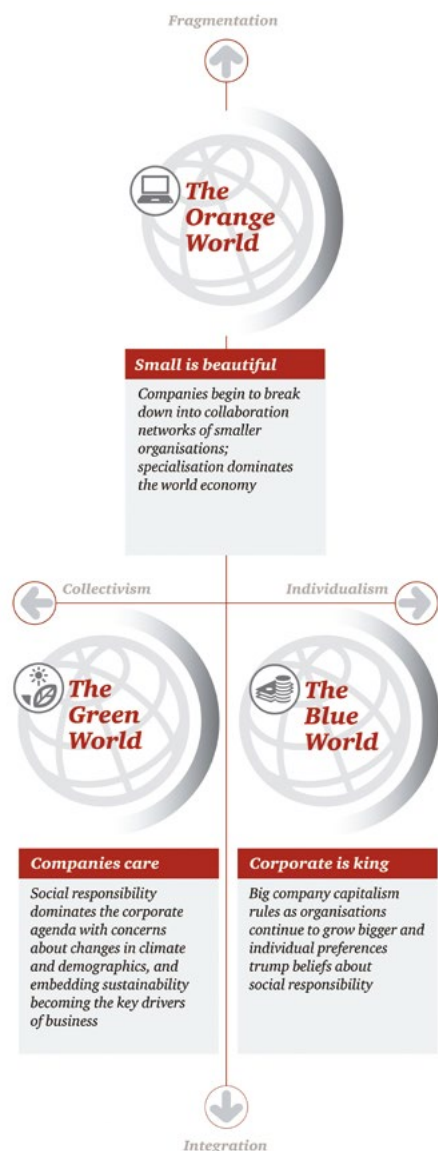
The report identifies three future 'worlds' workers of today want to be a part of which provides a lens through which to examine how organisations may operate in the future.

The characteristics of these 'worlds' will be shaped by the coming changes in recruitment, reward and employee engagement strategies as they evolve over time.

While things will happen that we cannot predict, we can still be prepared and plan ahead for long-term viability. Organisations will need to prepare to undertake new learnings and adapt to these coming challenges to succeed. Whatever path you follow, work is going to look very different for everyone in 2022. 



## Three worlds of work



## Planning ahead

How far does HR in your organisation look into the future?

21%

### Short-term:

The future is moving so fast that it is very hard to predict how things will change

56%

### Medium-term:

I anticipate a lot of change and am building possible future scenarios into our current talent pipelines

24%

**Long-term:** I am actively considering the evolving and multiple visions of the future as part of our long-term business planning

2014

High-profile data gaffes create a wider public debate about data ownership and use.

2015

Worker in Germany says the "best is yet to come" after celebrating 75 years' service with the same firm

2016

\$10 tablet computer comes on to the market

2017

Assembly workers in factory in Hanoi start wearing sensors to gauge concentration, work rate and mood

2018

Analysts attend presentation by Fortune 500 Chief Performance Officer, who heads a combined Finance and HR function

2019

Doctor in China carries out 'remote' surgery on patient in Ghana

2020

Rioting sweeps across university campuses as students lose patience with lack of job opportunities

2021

Licences granted for driverless cars

2022

World's first fully automated and robot-served hotel opens

# HR: Paper shufflers to talent managers



*'People are our biggest asset.' It sounds a little clichéd, but for a great many companies, it's also a simple reality. Consequently, it is incumbent upon organisations which make this claim to manage their people in a way that recognises their value, applies and grows talent to the benefit of the individual and the company, and allows people to underpin the organisation's strategic ability. Donovan Jackson explores developments in human resources (HR) management and discovers how technology is shaping this field...*



**M**anaging people is a substantial challenge, since none of us is quite like any other, and matching individual goals to those of an organisational can be, well, tricky. It's a challenge which makes herding cats seem simple – and yet, in companies around the world, every day, it is done successfully. That's confirmed in a discussion with Paula Demarie-Crook, group remuneration and benefits manager at Fletcher Building, who starts by providing a quick glimpse into the multinational's workforce: "We have over 18000 employees in 40 countries covering Europe, the Americas, Asia, and of course, Australia, New Zealand and the Pacific."

Demarie-Crook explains that until recently, Fletcher Building managed this workforce with a variety of disparate systems including spreadsheets and a somewhat integrated payroll for Australia and New Zealand. "That meant working with different sources and information that lacked global data standards. In turn, there wasn't the necessary visibility of Fletcher Building's employee asset base; for HR managers, a lot of time was spent putting reports together which were outdated before they were finished."

Recognising this shortcoming, Demarie-Crook says Fletcher Building is in the process of implementing a global HR system. "[To date] we haven't had the tools to maximise potential and talent, but the implementation of best in class HR software, with appropriate security, governance and alignment of HR processes and global data standards is taking the company in that direction."

Director of Datacom PaySystems Kevin Murphy

notes that there are many talent management applications available. "The most sophisticated require input of mission, values and strategy, breaking these down through the organisational chart through to relevant performance criteria for each role. Such applications require a lot of thought during implementation so that they drive the right outcomes for each role, and they also must be updated at any time that any aspect, like strategy, changes. These applications are perfect for an organisation with clear roles and strong systems, such as huge industrial corporations, but can be completely unsuitable for more agile organisations."

### **Consumerisation of IT and how HR software is changing**

Talent management is both complicated and potentially greatly improved by the phenomenon of the consumerisation of IT. In a nutshell, consumerisation means more people have access to (and are using) more technology than ever before. It's most definitely not just a geek thing any longer, says Gordon Zeilstra, vice president of human capital management at SAP Australia and Japan.

"When people join the workforce today, they often have less access to technology than they did at home or at university, because organisations tend to shut down access to services or use outdated stuff. Probably for the first time ever, we're in a situation where enterprise technology has to keep pace with consumer technology," he says.

People are empowered in an unprecedented way, continues Zeilstra, and corporations have to be able to work with them in familiar ways to unlock

talent for the company's advantage – and that of the individual. "That means HR managers are confronted with a remarkable level of change. Add to consumerisation the emergence of a 'just in time' workforce mindset and the fact that there are now five generations of people in the workforce at the same time. What you have is people of different ages and demographics in adjoining cubicles – and how they learn, interact and respond to technology is very different," he points out.

That includes more instant feedback – the sort of thing we've become accustomed to from social media, agrees Zeilstra. "Traditional approaches to talent management meant formal performance reviews annually. Now, particularly millennials [people born between the 1980s and 2000s] want constant feedback, not just to validate what they are doing, but also to steer them in a direction to grow their personal brand and performance. It's a Facebook approach to HR."

The other big shift, continues Zeilstra, is in the learning space. That's gone from formal classroom environments to a 'sound bytes' approach which draw on the likes of YouTube for inspiration. "Instead of learning disrupting the working day, it is delivered in easily accessible and digestible segments, made available for when and where convenient on any device."

Evolving HR systems support these trends, Zeilstra says, enabled to some degree by cloud computing, which facilitates the extension of the formerly 'boxed in' systems, to any device anywhere. "Many companies are looking at hybrid approaches, keeping some aspects on-premise and putting others in the cloud."



However, he also stresses that while technology systems are evolving, the greater part of the shift to modern HR depends on organisational approach. "Software isn't everything. It's a very important tool, but more important is a strong partnership [with your vendor] and a services oriented approach."

Murphy adds to Zeilstra's comments, noting that techniques associated with the technology industry are being applied to HR management. For example, "When it comes to performance reviews, there are many different possible approaches. Crowd-sourcing performance reviews has a growing uptake in the United States, where employees are encouraged to provide feedback on their peers in real time. Elements of 'gamification' such as leaderboards, and other features built into software can encourage and reward employees for commenting on the performance of their peers. And ERP systems often provide performance data on employees that can also be used as the basis for performance reviews."

### Certifications and compliance

Most companies have to keep track of their employees' professional certifications as well as other applicable regulations, such as those pertaining to health and safety; in the technology industry, for example, it is necessary to demonstrate a proficient workforce in order to achieve partner status with vendors.

MyHR managing director Jason Ennor has worked in several large organisations and confirms systems are typically in place to track and manage all training and qualifications. "This included vendor certifications, where required. In the case of maintaining partner status with software vendor SAP, it was always an absolute requirement for the contractors and employees to ensure certification was maintained and up to date; for the help desk staff it was Microsoft certifications. We would also track other required industry qualifications, first-aid training, tertiary education, and so on," he says.

Providing further insight, Murphy says Datacom has around 3700 people working in 23 offices across New Zealand, Australia and SE Asia and maintains partnerships with major suppliers such as Cisco, Microsoft, VMWare and others. "Each has well defined partnership criteria and offers different levels of partnership; the capabilities of [a company like Datacom] is assessed by certifications held by our staff."

Datacom maintains an up to date inventory of certifications held by each employee – a process which is complicated as some qualifications have expiry dates which must be reconciled against the vendor's records and partnership requirements. "[Our HR system] allows storing, managing and reporting on any information in the employee database. Employees can update their own certification details, managers can validate them, and the system can even automate salary increments or bonuses based on certifications held," Murphy explains.

Ennor says it can be quite surprising that a number of even large companies don't have good HR systems in place and are tracking this sort of essential information using manual systems. "What often happens is 'homegrown' systems, usually involving Excel spreadsheets, are developed. Payroll is sometimes used in conjunction with Excel, depending on the quality of the system, but what you end up with is a cumbersome approach to HR management which perpetuates the 'paper shuffling' aspect of this function."

From pushing paper, to strategic management Ennor says there is a distinct need for more companies to consider better ways of managing talent, which allows HR to move away from time-consuming, effort-sapping paper-based processes. "While it's dangerous to say the HR department is responsible for organisational culture and how well 'people are our greatest asset' is put into practice, you do want to equip those tasked with managing the greatest asset with the best tools possible," he points out.

It is in exactly that process that Demarie-Crook is deeply involved for Fletcher Building. Such systems, she confirms, allow HR managers to spend more time on strategic added-value activities. "These systems allow a focus on the people and not the paper that surrounds the processes. They also deliver visibility, giving managers accurate and up to date information about employees at any time."

They also deliver an essential function for compliance and reporting against critical requirements such as professional certifications, Occupational Health and Safety, and more. "That means going from a situation where business units have to be pushed to ensure their training and certification is up to date, to one where the system itself drives the process," she notes.

There is a lesson in that, says Ennor: if smaller companies approach HR strategically early on, they can implement systems which are capable of growing with the organisation. "In the absence of a good system, HR people get caught in that paper-based bureaucracy, hampering their ability to perform a strategic function in the business. Even if you're a local company, it's an international problem, because if you're not managing people well, you'll be losing talent overseas. You have to be able to offer benefits, career growth and payment structures to compete; good technology will help you become more strategic," says Ennor.

However, he says there can be reluctance to embrace new technology within the HR profession (although it should be noted that resistance to change is a human condition, not limited to specific vocations). "Take new employment agreements," says Ennor. "These are typically paper documents signed in duplicate. Twelve years ago, we got the Electronic Transactions Act, and how often does HR insist on printed agreements? All the time."

### **Better tools, better results**

Demarie-Crook stresses that software is an

enabler. "You can't build a system with data alone. Data standards, and process optimisation and alignment prior to implementation, is a critical step of the project. A lot of them fail if this isn't kept in mind."

Having in the past played a role in major HR system implementations, she says it can take time to gain the benefits of these systems – and she explains what those benefits include. "From a business perspective, that means being able to effectively develop and leverage talent across the business. A good system enables critical decision-making and management of talent in a streamlined manner. It allows for increased focus and alignment of company goals and how we track against those. It provides real time global workforce insight that allows for the business to make decisions based on relevant, up-to-date and robust data."

Ennor is on the same page. "Because HR is a process-driven function, that also means automating a lot of the inevitable bureaucracy. You want HR to engage effectively in the business and not become swamped in administration. But people can tend to get carried away, expecting the technology to solve the problem. You don't buy a hammer and wait for it to build a house and so it is with the HR system. Implement it and by goodness, use it if you are to get the benefit."

### **It's all about information (of course)**

Good HR systems, says Ennor, reduce risk and, as they combine all personnel information in one place and provide reminders for when certifications, training or continuous professional development are to take place, there is very little chance of missing or forgetting anything. "So much can be handled online and be automated with a good system: performance reviews, candidate sorting for recruitment, leave management, document signing, storage and filing. A good HR system frees up HR managers to focus on the stuff that really counts, allowing the HR department to become a professional service that can enhance


***"These systems allow a focus on the people and not the paper that surrounds the processes. They also deliver visibility, giving managers accurate and up to date information about employees at any time."***

**Paula Demarie-Cook**, Fletcher Building

and improve the business."

A great part of that is human interaction, even with remote teams. "Good HR systems should improve these interactions, not get in the way of them," he adds.

Echoing Murphy's comments on aligning human resources with strategic direction and agreeing with Ennor, Demarie-Crook says a repository of all information relating to human capital also provides insight into the steps which need to be taken to progress in any given strategic direction. "However, the system won't do anything if it is not set up properly. But when it is, and it identifies and captures critical roles, you can plan for today and into the future."

That means HR can behave more strategically, becoming proactive by ensuring the right people are available for the business at the right time. "You can also see early on if, for example, you're losing critical skills so you can do something about it. Detecting trends and being proactive depends on having all employee information in one place and readily available, equipping the company to make the best decisions faster," she concludes. 

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# HR/HCM Buyer's Guide 2014-15

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Target Client Size	Under 500 employees	50+	Midsize to larger enterprises	Midsize to larger enterprises	Midsize and enterprise
Solution Overview	Cornerstone Growth Edition Performance provides really useful graphics-based performance reviews and infographics for a deep understanding of performance data; see where you're doing well and where you need to develop. Cornerstone Growth Edition Learning's socially-enabled, customizable learning management makes training and development easy for smaller organizations. SCORM compliant; use our content or create your own. Cornerstone Growth Edition Goals brings work to life! Collaborate, share and link goals; gather feedback and showcase successes. See how the things you're working on impact on the business's success, with real-time feedback on project milestones and goal contribution.	Epicor HCM automates your HR processes, enabling you to track, manage, and analyse all your employee data from recruitment to retirement. Talent management, HR reporting, and analytics functionality helps you align your corporate goals with employee performance, and empowers you with flexible tools to analyse applicant and employee data for more effective talent management.	Greentree's HR & Payroll suite captures all relevant details on employees, automates staff recruitment and review processes, enables electronic leave planning and web-based self-service personal record maintenance and OH&S procedures. It provides management with strong analytics and reporting capabilities covering payroll cost, human resource attributes and overall organisational proficiency.	MYOB EXO Employer Services gives you control over all aspects of staff administration – from managing HR records to capturing time, planning rosters and streamlining payroll – and helps you manage and communicate with your most valuable asset, your people, wherever they're based.	Modern HR empowers the individual by leveraging easy to use tools that are personalized, social, deliver insights and cover the full employee lifecycle. With Oracle HCM Cloud, you can find, grow, and retain the best talent, enable collaboration, provide complete workforce insights, increase operational efficiency and make it easy for everyone to connect on any device. The solution includes advanced features such as Talent Review, Career & Succession Management, Workforce Management and Workforce Reputation Management (refer other features below).
Recruitment Mgmt.	Yes	Yes	Yes	No	Yes
Performance Mgmt.	Yes	Yes	Yes	Yes	Yes
Employee Mgmt	Yes	Yes	Yes	Yes	Yes
Payroll Mgmt.	No	No	Yes	Yes	Via partners
Other			Training, OH&S, Time & Attendance, Online self-service portal	Online self-service portal for staff and management	Self Service, Social Collaboration, Mobility, Compensation Management, Learning & Development, Social Sourcing, Onboarding, HR Analytics (including Predictive Analytics)
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200+ employees, Complex award industries, Industry leader in the mid-to larger sized market segment	Mid-size to larger enterprises	SMB to Enterprise, SilkRoad offers a practical solution for organisations from 100 - 5000+ seats	Mid-size to larger enterprises
PayGlobal has been developed as an end-to-end people management solution that creates efficiencies for you and your business needs. Throughout the solution you'll find features that provide accurate information to support strategic decision-making about your workforce – from the centralised database, module integration, workflow and management reporting to timesheets and award interpretation. The company was established in 1991 and is headquartered in Christchurch. PayGlobal is locally built for the Australian and New Zealand marketplace and its software pays over half a million employees.	<p>SAP HCM (on-premise) is the leading HRIS used by many of the largest (and smallest) organisations around the world. Functionality is available for all core HR and Payroll processes as well as employee and manager self service through your preferred portal as well as a full range of Talent Management modules and HCM Apps for mobile devices.</p> <p>NTT DATA Business Solutions has developed a certified SAP fast start, pre-configured Australian/New Zealand payroll template.</p>	SilkRoad is a leading global provider of cloud-based talent management software. The award-winning SilkRoad Life Suite is an integrated set of employer-branded solutions that power businesses, with solutions for recruitment, onboarding, performance and learning. The Life Suite is ideally suited for any business because of its unique and open "start anywhere" architecture – implement the complete suite or begin with one solution and add more functionality when it is needed.	<p>SuccessFactors is a solution for businesses that want rapid, low cost access to the best HCM software available on a subscription basis.</p> <p>SuccessFactors covers the full employee lifecycle, from Talent Acquisition to Onboarding, Administration, Payroll, Talent Development, Succession planning, Analytics and Workforce Planning. It includes Jam (a collaboration tool) and social media integration, as well as seamless access on mobile devices.</p> <p>NTT DATA Business Solutions offers SuccessFactors implementation packages including Employee Central, Performance and Goals, Recruiting Management, Plan and Reward, and Learning and Development. Rapid deployment tools offer SAP on-premise customers integration with SuccessFactors to expand HCM system capability.</p>
No	Yes	Yes	Yes
Yes	Yes	Yes	Yes
Yes	Yes	No	Yes
Yes	Yes	No	Yes
Integration available to recruitment systems, Employee self service	Self Service, Mobility, Collaboration	Onboarding and Life Event Management, Learning and Development Management	Self Service, Mobility, Collaboration
On-Premise, Hosted, Go App	Available as an on-premise, hosted or hybrid solution	Web-based SaaS, Cloud	Available as a cloud on-demand SaaS solution
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# Diverse IT – a new look at skills needed for the tech sector

*Jodi Mitchell, CEO of SimplHealth, says softer skills are changing a once tech-heavy profession...*

As a female CEO in the IT sector I stand out in an industry that's traditionally seen as predominantly white and male. Thankfully, however, the world of IT is changing in some important ways. IT is now everywhere, is integral to people's daily lives and people hold more power in one hand than they did in a desktop not so long ago. Dare I say it, IT now even has emotion.

In a world where software should be easy and intuitive to use by a diverse group of people, it makes sense for there to be a mixture of skills and people in any team responsible for its development. So, where technology was once an industry for male technical problem solvers, it is now beginning to need a different and wider set of skills.

Looking at my own organisation, SimplHealth, we are very lucky to have an array of different backgrounds. Our team is split between Auckland and Wellington. Around half were born overseas and of these 10 percent are South Asian, 20 percent South East Asian and a handful come from South Africa, Ireland, UK, Australia, Serbia and the Netherlands. Forty percent are women. One of us is even a 'Westie'.

With our diverse backgrounds, nationalities, races and creeds, we have different perspectives about what it takes to be successful but one thing we all believe is that IT is more about people than technology.

As a company focused on delivering healthcare solutions to improve people's lives we may be a good example of one requiring softer skills. But I also believe this is becoming increasingly

important for all IT professionals.

Here are some criteria we look for when employing people, in addition to the equally important technical skills:

- *Passion and enthusiasm:* having this and being technical may be an oxymoron but you don't have to be loud and full of hoop-la to be passionate
- *Methodical and detail oriented:* highly important as small detail can have major impact on the bigger software picture
- *Problem solving, vision and big picture thinking:* we want to make life easier so understanding the issue from a people perspective is vital
- *Perseverance and resilience:* having the tenacity and drive to continue until achieving the best result
- *Communication and teamwork:* an ability to express oneself and ones ideas, so others can contribute as a team
- *Leadership and empowerment:* leadership comes in many forms and it takes a team to deliver a solution. Leadership can be taking responsibility for one aspect, just as much as the whole project
- *Always learning:* I've learned constantly through my career so we ask people what they have learned recently

The largest sector of the population with many of these interpersonal skills is of course women, who remain under-represented in most IT organisations.

As a rule, I have never been keen on singling out women as it doesn't reflect the »

Image: George A. Spiva Center for the Arts



real work environment. Yes, there are issues of equality, especially in regards to pay and senior management representation, and Emma Watson, UN women's ambassador and actress who played Hermione Granger, is waving the female flag, but I don't believe that focusing only on women will achieve the goals sought. I would not hire someone simply for being female, as capability and competency still needs to be the prime focus.

Looking at my own story, it has been a number of men who have provided me opportunities that have led me to where I am today. And it wasn't simply being given opportunities but more importantly taking them up.

For instance, the manager who explained the basics of programming when I started out, the mentor who suggested I invest in Ministry of Software in my 20s or even the colleague who persuaded me to get over my fear of diving and took me to a scuba course. I think the difference is that I accepted their help and support, and it has paid off big time.

Unfortunately, this isn't the case for many women. Some need to be competitive with men to succeed, others like to show them up, power dress or be unemotional. They, in my opinion, act more like men than some men do! My message to them is get over it girls and work with the guys, not against them.

So finally, the one skill everyone needs is to appreciate differences, qualities and characteristics. We all have something to offer and put together any team can create amazing things - collaboration is the key. If you can provide opportunities, people will show you their capabilities. And it doesn't make a difference where someone is from, whether male or female, young or old. If that person has what you need, hire her, or him. **f**



#### **ABOUT JODI MITCHELL//**

Jodi Mitchell is CEO of SimplHealth and Chair of the NZ Health IT Cluster, and has worked in the IT industry for over 20 years. SimplHealth is an expert in delivering technology solutions that share information, safely and securely, between healthcare professionals.

# Are iPads the only real choice for schools?

*Apple aficionado and blogger Mark Webster looks at why iPads make sense in schools...*

There has been a lot of discussion recently about iPads in education, and discussion is a good thing. However, the debate quickly turns to iPad versus bring your own device (BYOD), with the intimation that BYOD means tablets other than iPads. There are definitely benefits to both models. In some areas, like Blockhouse Bay Intermediate in Auckland, the BYO devices tended to be iPads anyway, which suited the staff as it was already an Apple-using school. In others, the model is BYOD with iPad strongly recommended, while others go as far as to say it's 'BYO iPad'.

I can only talk about non Apple devices in the most general terms, since it's not my area of experience, but the same general principles apply:

essentially, any institution that simply introduces portable devices as learning tools is in for trouble. In every instance I have personally looked at, and this is backed up by reports from overseas, first the teaching staff needs to be engaged and then the students. Every aspect of the introduction has to be worked through over a period of time (at least several months) and if the teaching staff don't buy into it, you should reconsider the entire thing.

First, let's look at iPads. They're not cheap - I think they're reasonably priced for the build quality and capability, but sure, there are cheaper tablets out there, and of course price is one of the primary considerations. But buying an iPad puts you in solid company - Apple has sold over 200 million of the things worldwide since it defined the tablet market as we now know it back in 2010. But that's probably not the main draw. Advantages

Apple has over Android include the fact that Apple builds the hardware and the software, so there's a remarkable consistency both across product lines and directly between the hardware and software on any single Apple device. Most iPads around the world are running the exact same operating


system, which has just been prime-updated free to iOS 8, so from an administration and consistency viewpoint, they're good. A classroom full

of iPads is quite different to a room full of Android tablets.

Thirty or so iPads are all designed by Apple and built for Apple on dedicated

production lines. They're all running Apple's OS. Thirty or so Android tablets could be running up to seven different versions of Android, since some hardware manufacturers demand customised model-specific writes of the OS. The hotbed model of Android development means new OS versions arrive regularly, and the tablets themselves might be made by ten different vendors, so even basic things like buttons are possibly in different places. Screens will be different sizes and resolutions (Apple only makes two sizes). Apps that will work happily on some Android tablets will not work on others.

Apple's consistency and tight UI control sounds boring to some developers, but for the customer and administrator, it's an absolute boon, especially when that customer is a student who needs to focus on learning rather than grappling with device differences and changes. And there are over 75,000 education-specific apps in the App Store. Some enhance the curriculum and some fit directly into different curricula. That's why people choose iPads.

(By the way, since the iPhone 6 got a whole new CPU, the iPad Air 2 has also been upgraded.) 



#### ABOUT MARK WEBSTER//

Mark Webster was editor of NZ Macguide magazine from 2002 to 2007, author of *Assembly: NZ Car Production 1921-1998* and now spends his time blogging about Apple Inc, helping people get more from their Apple devices and writing New Zealand history books.


*The soft fluffy HR department is making way for an empirical results-based strategy to manage human capital says **Aaron Green**...*

It's likely that no matter which market you're in, the leading businesses are driving HR policies and programmes based on quantifiable business return. The businesses gaining true benefit and competitive advantage are the ones where HR has stepped up and established itself as a true service-delivery organisation providing real impact to the bottom line.

Recruitment is another area with substantial room for change. HR's recruiting function should adopt modern social- and analytics-based recruitment. By replacing the subjectivity of recruiting with flexible recruitment plans, HR departments can align the people strategy with organisational strategy. For instance, if the



With this evolution come changes in the types of people and expertise moving into the HR industry. The ones making the high-impact changes often

As this trend grows, we'll see the HR practitioner of the future working to predict trends in advance and pre-empting potential issues, by analysing data. This means HR will naturally become more and more measurable, based on real value added to the bottom line. 



Aaron Green is Oracle's vice president for HCM applications based in Sydney.



# 'Hidden' HR problem causing efficiency downturn and staff losses

*There needs to be some fresh thinking on understanding what frustrates staff says Greentree CEO Peter Dickinson...*

**R**etaining skilled staff is vital for the success of any organisation, yet each year many are leaving because of a widespread problem. HR departments spend considerable time and money recruiting people with the best possible mix of skills and invest heavily to ensure new staff 'hit the ground running'. Comparatively little time is spent analysing why staff are leaving and trying to find the root cause of their frustrations.

"Alarming, one of the key factors that causes staff to leave an organisation is often overlooked," says Peter Dickinson, chief executive officer of ERP software company, Greentree. "This hidden problem has nothing to do with compensation or working hours. It comes down to frustration with poor internal systems that are stopping people being effective in their role."

Dickinson says that while the issue of poor systems has a significant negative impact on many organisations, it is not widely documented. Often, staff who leave do not receive an exit interview at which such issues could be raised. Instead, emphasis is put on finding replacements who then have to work under the same conditions.

"Anecdotally, I regularly hear from staff about

how frustrated they are with an organisation's existing systems. It seems that often little, if anything, is done to change the situation and so the frustrations remain and grow over time."

## Poor systems to blame for staff frustrations

Inefficient internal systems can come in a variety of forms. Some may have evolved over many years, while others are caused by poorly planned workflows.

Examples include repetitive tasks such as manual data entry or monotonous paperwork. Others might involve dealing with business systems that are not integrated, or having to constantly combine data from multiple sources to create a single overall report.

Some organisations attempt to overcome such frustrations through the introduction of new technology. While this can succeed, the danger in introducing multi-interfaces or multiple systems is that they don't, or can't, talk to each other.

## Integration is key

Dickinson says it's important for new systems to be comprehensive in their capabilities and



***"Anecdotally, I regularly hear from staff about how frustrated they are with an organisation's existing systems. It seems that often little, if anything, is done to change the situation and so the frustrations remain and grow over time."***

**Peter Dickinson**, CEO, Greentree



properly integrated with other applications in use to allow data to be seamlessly accessed. He points to Greentree as an example of what a fully integrated system can provide.

"The underlying architecture of Greentree software means all its capabilities are fed by the one database i.e. one version of the truth," he says. "From an HR perspective, its biggest benefit is not in managing employee leave allocation (which it does) but in the way it can remove many manual and onerous tasks – the very ones that cause staff frustration and loss."

Freed from much of the administrative drudgery of manual or non-integrated systems, staff can focus their energies on more value-add activities. This could include improving customer service levels or planning for new initiatives.

A well-integrated system should also have an

intuitive user interface, as cumbersome UIs can be another source of employee frustration and stress. Some systems require long hours of training before new staff can effectively complete their duties.

"At Greentree, we have invested heavily in creating a UI that is easy to master while at the same time offering the flexibility and features needed by power users," says Dickinson. "While introducing any new system is undoubtedly disruptive at every level we try to minimise this as much as possible. We pride ourselves on having developed software that lets the user dictate how tasks are done – not the other way around."

#### Internal systems audit

To determine whether problems exist within an organisation the temptation is to launch an

exhaustive review of all of the company's systems and processes. But Dickinson recommends a different approach, focusing on the critical business processes – the 20 percent of what you do that impacts on most of your business.

"Get that right and the rest will follow," he says. "But you also need to remember that for staff to enjoy true satisfaction from their roles, it's important they feel part of the wider objectives of the organisation.

"It doesn't matter if it's reaching a departmental monthly sales goal or showing how an individual's input helped within the bigger picture. Recognition is vital." He goes on to point out that these goals only become real if they can be accurately internally tracked and reported against – another tick in the box for a fully integrated system.

#### HR part of the discussion

"Too often business process related discussions are limited to those on the purely operational side of the business, but poor systems are proving to be much more of an HR issue than most people realise," says Dickinson. "By including your HR team around the table when you're reviewing internal workflows, improving existing systems and evaluating what you should report on, you will go a long way to ensuring these topics are fully understood in terms of employee retention and turnover.

If investing in improved systems and processes results in happier people and a more productive workplace then you'll have solved some potentially major HR issues with an outcome that is both sustainable and cost-effective." ■

#### MORE INFORMATION//

This article was supplied by Greentree International  
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# Why the HR department is redundant at the hands of the millennials

*The social era is making the workplace a jungle for digital natives to exercise their right to input, feedback and collaboration. **Mark Wade** contemplates the history, and future, of the HR department...*

For those who may not realise it, human resources or HR departments are becoming an endangered species. Cynics might say that's a good thing – that without them, far fewer people would lose their jobs.

The cynics would be wrong, of course. A professionally run HR department works to the benefit of organisations and employees, helping match available skills to the demands of the business. Done well, training and recruitment requirements are anticipated so that existing staff can be deployed where the organisation needs them to best satisfy its customers.

HR departments themselves are undergoing the same sort of redeployment. In response to a variety of factors – competition for workplace skills, a recognition of the strategic importance of recruitment and retention and different expectations of a new generation of employees – the HR role is being recast as human capital management (HCM).

This has been happening over the past three or four years and is reflected in new job titles such as HCM practice lead, my position at NTT DATA.

How did we get here, though? It's interesting to trace the history of employee management and to see how the changes it has gone through line up with the broader transformation of business.

Remember when organisations had personnel departments? Typically, they were managed by starchy, senior figures who had the key to the payroll and kept the records of holidays used and owed. It was worth staying on their good side to give yourself the best chance of getting days off when you wanted them and to help you advance through the ranks.

Personnel departments were eventually equipped with payroll systems to manage the regular pay run and record staff hours and leave entitlements. They were infamously error-prone, because of clunky design and the failings of the data inputters.

Gradually, as organisations modernised and the dynamics of the workforce changed, personnel departments were made redundant. HR departments, with a broader range of responsibilities, took their place. As the name implied, HR's view of employees was that they were



a resource to be managed, making recruitment and training, for instance, important new functions.

The HR department, and its management systems, fitted into organisations that were largely outward-looking – facing customers. Over the past couple of decades, the systems for ensuring customers received products and services that satisfied them and kept them coming back for more have been refined.

The increased capabilities of these systems – aimed at making supply chains more efficient, improving financial reporting and sharpening up marketing – have been driven from within organisations. The major software vendors have had a big hand in this, adding functionality to their systems to exploit more powerful hardware, and extending them to make use of the internet and the cloud.

In the past half-decade, however, the impetus has



shifted as consumers have taken to social media. True to their name, social media platforms initially became established in the social sphere.

But it wasn't long before businesses realised this was a dynamic new channel of communications with customers, making integration with legacy systems a priority. The payback was getting customers into a closer embrace — being able to listen in on their likes and dislikes and dampen down criticism before reputational damage was inflicted — and the collection of troves of data.

So how does HR, essentially a function that operates within an organisation's confines, fit into the picture? As already noted, organisations are ditching HR in favour of HCM, for a combination of reasons that includes elevation of people management to strategic importance, advances in software functionality and usability and the employment expectations of millennials, the latest

generation to enter the workforce.

Coincidentally — or not — these are variations of the same factors that have reshaped business systems. For instance, to be effective recruiters and retainers of staff, organisations need to tap into employee networks through platforms such as LinkedIn. They need to provide employees with tools for collaboration; and those tools need to have the ease-of-use of consumer-grade software.

Boiled down, what this means is that organisations are moving beyond seeing HR management as a series of back-office processes to it being integral to business success. As that shift has occurred, HCM directors are taking a seat at the board table.

To support them, they are looking for systems that manage the organisation's talent so the right people with the right skills are in the right jobs. Along with that goes succession planning, so new

people can be slotted in when key employees depart.

At NTT DATA, we see the evidence of this change when we speak to customers about SuccessFactors, SAP's cloud-based HCM suite. Workflow automation, which has been HR's preoccupation until recent times, is no longer top of the customer wish list. What they increasingly want are tools for ensuring the skills of their people are aligned with their business objectives.

One customer, for instance, has implemented and speaks highly of the SuccessFactors 'Performance and Goals' module, which provides its managers with a visual online tool that makes it easy to see which team members are working on what goals and how they're progressing. Effectively it has automated and brought new value to the performance review process, taking it from being an arduous once-a-year distraction to something that is live year round and is useful both for managers and employees.

Combined with the 'Compensation' module, that organisation has now embedded a performance-based pay culture that doesn't require a remuneration team having to pore over spreadsheets to analyse annual performance data.

Contrary, perhaps, to what might be expected of the millennial cohort is their eagerness for the kind of performance feedback inherent in SuccessFactors. At the same time, they have expectations of enjoying the same ease-of-use with business systems as they're used to from the consumer applications they've grown up with.

And the generation that cut its teeth on social media will find another reason to like SuccessFactors in SAP Jam, a collaboration module that deploys Facebook-like interaction to work ends.

All of which doesn't quite spell HR's demise, but takes it to a new level. **fi**

#### MORE INFORMATION//

This article was supplied by NTT Data Business Solutions.

Mark Wade is HCM practice lead at SAP systems implementer NTT DATA Business Solutions in Brisbane. NTT DATA Business Solutions also has Australian offices in Sydney, Canberra, Melbourne and Perth. [www.nttdatasolutions.com.au](http://www.nttdatasolutions.com.au)



# Job and project costing – what is it?

*The resident experts at MYOB provide some insights into job costing best practices and software designed to support it...*

Job costing (or project costing, depending on your industry) is the process of tracking the expenses of a job against the budget and seeing if you're making profit or loss. A 'job' simply refers to work performed on a project basis, as opposed to ongoing operations. Job costing is mainly used by businesses which have a high dollar value per customer with a relatively low number of customers. Building contractors, subcontractors, architects and consultants often use job costing, whereas retailers, for example, typically don't.

## What is job costing software?

Job costing software enables you to keep track of a variety of costs of a job or project. It should also help you to make fast and well-informed decisions quickly. Any business that needs to apply costs to jobs can benefit from job costing software.

## The benefits at a glance

- Profit visibility – pinpoint which jobs make you money so you can focus on the profitable ones
- More accurate quoting – create quotes that more accurately reflect your true costs
- Planning – better visibility of your job costs lets you be more accurate with your planning and budget forecasting
- Less resource wastage – job costing software helps you to be more efficient with resource management, which positively affects your bottom line

- Better informed customer service – clearer insights into your job and project costs make it easier to quickly respond to customer needs and questions with accurate real time information.

## Job costing software – digging deeper into the details

Job and project management software not only helps you save time and money but reduces errors and duplicate data entry. It also makes it easy to check the profitability of your jobs and projects in real time. But there are more benefits:

### Get your data in real time

Job costing software gives you accurate, real-time data whenever you need it. By entering budgets, orders and costs as they occur, you can easily stay on top of your jobs and projects and assess profitability at any given point in time.

You can also view cost transactions and minimum margin percentages, and compare estimated with actual costs – all in real time. You can also receive email alerts when jobs are under or over budget. This means you can identify trends and fix potential issues before they lead to missed deadlines and budget blow-outs.

No more time needs to be wasted by you or your project team trying to get jobs back on track and there will be no surprises at the end of your jobs or projects.

You can also use the accumulated historical data



in job costing software to guide you on the types of jobs that are unlikely to result in a profit, so you can steer clear of them in future.

## Process optimisation

Streamlined processes and well-organised project management reduces errors, resource consumption and lead-times, and helps you to operate more efficiently. Smart job costing systems give you a common database available across the business, which streamlines and speeds up processes and increases accuracy. You can set up automatic reports to keep the management team updated and to increase your control over the production process.

Job costing software lets you plan and forecast more accurately, helping you and your team commit to delivery dates. This means less stress at work and increased customer satisfaction, leading to improved loyalty, revenue and profit.



### Better cost tracking

Manual or spreadsheet-based revenue and cost tracking can become tedious, expensive and error-prone. This is especially so when your business is growing and the number and complexity of jobs increases. Job costing software ensures accuracy, minimises errors and decreases the time you spend searching for, entering, updating and analysing data.

Knowing the real cost of a project is crucial. Without this you won't be able to quote accurately and this will affect your profit. Job costing software helps you to quickly get an accurate picture of the true cost of a project without spending endless hours on complicated accounting chores.

Job costing systems make it easy to know where you are proficient by outlining the parts of a project cost you more than planned and which parts earn you money. This will help you to make informed decisions in the future. For instance, you

may decide to spend more time on the profitable components, and outsource the other parts.

When you know which areas in a project cost too much, you'll have a good idea of the strengths and weaknesses in your operations. You can then remedy your weaknesses so that future projects will bring in more profit. This might include training employees in certain areas or employing someone with different skills.

### Achieving better cash flow

By the time you win a job, you have already poured significant resources into it thanks to the lengthy bidding process, manpower on the job site, purchasing materials and renting equipment to name a few.

Successful contractors use job costing software to manage their cash flow on a daily basis. They use it to manage costs and work schedules, and to access job information in an organised fashion.

Quick, easy and automated invoicing and reminders help you to maintain a healthy cash flow.

### Improved project management and reporting


It's important to know where all your jobs stand at any given moment so you can address issues before it's too late. Successful operations use job costing software to get accurate work in progress and percent complete reports so they know where each job or project stands. For example, if only a quarter of a job is complete but half the budget is already spent, job costing software will automatically send an email alert.

### Generate more accurate estimates

One of the fastest ways to lose money is through the estimating process. Job costing software quickly generates accurate estimates based on historical data. The software also accurately calculates labour rates, materials and other expenses.

For example, you might make an error and bid for a job using \$50 per hour as a fully-burdened labour rate, when the true rate over the last year has been \$51 per hour. With job costing software this information would be clearly visible to you, and the costly mistake would be avoided.

### Create better work schedules

As a project manager, it's crucial to allocate your labour properly because inaccurate job schedules can cause work stoppages and cost you money. For example, you might have booked five workers for a job then realise that you're ahead of schedule and only need four – when it's too late. Job costing software will show if you're ahead or behind schedule so you can plan your labour intelligently. 

### MORE INFORMATION//

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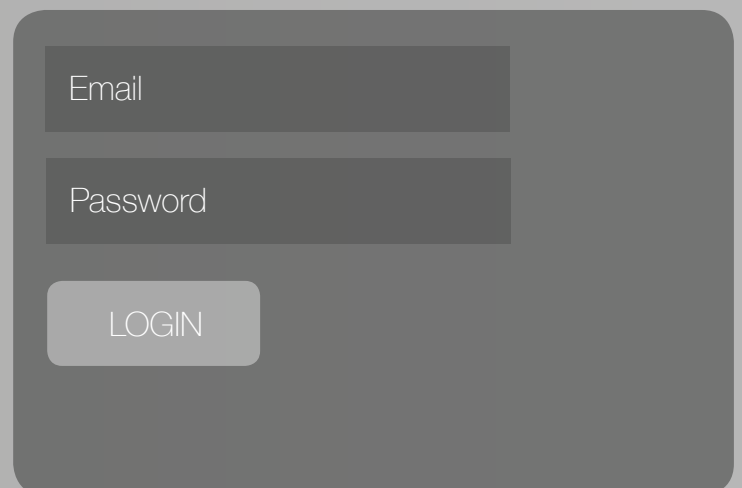
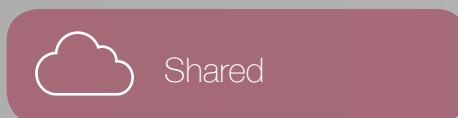
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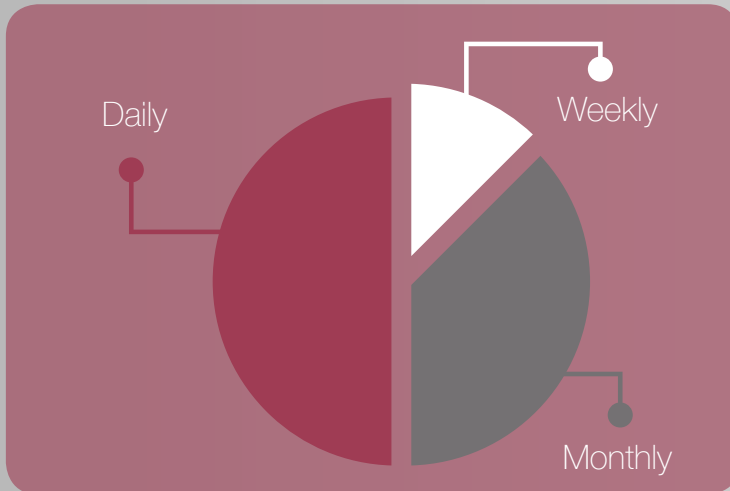
# Creating beautiful software

*As consumers we have flocked in our millions to software that is sexy and intuitive. Now enterprise software has finally got the message that user-friendly also means productivity-friendly. We asked **Anthony Doesburg** to look at how to create simple-to-use software and websites...*





Search\_



A dark grey form with a white envelope icon and the text 'Your Name' in a dark grey box. Below this is a large, empty grey rectangular area. At the bottom is a dark grey button with the word 'SEND' in white capital letters.

Talk IT system usability and, without prompting, one name keeps coming up – Apple. Thirty years ago it began setting the desktop user interface standard with the Macintosh. But when it began selling the iPhone in 2007, the software development world really sat up and took notice.

“Apple’s single advantage is it has always managed to prioritise and focus on what the top task of its devices is, rather than loading them with multitudinous features,” says Dublin-based system usability specialist Gerry McGovern.

Apple raised the usability bar another notch in September with the iPhone 6 and iPhone 6 Plus. The new phones have near-field communications, or NFC capability, adding to the multi-touch control, voice activation and fingerprint recognition of their predecessors.

Although hardly a new technology – everyone from Acer to ZTE makes phones with the feature – what Apple promises is to make an NFC-based payment system mainstream. And its record at seeding the app market suggests it will pull it off.

Just to get it started, it has the credit card details of 800 million iTunes customers ready and waiting, and a slick name, Apple Pay. But Apple’s trump card is its fixation with making software as easy to use as possible.

“It has been very selective in how it designs things, which takes a lot of talent, a lot of management, a lot of effort to focus on what is critical,” says McGovern.

He gives Google points for applying the same discipline in the design of its search engine and other online services. And it’s no coincidence, he believes, that both Google and Apple are flourishing.

What works with user interfaces, apps and the web is just as relevant to the world of business applications. But in what McGovern condemns as almost a management conspiracy, ease of use seldom seems to enter into the design of enterprise software.

Instead, using business systems is like “undergoing some form of medieval torture”.

“The vast majority of companies just don’t get it. Even though we have a new model of management that is evidence-based, seeking continuous improvement and focused on functionality, most organisations seem incapable of adapting to it.”

Management professes to be driven by the desire to lift worker productivity, but legacy IT systems have the opposite result, McGovern says. His web design business, Customer Carewords, often works on company intranets and he says it’s common for staff to avoid them because they border on being unusable.

“They are monstrosities that consume huge amounts of productive time and management has got away with it by saying they are mission-critical, which is why they’re impossible to use.

“Managers don’t care if it takes staff 10 minutes or 15 minutes to book a meeting room – they have a view of white-collar employees that their time is elastic and they can always stay at the office longer to get the work done. I’ve spoken to managers in about 40 countries and it’s the same everywhere – a complete contempt for employees’ time.”

### Enterprises begin to get it

Cynicism aside, the phenomenal explosion of app development started by Apple and copied by Google, Microsoft and others is, at last, beginning to influence business application designers.

For one thing, the sheer user-friendliness of apps on smartphones and tablets is contagious. If IT departments initially tried to stem the tide, the growing number of organisations with BYOD, or bring your own device, policies shows resistance is futile.

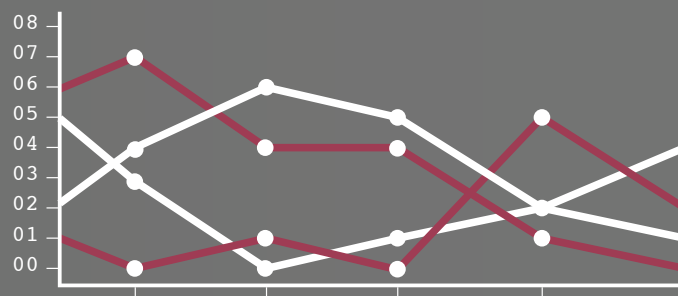
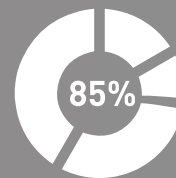
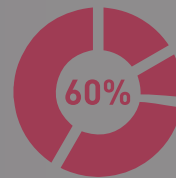
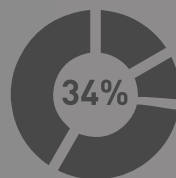
In a September report on the Australian software market, analyst firm IDC listed IT’s consumerisation and the BYOD trend as having a big influence on the way applications are developed and deployed within organisations.

## Contacts



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***“The iPhone’s been around for more than seven years now and the new generation of employees come from that world of apps where things just work. With enterprise software, we’re playing catch-up.”***



But this is bigger than Australia. In perhaps the clearest sign that the business software world is getting usability's importance, New York-based Infor, No. 3 in the worldwide ERP market behind Oracle and SAP, has set up a design shop to drive the company's products "past functionality and into more meaningful experiences".

Called Hook and Loop, it has a string of catchy slogans – "no fugly software", "users first", "device agnostic". More meaningfully, however, it has brought out its first software, SoHo, aimed at giving a friendlier face to Infor's suite of business applications.

Marc Scibelli, Infor's creative chief and head of Hook and Loop, says SoHo's uniform interface, based on a common set of controls and patterns, is intended to make it easier for a user in a distribution company, for instance, to switch from a financial package to an order-placing application.

If feedback from the company's September Inforum user conference is anything to go by, customers – about 2000 of whom have adopted SoHo – like the direction Infor is heading in.

"No one is saying 'God, I wish you'd go back to the old look and feel'," says Scibelli, who comes from a design rather than software background.

There's no mistaking that apps, and Apple – September's iOS 8.0.1 stumble notwithstanding – are driving the usability trend, says Scibelli. The employees being recruited today by Infor's customers aren't prepared to endure the business system learning curve of the previous end-user generation.

"The iPhone's been around for more than seven years now and the new generation of employees come from that world of apps where things just work. With enterprise software, we're playing catch-up."

Still, corralling Infor's disparate products with SoHo's single user interface isn't the same as reducing their functionality to the simplicity of an app. But that's what Hook and Loop is working on next in a project

called Clearwork.

What the shop's designers are up to now, says Scibelli, who at 38 is more than 10 years older than his average employee, is rethinking the business processes at the heart of Infor's enterprise applications.

"A lot of these processes – take order buying, for example – haven't changed in 15 years. We've added lots of features to them, but nobody has asked what the best way is of doing them."

Hook and Loop's approach is to take those discrete processes and reduce them to app-sized chunks.

"We're reinventing how someone accomplishes that one task."

### Age of agility

'Appification' of feature-rich systems such as Infor LN and Infor M3, which cater for tens of thousands of ERP processes, if users know how to tap all that functionality, would take forever were it not for another increasingly important trend; agile development.

Zach Nies, technology head at agility specialist Rally Software, in Boulder, Colorado, says the company helps big organisations (Telstra is a customer) take advantage of disruptive market influences such as the rise of apps rather than fall victim to them.

"We've been helping Telstra launch many agile programmes through its development organisations," says Nies.

Telstra's Em Campbell-Pretty told Rally's 2013 user conference in Boulder that after the telco transformed its enterprise data warehouse development group into Agile teams, metrics including delivery cycle time, delivery cost and product defects were all dramatically improved.

The first step on the path to agile development, says Nies, is to shift from a data-centric organisational view to one of putting the user or customer at the centre.

"Data is valuable but engagement is critical from a financial or



Refresh\_



12.03pm



customer value standpoint.”

Agility makes possible cross-functional development and rapid, iterative releases of software to enable users to access legacy data in the way that makes sense to them.

“Users interact with great products in a natural and effortless way but that’s extremely hard to get right the first time. Even Apple, which you might think makes that its hallmark, goes through an iterative process – it just doesn’t do it with the outside world.

“You need what I call a high metabolic rate as a development team to quickly understand what users want, deliver it, then rapidly learn whether that’s exactly what they wanted or is there a better way to engage with them.”

### Be willing to learn


For McGovern, agility means something else as well: in the world of website design, which he knows best, some outfits will take weeks to make a simple content change that top companies carry out in seconds.

“I’ve seen companies that have changed a word, phrase or link 50 or 100 times to optimise it so that it resonates with the customer. The result is they sell more stuff or they have fewer support calls – it unquestionably pays off.

“But with other organisations it’s as though they have arthritis – their bones are stiff and they need to go and do some pilates.”

Those organisations would benefit from coaching by what he sees as a “new wave” of agile designers who spring from the web and app worlds.

“These people use the web as an ecosystem for getting software live, then it rapidly evolves. It takes a lot of skill. You have to have a vision and plan and then be flexible and constantly adapt.

“It requires a certain type of personality. People who are adaptive and inquisitive and willing to learn from the customer.” 

### Getting the job done

Smartphones, tablets and the millions of apps their owners are leading to consumerisation of the enterprise, says Byoern Schliebitz, of Sydney agile consultancy PanthaCorp.

“The start-up companies that are developing these apps understand that the journey begins with the user and user expectations have changed.”

A further factor in the transformation of legacy IT is the advent of cloud services, which enable computing capacity to be switched on and off like a tap.

The development process itself is undergoing a revolution. Instead of nutting out a ‘golden persona’ or highly detailed software specification, the approach of PanthaCorp and its ilk is to spend a few weeks sketching an application outline before user experience (UX), designer and programming teams work in a ‘scrum’ on a series of iterative releases.

“The zeros and ones are not the difficult part, it’s communications and decision-making that counts.” Instead of a swamping ‘waterfall’ method of project delivery, work is broken up into more digestible units. And UX is at the centre.

“There’s general agreement now among our clients that user experience really does matter. As funny as that sounds, this is quite significant. It’s not something we have to sell, our clients are demanding it.

The starting point for development or transformation of any website, app or other piece of software is to determine its primary purpose, then prioritise it, says Gerry McGovern.

McGovern is cynical about “genius designers or genius managers making decisions based on their incredible instincts”, rather than on readily obtained user and usability metrics.

“There are certain things people need to do more often than others and those things should be easier to find and easier to do. The thing you do 10 times a day should be easier to find and do than the thing you do once a month.”

On the web, function trumps form, he says.

“This is what makes money for all the big websites. The successful websites, Facebook, for example, don’t have beautiful designs but rather rigorously tested functional designs.”





# The subscription-based economy

*Enterprise software costs are moving from the balance sheet to the P&L and the move is presenting both opportunity and risk to businesses. **Andrew Devitt** explains how the shift to subscription-based licensing is impacting the software market...*

The move to a subscription-based economy for technology provision means partnering effectively with service providers is now more important than ever before. While a subscription-based approach can offer significant benefits, there are also potential hidden costs and risks that must be mitigated.

## Benefits of the subscription model

The move to the subscription-based approach is driven by customer demand. Accustomed to a 'pay-as-you-go' model for other types of expenditure, customers are increasingly seeking the clear benefits that come with this type of licensing model. Those benefits can include:

1. **Enhanced flexibility.** Customers pay for the technology they use rather than having to invest upfront in technology that they may not need. Being able to scale up or down as business needs change lets companies stay nimble and more closely align costs to actual need.
2. **Cost efficiency.** Because IT expenses are incurred on a per-user basis, they are no longer part of the organisation's capital expenditure (capex) but can instead be accounted for as operating expenditure (opex). This is ideal for CEOs and CIOs tasked with reducing overall costs.
3. **Easier budgeting.** When the subscription-based approach is underpinned by a clear licensing agreement, it lets organisations

manage budgets carefully. They can also improve cash flow since capital is not tied up in large-scale technology investments.

4. **Improved user experience.** Multiple delivery and access options for subscription-based software technology means it is fast and easy to begin using new solutions.

While these benefits are well-established, they also come with risks that are less well-known. For organisations to take full advantage of the subscription-based approach, they must be aware of these risks and how to mitigate them.

## Risks of a subscription-based approach

There are well documented risks including concerns such as data sovereignty and security. If there is no local data centre offered by a cloud storage provider, then the customer must consider the ramifications of storing potentially sensitive data offshore. There, it will be subject to different regulations and laws, which may not sufficiently protect that data to comply with Australian and New Zealand regulations.

Availability is another often-cited risk. Understanding how to access the data, whether physical access to the data centre is possible and whether there are uptime guarantees are all key concerns. Similarly, security is an important consideration. It is essential to be able to control who accesses what data, and for what purposes.

There are other less obvious risks that must be considered. These include:



1. **Infancy.** The subscription-based approach is relatively new. As a result, licensing models are still being changed, providers and customers alike are still learning more about it and the approach itself may look quite different in the months and years to come.
2. **Control.** Shadow IT is a common term used to describe the risks around control. It refers to the grey area in IT where the organisation has some but not total control over who manages systems. For example, if employees are accessing corporate data and networks using their own devices, the IT department needs to understand to what extent it can control those devices to ensure security and compliance.
3. **Comparison.** Comparing products to choose the right one for an organisation can be difficult when provision happens purely online. Two products may look the same on the surface, but their actual



capabilities, support and development roadmap may be completely different, making one right for the organisation and the other completely wrong. Organisations can mitigate this risk, but it takes investment in thoroughly researching all the options before choosing a provider.

4. **Compliance.** Organisations will bear the brunt of ensuring they comply with the licensing model. While many consumers simply accept an end user licensing agreement without reviewing the fine print, in a business environment this behaviour can open up the organisation to significant risks. For example, a software provider may conduct annual auditing with the possibility of retrospective fees. The agreement may allow the customer to exceed the license usage terms, but the provider may charge hefty fees at the end of the year for this privilege. This can negate the savings that

were achieved by choosing a subscription-based approach. Organisations can mitigate this risk by working closely with a services partner to plan for increased license usage and to ensure that the original agreement is right for their long term business needs.

#### How to avoid the pitfalls

The increase in subscription-based IT provision has had significant impacts on the IT industry. Specifically, it has precipitated the 'race to services' phenomenon, where many vendors and resellers have discovered there can be more value in providing services than in selling the products themselves.

This is an issue because it has encouraged organisations that are not qualified to set up as service providers. They have neither the knowledge nor the experience to deliver specialised, high-value services to customers. They may hire experienced staff but, without a strong strategic direction or

significant industry experience, they are unlikely to be able to deliver the business transformation that organisations seek.

Choosing the right partner is absolutely critical, but it can be difficult to know exactly what to look for. UXC Eclipse recommends looking for the following attributes in a potential partner:

- A mix of specific technology knowledge and business knowledge so that the team can clearly understand the organisation's business imperatives and deliver solutions accordingly.
- A strong physical presence and footprint in the industry with positive customer references, preferably from long-term customers in the same industry as the organisation.
- A stable, well-qualified team with significant tenure at the organisation, proving that the organisation is a genuine player in the marketplace rather than a re-badged product reseller.
- Proven project control and governance methodologies that can be clearly explained.
- The ability to bring senior vendor representatives into any discussion to drive results.

With the right partner in place, organisations can achieve enormous benefits from a subscription-based approach. To give a subscription project the best chance of success, UXC Eclipse recommends:

- securing CEO/management engagement,
- implementing a strong change management programme,
- maintaining system control and ownership,
- planning and monitoring for licence compliance, and
- choosing the right project management team and enabling them to drive the project. ■

#### MORE INFORMATION//

This article was supplied by UXC Eclipse. Andrew Devitt is the senior executive for customer and partner engagement for UXC Eclipse and has 20 years of experience in the IT industry. For more information visit [www.uxceclipse.com.au](http://www.uxceclipse.com.au) [www.uxceclipse.co.nz](http://www.uxceclipse.co.nz)

# USL Medical sales team equipped for the future

A diary-burning ceremony is on the cards after the company's dispersed sales team converted to a new Microsoft Dynamics CRM solution...

**U**S L Medical is a privately owned company supplying innovative medical consumables, equipment and related services to the New Zealand healthcare industry.

From selling products out of the back of a van 30 years ago, USL Medical now has over 100 staff and a large range of medical and consumer healthcare products. Their customer list includes primary care, aged care, hospital boards, sports organisations and rehabilitation services, through to retail pharmacies.

USL Medical maintains regular face-to-face contact with customers through a team of over 30 sales people and product managers across the country. The company philosophy is to allow its people to work in the way that suits their professional style and comfort level. This has produced great results, but also meant customer information was stored in a range of formats and locations – in people's heads, diaries, rolodexes and PCs.

This presented a range of challenges for Aaron Rackham, director of medical markets for USL Medical. "Without a centralised repository for customer and sales information it was hard to see their sales performance and provide good reporting on activities and opportunities," he said.

The productivity offered by laptops and smartphones was often underutilised and there was a heavy reliance on hard-copy diaries. "We've seldom had any problems," Rackham said, "but it was time to get with it, time to bring us all up-to-date."

## Team work

The company had had its fingers burnt on an IT project that suffered budget blowouts for little business value so for Rackham and the rest of the

management team the overriding priority for a new CRM system was value for money.

A team of project stakeholders worked together on requirements and then invited six potential software implementation partners, each with a different solution, to pitch for the project. "For us it wasn't just what the system could do," said Rackham, "but also the cost, the partner, and the support they were able to provide – not only now, but in five to 10 years down the track."

"Cost was an important consideration," said Rackham. "We needed to make sure that we weren't going to have any hidden costs that were going to come out and bite us."

Ease of use was also important, given the varying comfort levels the team had with technology, as well as integration and compatibility with their existing software platforms. USL Medical uses Microsoft's Dynamics ERP and office productivity tools. The native integration with these tools was a distinct advantage with the Microsoft Dynamics CRM solution that Koorb proposed.

The company's IT manager, also project manager for the implementation, ultimately concluded the best option was the Koorb solution, and recommended they be appointed.

Koorb's CRM consultants have delivered on all fronts. "When it came to working with our team, especially our IT manager," he said, "Koorb ticked all the boxes."

## Selling to sales

The team's excitement for the new solution was tempered by a concern that it might create more work and complexity than it mitigated. To avoid daunting the less tech-savvy members of the team, a cut-down pilot version was rolled out in the first month, allowing them to become familiar



***"Will CRM create opportunities for us? Of course not, we need to do that ourselves. But what CRM can do is help us convert them."***

**Aaron Rackham**, Director of Medical Markets, USL Medical

with the basics of CRM. This, and three days of initial CRM training at a USL Medical conference, laid most fears to rest.

USL Medical was keen for full team involvement in the implementation, so staff would feel ownership as well as having a deeper understanding of the solution. "Koorb responded with what we thought was a very mature and consultative approach. They advised what we'd



need to do, and how to do it,” said Rackham.

USL Medical now has eight in-house CRM champions, a result they don’t feel they would have achieved by handing the whole project over to a partner.

#### **A bright forecast**

Sales reporting has gone from a manually compiled collection of individual notes – that provided no consistency and missed cross-selling opportunities – to a customised report which combines opportunities, tasks and appointments. Individual sales figures versus budgets can be tracked, and managers can see both team and individual activities and performance.

“We have a busy team,” said Rackham. “Product managers and key account managers are crossing over, day in and day out. There are lots of activities, often with multiple points of contact within each customer organisation, lots of quotes and a high level of transactions and opportunities.

Looking back, we really weren’t getting the level of information that we needed.”

“The team are already using the CRM for appointments, and they are definitely entering in the opportunities,” Rackham said. “My latest report shows \$6.4m in potential opportunities. \$6.4m! That’s a lot of opportunities!”

“As long as people are keeping the CRM up-to-date there’s no guesswork anymore. It’s right there, information at the touch of a button, and I think that’s going to definitely help us. Will CRM create opportunities for us? Of course not, we need to do that ourselves. But what CRM can do is help us convert them.”

While threatening a diary-burning party in a couple of months to make the transition final, the sales activity reports show Rackham that most of the team embrace CRM in their day-to-day work activities. That’s a win as far as he’s concerned – and the \$6.4m of opportunities is keeping him smiling. **■**

#### **CASE STUDY//**

**USL Medical**

#### **AT A GLANCE//**

##### **INDUSTRY**

- Medical supplies

##### **LOCATION**

- New Zealand wide

##### **BUSINESS OBJECTIVE**

- Consolidate sales activity, planning and reporting with a consistent process.

##### **SOLUTION**

- Microsoft Dynamics CRM implemented by Koorb Consulting.

##### **BUSINESS BENEFITS**

- Consolidated sales reporting now automated and consistent.
- Visibility of cross-sell and the value of sales opportunities.
- Integration with office productivity tools giving better utilisation.

#### **FOR MORE INFO//**

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# THE PROCESS OF PROCESSIONIFICATION

*For decades in business software, processes have played second fiddle to the demands of the company accountant. Now a quiet revolution is taking place, and the innovators are moving towards a process-centric approach.*

**DONOVAN JACKSON** explores this new process-powered landscape...



**F**or many companies, there comes a moment when what they do is no longer as important as how they do it. Such is the case for McDonald's, which, thanks to its highly refined processes, is able to deliver a Big Mac to a consistent standard regardless of whether it is ordered in New York, New Zealand or Newcastle.

When the 'how' supersedes the 'what' in your company, the moment has come to look into a formal approach to business process management or BPM.

"BPM is the science of getting smarter at how you do things. It's a constantly challenging attitude of 'can we do this better?'," explains Ivan Seselj, director of BPM vendor Promapp.

It's also an opportunity to stand out from the crowd, according to Russell Gordon director of the business process practice at UXC Eclipse. "We're all operating in very competitive environments, offering goods and services that really tend to be the same," he says. "The point of differentiation lies in how we deliver those goods and services."

#### **A SCARCE COMMODITY**

Unfortunately, however, outside of major corporations, BPM as a discipline is generally poorly understood and applied loosely, if at all. Indeed, Seselj says whether in big companies or small, process knowledge is often badly managed. "There might be good programmes and methodologies in place to get smart at business, but process knowledge tends to be kept in a format that no one looks at," he says.

And when employees aren't aware of the components of the wider process within which they are working, things can and do go wrong, says Gordon. The apocryphal story of the road workers who worked their way down a street digging and then refilling holes is a prime example. When questioned on the futility of their task, the workers said the chap who usually puts the tree in the hole has the day off. >>



"It is only when there is a deeper level of education on the 'why' of the process, rather than simply the 'what', that you can start working towards adoption of best practice," Gordon explains.

Out of the manual, into the business

Process knowledge is fundamental to how any business gets anything done – yet it tends to languish in handbooks, manuals and squiggly flow charts, says Seselj. "That just hasn't worked. About the only time a process manual is viewed by anyone is when it is written. From there, it tends to sit on the shelf."

Gordon adds that most companies have already invested in BPM, but just haven't yet realised it. "It might be contained in some sort of document or even be in people's heads. If it isn't written down, that's a major risk; if you have a company of five people and only one of them knows exactly how to run the operations, that could be so detrimental as to put you out of business," he observes.

Yet, despite clear consensus of its value, process knowledge lacks prioritisation because it's hard work. "In our part of the world, process management just isn't something most companies are naturally strong at. It is the discipline which comes after the great idea," Seselj says.

#### THE BROAD SPECTRUM OF BPM SOFTWARE

There are hundreds of vendors offering BPM solutions and they range from the world's most recognised names to obscure vendors providing point solutions to very specific vertical industries. At the same time, the extent of what each vendor can do varies wildly, from relatively straightforward solutions for process mapping, like Microsoft's Visio, through to highly complex orchestration solutions like Appian's BPM suite. Even the 'go to' for market insight, Gartner Inc, and its Magic Quadrant for

### "CHOOSING THE RIGHT BPM SOFTWARE FOR YOUR BUSINESS IS ACKNOWLEDGED AS A DAUNTING TASK BY THE BPM INSTITUTE. IT SAYS THERE ARE TWO BROAD CATEGORIES: INTEGRATION-CENTRIC AND HUMAN-CENTRIC."

BPM Software 2014 throws up a number of vendors which you may never before have come across.


The likes of Kofax, Whitestein Technologies, PNM Soft and Vitrian share space on the Quadrant with Tibco, IBM, Oracle, OpenText and Software AG.

Choosing the right BPM software for your business is acknowledged as a daunting task by the BPM Institute. It says there are two broad categories: integration-centric and human-centric. The former drives automation between systems. The latter is, as are all things where people are involved, more complex and often also requires integration with ERP or CRM systems.

Market commentator Scott Cleveland says selecting BPM software depends on a few basics: Identify the problem, quantify its cost, know what the ideal solution looks like and explore if it can be solved without software. And, perhaps most importantly, don't look for perfection as you're not likely to find it.

#### RISKY BUSINESS

When organisations start to formalise their business processes, it isn't all rainbows and cotton candy; it can lead to serious issues if not handled



properly. "The trouble is that even the people who are working within the process itself aren't aware of the bigger picture," says Gordon; think back to our road workers. "There are often a lot of 'hidden' components which add complexity, such as business rules, regulations, risks, controls, technology and other factors. It's about a lot more than just the procedure - and the key is understanding all the layers that feed into a process before you can start managing or optimising it."

While most of us think of business processes as linear, a great many aren't. Instead, they tend to consist of groups of tasks with various dependencies which may or may not follow one after the other.

That gives rise to what Jonathan Marcer, XMPRO practice manager at Professional Advantage, calls the 'hybrid' approach to BPM - one which provides a framework, but allows for people within the process to execute different parts of their tasks in a non-linear fashion. "Reaching objectives sometimes depends on sequential actions, but just as often, there are parts of those actions which don't have to be done in any particular order. You don't want to hold up a process unnecessarily by insisting that A has to be done before B, when part of B can be done at any time," he says. "Tasks often go in all sorts of directions."

Marcer's colleague and XMPRO practice leader Neil Richardson adds: "Process flexibility is a key part of adoption in the innovative and competitive space, because people aren't locked into a nonsensical path. They can redirect the process in the moment to reflect a change in circumstances. If technology doesn't allow people in complex processes to flexibly achieve the best outcome within the governance framework then you force them 'off the page' into email and phone calls and you lose visibility and 'auditability'."

## PROCESSES AND ERP

Arguably the ultimate process solution, enterprise resource planning (ERP) software is notoriously risky to deploy and can lead to more problems than solutions, even after a successful implementation. That's at least partially because people working within a process commonly have little understanding of how the function they perform impacts on what people up or down the value chain are doing.

Mapping processes prior to such implementations is a simple necessity. "If you don't, what you have is a recipe for disaster which results in an unhappy customer, an unhappy implementation partner and an unhappy vendor," says Gordon. "If you go into these projects without defining unique processes and requirements, failure is a given. And it happens a lot."

But Richardson says the essential step of process mapping tends to have a major weak point: "It tends to focus on what I like to call 'happy days,'" he explains. "On happy days, everything goes as expected. However, and this is the real challenge for most business process mapping exercises, what happens when there is an exception? That usually results in a process map which runs to 500 pages, dealing with process flows for even those one-in-a-million moments which nevertheless have to be provided for."

## COLLABORATIVE PROCESS MANAGEMENT

He's already hinted at it, but Gordon says a voice should be given to employees who perform tasks within processes, as their ingenuity (and hands on experience) means they figure out how to do things better every day. "That may mean they uncover ingrained business rules which are no longer relevant; of course, at the same time, they may find something that appears to be a

## PROCESS EXPERTS ARE EVERYWHERE

Who is doing process management well? It's not confined to specific vertical industries, says Neil Richardson of Professional Advantage. It comes down to executives with vision. "They are in every industry and they see the opportunity to transform the business by examining process to create new business models. They understand that BPM is a big picture thing, an operational and enterprise level adjustment rather than a tactical point-based adjustment solution. It's a move from efficiency, which most companies have already looked at exhaustively as a necessary step towards sustainability, to innovation which delivers the competitive advantage."

better way of doing things if they are unaware of regulations or other factors - but discussing it allows such nuances to come to light," he explains.

Seselj concurs, saying process management isn't the preserve of a consultant in an ivory tower. "It should be everyone's business. Process management should be something that process owners themselves can be responsible for, so it needs to be simple to engage with. If you're trying to push tools that are more technical than say TradeMe or Facebook, it is a failure."

He believes the key is to make process knowledge appealing, in much the same way that social media holds enduring allure. "Process knowledge should be available when and where you need it. It should also be simple and useful -



**"BPM WAS ABOUT TURNING PAPER PROCESSES INTO ELECTRONIC FORMS TO DRIVE DOWN COSTS AND IMPROVE THROUGHPUTS. HOWEVER, MORE MATURE COMPANIES ARE FOCUSING ON THE COMPETITIVE SIDE. THEY ARE LOOKING AT HOW THEY CAN CHANGE OPERATIONS IN THE FIELD, USING TECHNOLOGY TO TRANSFORM THE BUSINESS WHILE ACHIEVING MORE PREDICTABLE OUTCOMES AND BETTER OPERATIONAL RESULTS."**

**Jonathan Marcer**, Professional Advantage

and overcome the fact that we are inherently lazy and don't go out of our way to use the manual."

Richardson alludes to the same thing, saying the consumerisation of technology and increasing 'socialisation' of business applications makes for better information sharing. "By enabling collaboration and knowledge sharing, process performance can be improved," he notes. "Achieving that within governance frameworks and business rules means improvements in personal productivity, flexibility in processes, and the ability to better meet objectives."

#### FROM EFFICIENCY TO INNOVATION

At the sharp end of things Marcer says BPM has also evolved from an efficiency play to an

#### WHAT THE USERS SAY

Genesis Energy has applied BPM software to strengthen the company's implementation of its process improvement strategy, explains documenter and Promapp specialist Howard Follas. "In 2008 we began looking at Lean Six Sigma ways of approaching processes. Promapp was in line with them both, with the ability to provide documentation at the right level. Because, more than just processes, we were looking at a launch pad for continuous improvement that would also provide us with monitoring and measurability."

Since using the BPM solution, Follas says the company has benefited from process simplification. "Before Promapp, one process may have included a mix of low and high level steps, with no clear divide about where one level stopped and the next began. Now it is much clearer."

Australia's Serco Sodexo Defence Services (SSDS) has implemented a BPM solution to improve its Occupational Health and Safety performance. "A problem faced by the business was the time required to capture and process information and

the visibility and consistency of the data collected," says Joshua Evans, SSDS National Commercial Manager explains, "OH&S was the perfect place to start with business process improvement as the zero harm philosophy is a key driver and every aspect of these processes are well defined and well understood."

SSDS selected XMPPro and Professional Advantage, as XMPPro fitted seamlessly with its existing Microsoft SharePoint deployment. As a result, month-end reporting has dramatically improved with data now available four days after month end, compared to the previous 10 days. The depth of reporting is also delivering greater visibility and transparency to the injury management process. Adam Williams, SSDS corporate assurance manager says, "Some steps have gone altogether. Finance used to have a role translating data to put together a national report. This step is now automatic. I'd estimate that the new process has increased efficiency by 25 percent easily, although the actual results are likely to be far higher."

innovation discussion. "It was once dominated by the language of people pushing paper around; in other words, BPM was about turning paper processes into electronic forms to drive down costs and improve throughputs. However, more mature companies are focusing on the competitive side. They are looking at how they can change operations in the field, using technology to transform the business while achieving more predictable outcomes and better operational results."

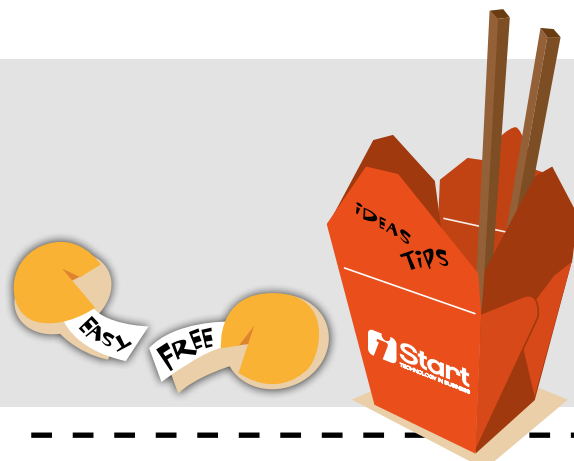
Achieving that, says Marcer, depends on knowledge management. "In practice, it means delivering information to the point in the process

where it is required. It's a post-administrative issue, where forms and the like are dealt to. Now, BPM augments the skills, knowledge and experience of the person who is making a decision based on circumstances as experienced in the field at that point in time. By sharing what was done before and what was or was not successful, it allows for changes in the way the process works for just that one circumstance."

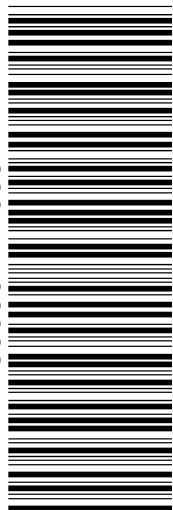
Simply put, it means flexibility in a process framework which allows people to handle the exceptions raised by Richardson, without a 500 page process map. On the ground, it means the road workers put a tree in the hole before filling it. ■

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# Ski gear supplier ups the ante with SAP solution

Adventure clothing maker XTM's support systems were bursting at the seams and so it transformed itself with a system makeover...

**A**ustralian-based ski apparel company XTM creates world class snow gear at competitive prices, supported by an enthusiastic and passionate customer service team. XTM has grown rapidly without losing sight of its original aims and has developed a range of top-end accessories and garments using the best available materials such as Australian merino wool.

Quality products and innovative designs have led to XTM being chosen as official supplier to the Australian Ski Team.

As a result of sustained growth, the business needed a fully integrated management system that could cope with its company growth and offer improved processing across its reporting, sales and stock control activities. It had simply outgrown its legacy MYOB accounting software.

General Manager for XTM, Paul Manders, says the company was struggling to complete required tasks. "We didn't have enough general ledger flexibility and while MYOB is great for a small business we were running up against the limits of its functionality."

Frustrating time-outs and labour intensive data manipulation were also impacting on productivity, said Manders.

"To undertake the analysis we needed to do on our reports we had to export the data into Excel. That was a time-consuming process, particularly when we wanted to report across multiple financial years."

With around 2500 different product configurations (SKUs), XTM has a complex inventory to manage. The lack of 'parent child' inventory coding structure was another cause of frustration.

"It was hard to know exactly what we had in the warehouse using the old system," says Manders. "We had to tally up each individual SKU to work out what our total stock holdings were – and that took time."

After assessing a number of different solutions, Manders says the company elected to implement SAP because it offered colour/style/size matrix coding and promised simplified reporting.

"I knew SAP was a reputable company. It also has a large user community, which we could tap into to gain insights into how other companies were using the software to improve their business."

XTM implemented the SAP Business One product, working with SAP partner UXC Oxygen to configure the solution.

Manders says the software has vastly improved its reporting activity – saving his team a total of around four weeks each year in report preparation time.

"We can now do most of our inventory analysis and financial reporting within SAP. When we do have to export data into Excel it is a much more streamlined process. The next step for us is to get better visibility of actual versus budgeted activity – something we will be establishing very shortly."

He says using SAP the landed cost of goods can be accurately assessed and reflected in the price of each garment.

"Without a way to predict the total landed costs of materials and goods you open yourself up to risk. The costs of insurance, shipping fees, custom expenses and other variables quickly add up and need to be precisely calculated so you can

XTM Ambassador Scott Kneller [www.scottkneller.com](http://www.scottkneller.com)

***"SAP has improved our reporting capability and is saving us a significant amount of preparation time."***

**Paul Manders**, General Manager, XTM



set the right sales margins. With SAP, we have a calculation model that allows us to smooth out peaks and troughs and ensure there are no surprises affecting the bottom line.”

The management at XTM is also serious about accounting for its environmental impact. The company put itself through a full external audit by the Carbon Reduction Institute, and purchased carbon offsets to neutralise its impact. But management won’t be settling at that and is determined to continue to reduce the company’s carbon footprint by managing energy usage,

purchasing carbon offsets whenever they fly, and continuing to look for new environmentally friendly products to add to the range.

Helped, no doubt, by the flexibility of its systems. **■**

#### CASE STUDY//

##### XTM Australia

#### AT A GLANCE//

##### INDUSTRY

- Sports apparel

##### LOCATION

- Australia

##### BUSINESS OBJECTIVE

- Improve inventory management.
- Simplify and speed up reporting procedures.
- Gain accurate picture of landed costs.

##### SOLUTION

- SAP Business One solution implemented by SAP Gold partner UXC Oxygen.
- Deploy landed cost calculation functionality for more accurate sales margin setting.

##### BUSINESS BENEFITS

- Significant time savings in financial and management report preparation, freeing up staff to do higher value tasks.
- Better stock visibility thanks to colour/style/size matching.
- Improved information access makes for more timely and informed decision making.

#### FOR MORE INFO//

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Visit *iStart* online for more UXC Oxygen case studies

# Genea gives birth to new baby, new system

The Australian IVF group spawned a new clinical supplies business that needed new system capabilities, and needed them fast...

**A**utomated vitrification and embryology aren't terms you come across every day, but when it comes to making babies the hard way, they are key tools in the science of successful in-vitro fertilisation.

Genea is one of Australia's leading IVF and genetic testing clinical providers, boasting industry leading success rates with its clients achieving conception rates 40 percent above the Australian and New Zealand industry average. That sort of success doesn't come without knowing a thing or two about running IVF labs, and the equipment and processes that come with them.

## A new baby

That depth of knowledge led Genea to set up Genea Biomedx as a supplier of IVF technology to the wider industry both in A/NZ and further afield. The subsidiary has been created as an outlet for Genea's specialist tools and techniques that have come out of the long running investment in R&D behind Genea's high clinical results with its IVF birth rates.

Genea has been in the fertility treatment game since pioneering the technology in the 1980s and is a private, unlisted company owned by its employees and associated fertility specialists.

But running fertility clinics is a very different business to designing, manufacturing and distributing medical supplies and equipment, so Genea quickly recognised that it needed a more specialised system to handle the requirements of the new business.

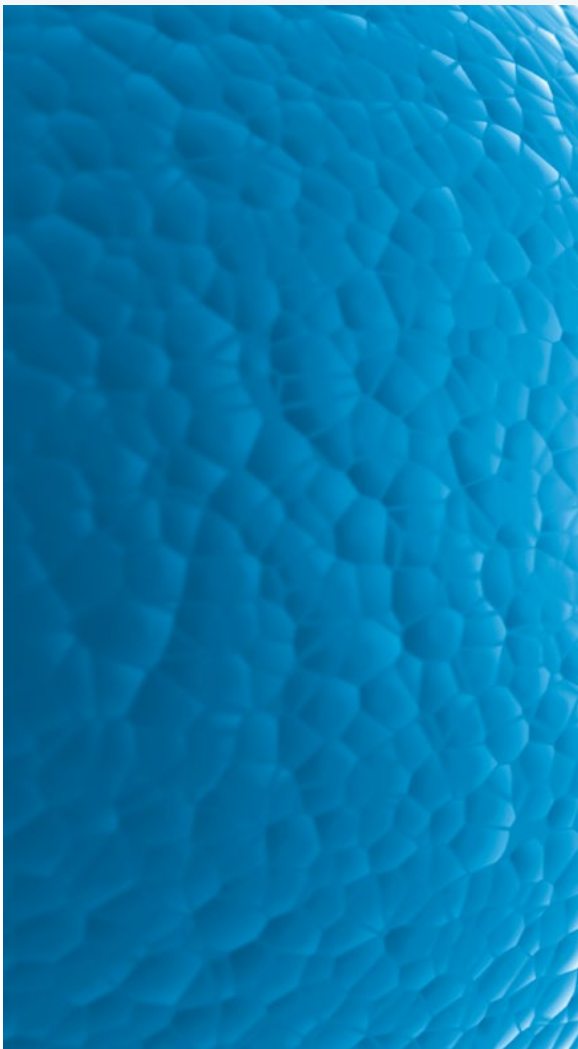
With strong plans to expand the business internationally, and with many of the business

processes to be developed off the back of the new software system, the company needed an ERP to be put in place quickly. Infor's Syteline was chosen and an aggressive project timeline was forced by the demands of the new business.

"Early on in the establishment of Genea Biomedx, we realised a quality ERP system was crucial to the establishment and ongoing success of the business. With our short time frames before going to market, we required a solution to be implemented straight away and Infor provided this. The rollout was seamless and now we have an established program for the future which can also be rolled out in overseas markets," Peter Nevin, CIO, Genea said.

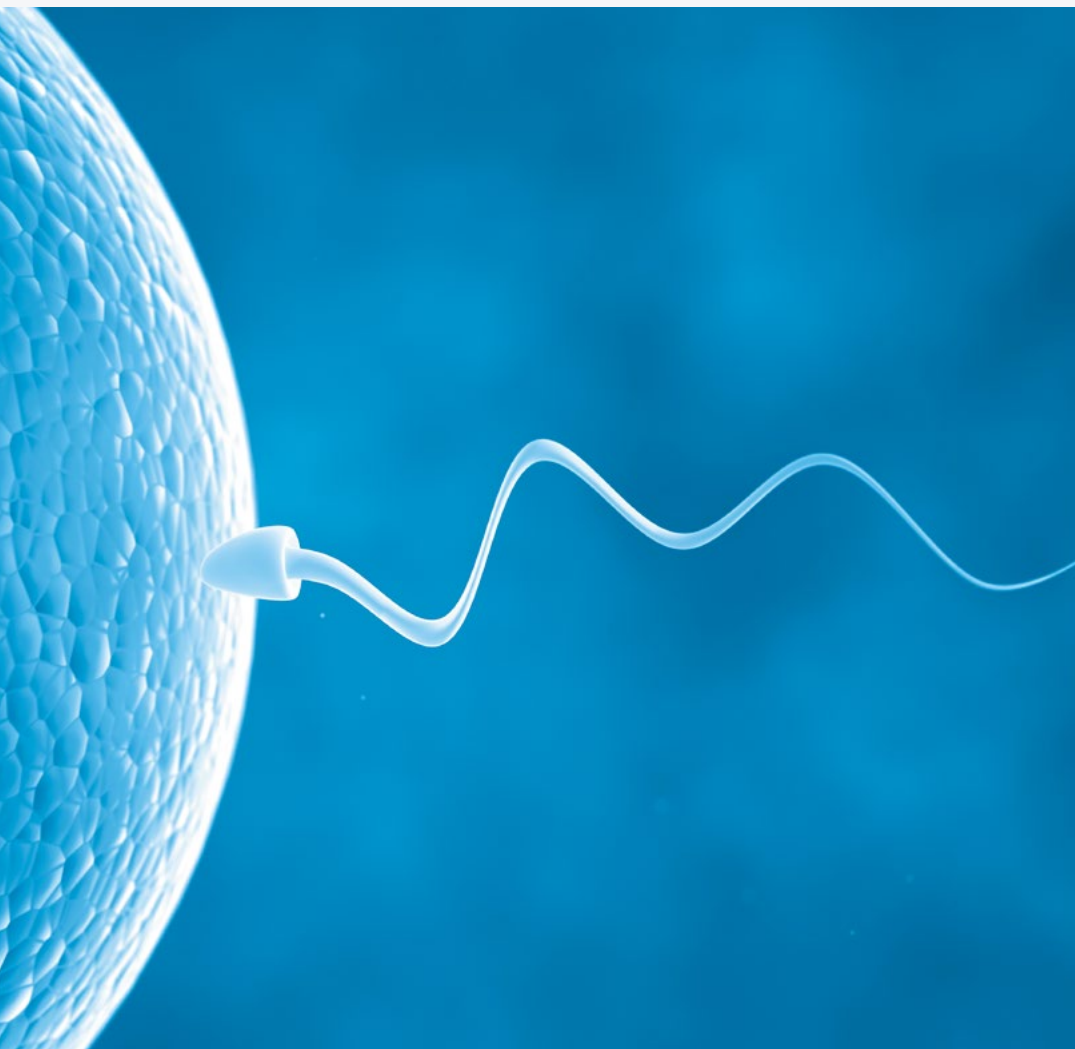
The key to partnering with Infor was the ability to fast-track the rollout of the software from a typical 12-18 month-plus timeframe down to just four months. A prime factor in the selection of Syteline was that it comes set up for micro-verticals using a number of in-built configuration templates, so the functional fit and ability to roll out with minimal modification ensured the tight timeframes were met.

Infor partner EMDA took a lead consulting role in the implementation. EMDA CEO Keith Jessop commented that although the timeframe was challenging, the culture within Genea enabled a nimble project environment to be established. "The organisation from the top down had fully embraced the approach for the new solution. The openness to accepting the pre-configured processes made a huge difference in containing the scope and avoiding costly modifications," he said. Jessop reinforced that the approach Infor is taking with built-in processes designed for specific industry verticals helped accelerate



***"The rollout was seamless and now we have an established program for the future which can also be rolled out in overseas markets."***

**Peter Nevin**, CIO, Genea



delivery. “Not only does it save us setup time, it also packages up best practice learnings across many clients in that vertical,” said Jessop.

Initially, the company is focusing on manufacturing three main products. Automated vitrification equipment (controlling where the rubber meets the road, so to speak), smart embryo incubation pods that come with integrated time lapse imaging to track cell replication, and production of the embryo culture medium itself.

Biomedx manufacturing capacity is provided through a third party facility in Melbourne, a plant in Sydney and it is currently setting up another major facility in Sandwich in the U.K.

Genea’s ERP system needed to be easy to roll out to support rapid growth, provide scalability and the ability to work across multiple global markets. As a web-based solution that was developed with the complex sourcing and sales needs of global manufacturers, Syteline fitted the

bill on that front too.

“The challenge was to find a web-based system that would support bills of materials that includes liquids and chemical formulas and the complexity that comes with managing the ordering and servicing of hard, physical items such as medical instruments,” said Nevin.

Not least in Genea’s considerations was the need to meet stringent compliance requirements of the industry with important regulations surrounding quality control and quality accreditation. Infor’s ‘Quality Control System’ within Syteline documents all the manufacturing processes and the way materials are sourced, right through to the finished product, which lowered the compliance hurdle for the new company.

The capabilities that come with the new solution have meant that Nevin is now planning for the replacement of the clinical system with Syteline so the whole business is consolidated onto just one core system. **fi**

## CASE STUDY //

Genea

## AT A GLANCE //

### INDUSTRY

- IVF and Medical equipment

### LOCATION

- Australia

### BUSINESS OBJECTIVE

- Establish a foundation system to support a new manufacturing, warehouse and distribution business in a strict compliance regime.

### SOLUTION

- Infor Syteline implemented by EMDA.

### BUSINESS BENEFITS

- Rapid implementation.
- Pre-established industry templates.
- In-built quality control systems.
- Template for future growth in manufacturing, products and markets.

## FOR MORE INFO //

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# Oracle sets sail for the cloud

For more than three and a half decades, Oracle has set the standard among top tier of database technology and enterprise applications; and as it has evolved and acquired best-in-class companies, that leadership has expanded into new areas. *iStart* talks to Oracle New Zealand's managing director, Robert Gosling, to find out more about some of the key new growth areas for Oracle – the cloud and engineered systems – what they mean to the New Zealand market, and why Oracle's channel partners are so important to the company, and its customers...

## Is the cloud important for Oracle?

New Zealand is known for early adoption and innovation, so it's not surprising that the majority of businesses here are well versed in the cloud. In fact, an IDC survey from July this year found that 79 percent of New Zealand companies are already using between two to five cloud services, driven primarily by the desire to cut IT costs and avoid investment in owning their own infrastructure.

Another interesting finding from the IDC research highlighted what makes cloud take-up in New Zealand distinct from the rest of APAC: the alignment of people and processes to making the appropriate decisions regarding what cloud is best for what need. This matches with what we are seeing from the market in terms of the different departments within local businesses seeking out cloud solutions specific to their business requirement.

What is also worth noting is that the adoption of multiple cloud services does have implications around how they are bought and implemented. For example, if they are purchased from different providers and used

in isolation, what happens when the company seeks to innovate? How do they adopt initiatives around customer experience, multi-channel servicing, mobile, real-time analytics, activities around governance, risk and compliance (GRC), or establish cross-departmental processes? These projects require systems that work together so that processes such as serving information to business process workflows or websites, or gaining one view of customer information are seamless.

The good news for Oracle cloud customers is that they can get incredible benefits from Oracle's strategy of providing the broadest and deepest cloud portfolio in the industry – Oracle is the only cloud vendor offering a full range of software-as-a-service (SaaS), platform-as-a-service (PaaS), and infrastructure-as-a-service (IaaS) services globally.

What that means to companies looking to take advantage of the cloud is that Oracle has a comprehensive set of solutions in the cloud that meets pretty much all of an organisation's business, IT infrastructure and development needs – no one else in the industry can match





the breadth and depth of our cloud portfolio in the industry. Our cloud applications support all areas of the business: sales, marketing, HR, finance and operations, and are intrinsically flexible, offering customers a choice of cloud platforms – public, private and hybrid – to suit their specific business challenges.

In addition, because of the breadth of our portfolio, and the way we engineer all our software and hardware solutions to work together, we can solve the problem of cloud solutions being adopted in isolation. Our public Oracle cloud solutions integrate with existing applications, and our middleware portfolio allows companies to take advantage of existing IT investment and extend that to embrace cloud, plus social and mobile.

**You mentioned 'engineered systems' as another key growth. What are they and why are they of benefit to customers?**

Let me take a step back. What we are hearing from our customers is that they want to focus on their core business and their customers. They want to shift more of the day to day to the cloud, and what they consider essential and want to run themselves, they want to make simpler. Taking advantage of the cloud is easy, but what about the bit they want to run themselves? This is where engineered systems come in.

Oracle engineered systems are in-a-box data centre solutions, which provide everything you need – hardware, software, firmware, cables, and so on – architected, integrated, tested, and optimised to work

together before they ever reach a customer's premises. They enable users to more easily and cost effectively set up their own clouds from their data centres; to make more of existing IT investments, as they are engineered to run other Oracle IP – Oracle Database, SaaS apps, or Oracle's traditional apps – really, really well; and they massively simplify and modernise the data centre. For example, we have repeatedly seen the situation where one Oracle Exadata machine takes the place of 50 or more old, inefficient machines, most of which weren't set up for modern applications or the cloud. Another key consideration is that typically most companies' legacy IT was bought piecemeal, and so needed significant integration and tuning.

**How do your channel partners fit in with the shift to cloud systems?**

In addition to these stellar growth areas, our channel partners are a critical part of our go-to-market approach in New Zealand. Our Oracle Partner Network (OPN) members offer customers fantastic in-depth industry expertise and intellectual property as well as specialised knowledge of Oracle technology and applications. As a result, they can provide a broader range of solutions, maximise the value of our customers' investments and achieve higher levels of customer satisfaction.

**So what can we expect from Oracle in the future?**

In summary, Oracle is evolving. We've successfully taken our product portfolio and moved it on, first for the age of the internet, then the cloud and now for the connected world/internet of things. We are bringing new products to market that can really help customers make a difference in their business, whether that is around more cloud solutions at both the front and back end of their business, or innovations in the data centre, mobile or in-memory technology. And our focus is totally on the customer, helping them to drive out complexity and cost from their IT systems, so they can transform and innovate. **f**



# IT employment market: is it all about the money?

*As technology has become more embedded in business, the roles within the IT sector have rapidly multiplied and specialised. Last month web developers were the bee's knees, this month it's data scientists. **Hayden McCall** took a look at the dynamics at play in the IT market, including a salary comparison between roles on either side of the Tasman...*



It is clear that IT workers are an optimistic bunch. They reckon the future of the economy is bright, and they are also very optimistic about their own chances of succeeding. Which is probably partly why they think there are fewer jobs around now than a few years ago - they have higher expectations in a more competitive market.

Greythorn, a specialist technology recruitment firm based in Australia, has been surveying both IT candidates and employers for several years. Their latest *Market Insights* report for 2013-14, with 1800 respondents, provides a comprehensive view into the IT worker community.

The survey reports that in the Government sector there are fewer opportunities with 50 percent of respondents saying so. Another factor clearly impacting the market is that outsourcing is costing jobs. Over 25 percent of respondents have lost a role due to outsourcing and 20 percent are worried their role may be outsourced in the future, and that seems to be across all disciplines.

Cloud computing is the skill set in demand, followed closely by mobility solutions, business intelligence and information systems analysts.

The perception that IT is a technically-based industry needs to change. Only 56 percent of candidates felt that they need to increase their non-IT skills to advance their career - quite the opposite to the views of hiring managers who advise that

those who develop skills like business acumen and negotiation will put themselves at an advantage in this competitive labour market.

The old adage of "it's who you know" still rings true in the technology market, with 80 percent of respondents believing that having a good network of contacts is fundamental to success in this industry.

## Job seeking behaviour:

The fluid workforce is very apparent in IT, with 43 percent of respondents actively looking for work, an increase from 32 percent in 2012. This is a huge proportion and presents both positive attraction opportunities and retention issues.

Top of the list for desired management skills include creating a positive and enjoyable working environment, setting clear expectations, easy to deal with (approachable) and being fair/honest.

Note, however, workers leave jobs because of lack of challenge which suggests employers need to make a deliberate effort to introduce technical staff to new work on new technology. These are also cited as reasons why contractors choose to go down that path (apart from seeking higher remuneration), with job security and career prospects the main sways back in the other direction.

Career development continues to remain the top driver for permanent technology candidates changing jobs. Candidates are extremely keen to develop their skills and are now even taking matters into their own hands by self-funding their studies.

## Bonus & benefits:

Interestingly, training is the most valued benefit to technology candidates. Employers promoting this at the beginning of the recruitment process are more likely to attract top talent.

"New Zealand IT workers, at \$A84,000, are earning 18 percent less than their Australian counterparts."

Thirty-four percent of respondents feel that contract rates will increase in the next 12 months. Unfortunately contractor rates have decreased over the past few years and are generally at their lowest rate since 2008. Being a specialist and having up-to-date technical or project skills attract the highest rates.

The accompanying tables highlight some specific insights from the report, but if you are interested to explore more then go to [www.greythorn.com.au](http://www.greythorn.com.au).

## Salaries:

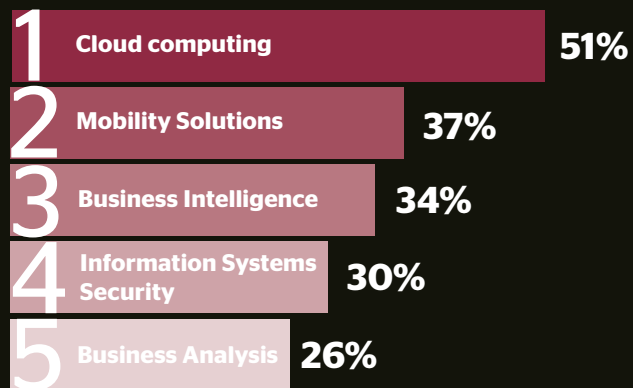
Empirical figures from jobs advertised on Seek provide a guide to the range of salaries across the IT profession. There is no doubt the profession is well compensated. Australian IT workers are looking at opportunities that average around \$A103,000, while their New Zealand counterparts are at \$NZ93,500. On a like for like basis, New Zealand IT workers, at \$A84,000, are earning 18 percent less than their Australian counterparts. With this differential, and the similarities in culture, language and time zone, it is not surprising that New Zealand is becoming a destination for some of the offshoring activity that Greythorn reports.

That is changing however as New Zealand's salaries increased three percent over the last year compared with Australia at one percent.

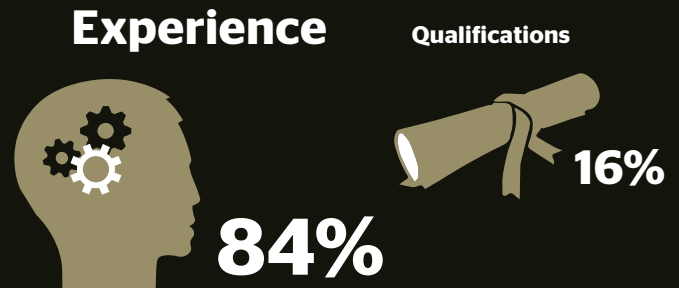
"Over 25 percent of respondents have lost a role due to outsourcing and 20 percent are worried their role may be outsourced in the future"

## Market conditions:

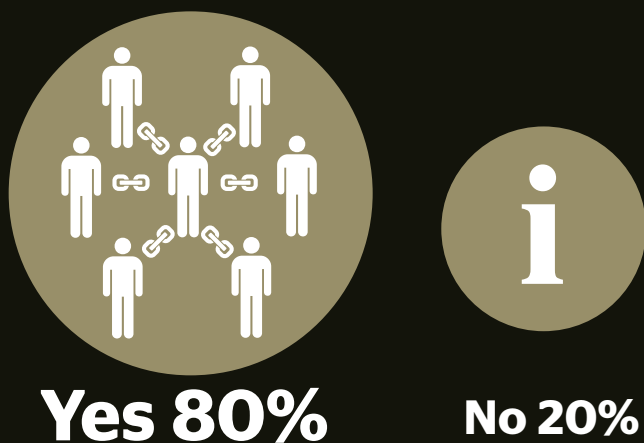
What do you believe will be the most valuable skill sets in technology in the next 12-24 months?



What do you think employers value more during the hiring process?



In the technology industry, do you feel it is often a case of who you know and not what you know?

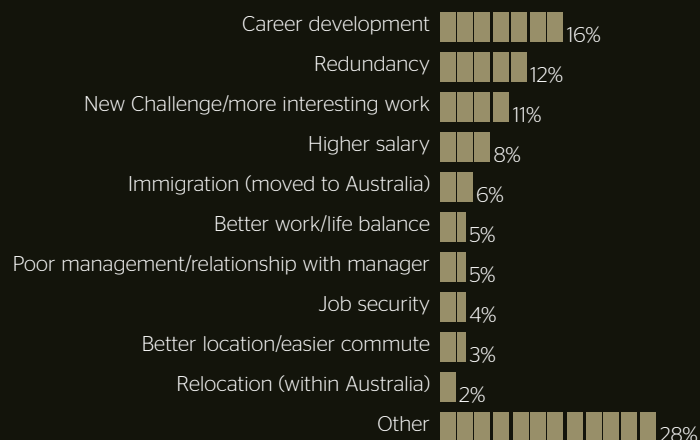


Do you feel pressure to increase your non-IT skills in order to advance your career?

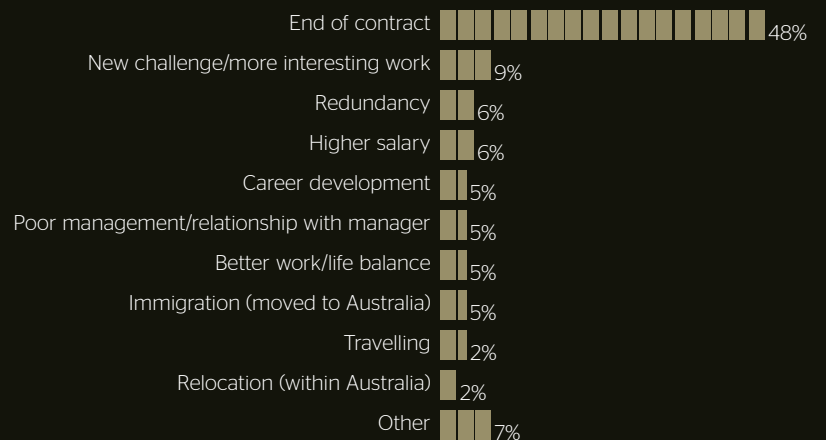


## Job seeking behaviour: Please identify the primary reason you left your last position:

### Permanent/Fixed Term Contract



### Contract/independent Contractors

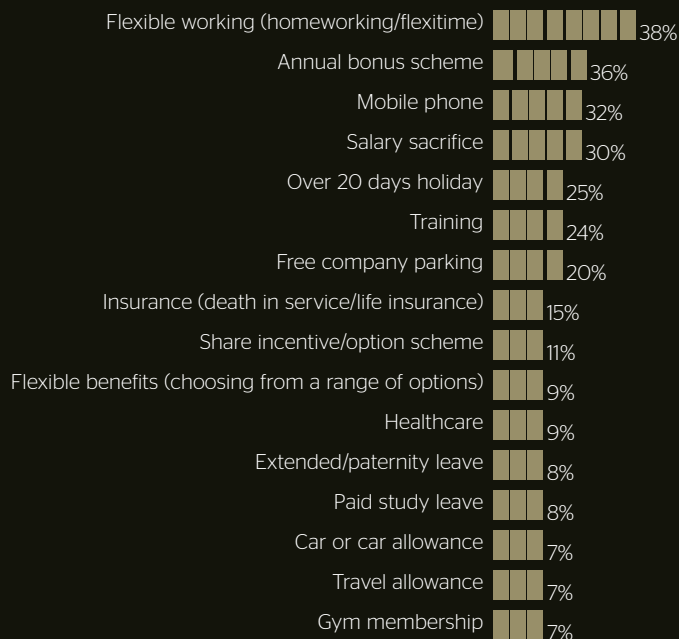


## Bonus & benefits:

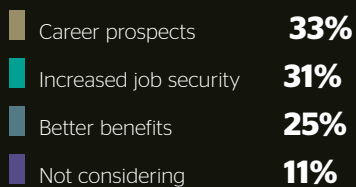
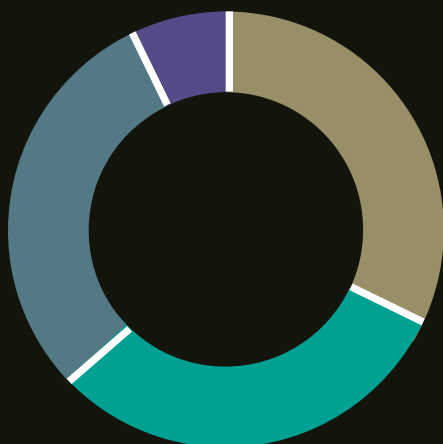
Top 5 most important benefits:



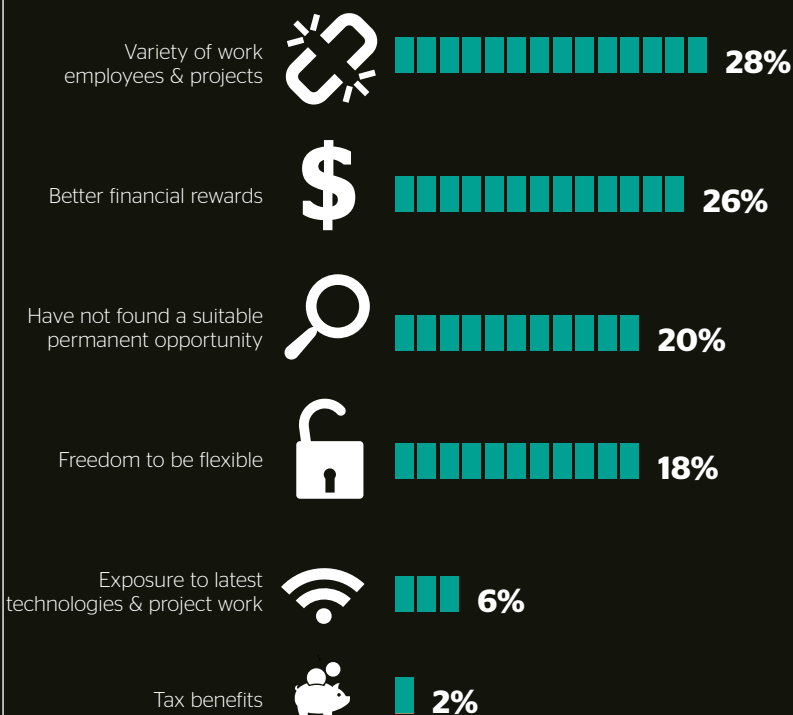
## Contract/independent Contractors



What would be the main reason you would consider a permanent job?



What is the MAIN reason you choose to contract?



Source: Greythorn Australian Technology Recruitment Market Insights & Compensation 2013-2014

# Salary insights

We reached out to Seek to find out which roles are earning the top dollars and who is languishing in the lower digits of the IT industry pay-scale. Interestingly the figures provided suggest that the really big jobs are not actually advertised on Seek, but a glance at the financials of a number of publically listed companies indicates that a salary package of a million-plus is not out of the realms of possibility.

## Australia

Role	Average Annual Advertised Salary FY14	% Change Year on Year
Architects	\$136,131	1%
Management	\$128,834	1%
Consultants	\$119,196	2%
Programme & Project Management	\$118,399	1%
Security	\$116,667	2%
Sales - Pre & Post	\$112,892	0%
Product Management & Development	\$112,546	3%
Team Leaders	\$110,904	-1%
Business/Systems Analysts	\$101,472	0%
Engineering - Network	\$100,841	1%
Engineering - Software	\$96,986	2%
Database Development & Administration	\$95,245	-1%
Developers/Programmers	\$95,243	3%
Testing & Quality Assurance	\$94,002	-1%
Networks & Systems Administration	\$92,303	2%
Engineering - Hardware	\$90,340	-4%
Technical Writing	\$88,425	6%
Telecommunications	\$85,870	-3%
Web Development & Production	\$84,925	3%
Computer Operators	\$71,569	-3%
Help Desk & IT Support	\$60,818	-1%

## New Zealand

Role	Average Annual Advertised Salary FY14	% Change Year on Year
Architects	\$121,591	-1%
Management	122,080	6%
Consultants	\$109,317	1%
Programme & Project Management	\$105,855	2%
Security	\$103,163	-2%
Sales - Pre & Post	\$115,157	10%
Product Management & Development	\$103,804	9%
Team Leaders	\$100,652	9%
Business/Systems Analysts	\$88,234	1%
Engineering - Network	\$89,132	4%
Engineering - Software	\$86,709	4%
Database Development & Administration	\$89,313	-1%
Developers/Programmers	\$88,779	5%
Testing & Quality Assurance	\$85,209	2%
Networks & Systems Administration	\$79,072	3%
Engineering - Hardware	\$79,457	0%
Technical Writing	\$72,984	7%
Telecommunications	\$75,147	-6%
Web Development & Production	\$78,718	3%
Computer Operators	\$50,416	1%
Help Desk & IT Support	\$56,227	3%

Source Seek Australia & New Zealand, based on figures for August 2014

# Why IT must start with the digital human

*In his opening keynote speech at October's Gartner Symposium/ITxpo in Florida, **Peter Sondergaard**, senior vice president and global head of research at Gartner, told the audience of more than 8500 CIOs and IT leaders that they must now design, resource and deploy for a world that's digital-first. Here is what he meant...*

We now live in a digital-first world. People interact so heavily with their devices, and millions of objects are now digitised in the internet of things, that digital competes with, blends, and sometimes takes precedence over analogue ways of doing things. However, approaching digital innovation from a technology centric approach may be a mistake. The traditional rock-solid foundation of IT - including the yearning to control all the variables - is colliding with the fluidity of human behaviour. In other words, IT must start with the digital human.

## Build from the outside in

Leading companies are already letting go to seize the opportunities offered by digital humans. For example, Scandinavian Saxo Bank has reinvented the relationship between customers and its experts. It noticed that some of its individual customers far outperform others, even beating the best professional experts in their investment choices. "Why not turn this customer expertise into guidance for others?" it thought. Or help the bank make its own investments? Now the crowd of digital-first experts is leading Saxo Bank's in-house experts with real-time guidance.

This means that the value of a future bank will not be measured by how many experts it has, but by how many successful customers it has in its network. And this may mean a leaner, more efficient bank.

For companies like Saxo and other digital businesses, every company is a technology company, and this means three changes for IT in business:

1. how power is distributed amongst and

within businesses

2. how technology investments are made
3. how IT allocates people and designs its organisations

## Power shift

Not only is every company a technology company, but the shift in IT spending means that business units, not the IT department, drive digital development. These new digital start-ups sit inside the organisation. For IT, this means that there are digital start-ups sitting in the marketing, HR, logistics or sales organisations. They act like technology start-ups. Our data shows that 38 percent of the total IT spend is now made outside of the IT function and a disproportionate amount is already spent on digital solutions. By 2017, the number will be over 50 percent.

## Investment change

In the typical IT budget, services contracts tend to be long term. Software takes time to implement and requires costly maintenance. Hardware replacement cycles are too long for the cloud era. Alternatively, digital start-ups own less hardware and use software in the cloud. As a result, by 2018, businesses will own only half of the world's server computing capacity.

## Talent for 2020

People create a large expense in the traditional IT organisation, especially as they support legacy systems. Digital-first organisations start with external services, hiring fewer personnel and managing a portfolio of suppliers with short-term contracts. Indeed, some will have one quarter of the number of people as compared with traditional

IT departments that support organisations of similar size.

While today's top digital business roles are in mobile, user experience and data sciences, by 2020 we'll see a surge in specialised new roles such as integration specialists and digital business architects, as well as regulatory analysts, risk professionals and attorneys.

The rise of smart machines that perform a wide variety of both physical and intellectual work will bring yet more change to our workforce. Five years from now drones will be a standard part of operations in many industries. Knowledge work will also be automated, for example, machines that can grade students' essays and inspire them to work harder. Gartner predicts that one in three jobs will be converted to software, robots or smart machines by 2025.

## CIOs must lead the digital charge

While half of CIOs think they are leading the digital charge, only 15 percent of CEOs agree. Now is the time for IT leaders to partner with digital start-ups inside their organisations, or to incubate their own technology start-ups within IT. **■**



## ABOUT PETER SONDERGAARD//

Peter Sondergaard is senior vice president of Gartner Research. He advises senior business and government leaders across the globe and leads Gartner's global research organisation of more than 1000 experts in IT, supply chain and marketing. His leadership drove all-time-high revenues for Gartner Research of more than \$1.3 billion in 2013.

# Follow the fast fibre road

*The internet of things may feel like it only uses wireless technology but in reality it relies on big pipes and banks of servers. **Paul Budde** explores what we need to do in order to arrive at the smart cities of the future...*

Transforming our cities into the 'smart cities' of the future will require us to incorporate technologies and key digital developments that are linked by machine-to-machine (M2M) solutions and real-time data analytics. In short; the Internet of Things. To achieve this however, smart cities will have to be underpinned by the appropriate ICT infrastructure based on fibre optic and high-speed wireless technologies. This is well underway in many developed cities around the world.

This infrastructure allows for the development of many exciting solutions in smart cities: developing smart communities; connected homes; intelligent transport systems; e-health; e-government and e-education; smart grids and smart energy solutions to name a few. Many of the technological advancements emerging around the world today can, and will be, applied to smart cities. Artificial Intelligence, electric vehicles, autonomous vehicles, mobile applications, drones, and wearable and smart devices are just some of the key developments to watch.

Artificial intelligence developments are accelerating and, as more companies enter this sector and start investments to grow it, we will see further astonishing innovations emerging over the next few years. AI applications are already being

**"Smart cities will have to be underpinned by the appropriate ICT infrastructure based on fibre optic and high-speed wireless technologies."**



used in healthcare and gaming, just to name two sectors adopting this cutting edge technology.

'Smart transport', also known as 'intelligent transport systems' (ITS), increases the safety and efficiency of transport networks - from public bus, tram and train transport, to rail and road freight transport, and private and commercial road transport. ITS systems include the software and hardware for electronic vehicle-to-vehicle and vehicle-to-infrastructure communication and information systems. In 2014 there are already hundreds of thousands electric vehicles (EVs) on the road around the world and by 2015 there may be more than 2.5 million plug-in electric vehicles (PEVs) in operation. It is thought that the business sector may become a key driver to the uptake of PEVs once the market is further developed and becomes a viable solution for enterprise fleets.

Unmanned aircraft, known colloquially as drones, are also certainly going to play a larger part in global developments and have many potential applications for the smart communities of the future. While most countries currently restrict the use of drone devices, it is thought that

this will change quickly once the applications for such technology fully emerge and can be properly regulated. Agriculture applications in particular offer huge opportunities for drone usage along with telecommunications, defence, traffic management, surveillance, mapping, emergency services, weather monitoring, resources exploration and environmental analysis.

The development of smart cities and indeed smart countries requires vision and recognition of the fact that many of today's social, economic and sustainability problems can only be solved with the assistance of ICT. In many situations the uniqueness, affordability, capacity, robustness, security and quality necessary for this calls for fibre optic and high-speed wireless infrastructures. This need will increase dramatically over the next five to 10 years as industries and whole sectors carry out the process of transforming themselves in order to much better address the challenges ahead. ■



#### ABOUT PAUL BUDDE//

Paul Budde is the CEO of BuddeComm, an independent research and consultancy company, focusing on the telco market. Its research encompasses 190 countries, 500 companies and 200 discrete technologies and applications. Paul is also the special advisor to the UN Broadband Commission for Digital Development.

# Rise of CMO tech spending could lead to 'shadow IT' threat

*With CMOs controlling more IT spending for organisations, Kean Persaud says so-called 'shadow IT' is becoming a problem...*

The issue is that CMOs are implementing solutions without the IT department's involvement and possibly exposing the organisation to security risks. Putting the organisation at risk should be the first concern for new IT: can the solution be supported; can the data be tracked, separated, safeguarded, backed up; who has ownership of the data, is it portable, is it cross-platform capable; does it compromise existing infrastructure, scalability and application security? All are major concerns that organisations face when CMOs and CIOs do not co-operate. A power struggle then ensues as both colleagues are at the same management level.

CIOs are at a disadvantage as to how to support the applications and often cannot assess the risk posed to the organisation because it is implemented without their involvement. The possible business disruption and the fragment infrastructure it creates within organisations will cause many new, unforeseen problems down the road. For example, the support, upgrades, and security are often facilitated by the vendor or a combination of new hires to support and administer the new applications. These specialised IT administrators for the new apps cause conflicts with existing IT resources due to the overlap of duties, and confusion over who to listen to and which application to support and integrate into existing infrastructure.

Organisations are facing increasing integration issues, data mining, reporting issues, security and actual adoption by implementing non-IT department approved applications. This further fragments the company infrastructure, platform and application IT vision that can quickly be derailed. Larger organisations are less vulnerable due to the rigidity of hierarchical management structure and more defined rules of each



Image: Marina del Castell.


individual's job responsibilities. Small and medium sized organisations are more susceptible to this new wrinkle as roles are sometimes less defined and less enforced where IT strategy is concerned.

CMOs and CIOs will have to find a way to work together to bridge these differences and solve the business issues that shadow IT will create.

One disturbing trend we are seeing is that CMOs are implementing applications, usually SaaS-based, which, thanks to the lack of upfront commitment can and are easily abandoned for various reasons. This creates an environment where there is higher organisation risk for auxiliary and errant data. This issue is often not dealt with organisationally. Users also can become desensitised to conformance to proper IT corporate-wide implementation procedures that are designed to reduce the chance of IT failure for larger projects.

Another effect of this is end-user fatigue and overload. Spending time and energy to learn many new applications only to later abandon them causes confusion as to what applications are used for what purposes. Consequently, different rules of conduct and restrictions may also apply to the newly installed applications.

Shadow IT will pose many problems for organisations in the future by creating parallel solutions, some with possible overlap. Determining how to consolidate, administer, secure, back-up and storage, integrations, and rules of conduct are all areas where organisations are potentially vulnerable.

It will be interesting to see how these C-level executives work together and what organisational structure changes may occur due to this new fad. 



#### ABOUT KEAN PERSAUD//

Kean Persaud is managing director of consulting and analyst firm for enterprise software company Eval-Source consulting, analyst firm for enterprise software.

# Disruption guaranteed

*ASB chief architect **James Bergin** explains how ASB is getting prepared for the 'next big thing' in banking by building bridges not walls...*

It's 20 years ago, almost to the day, since Bill Gates described banks in *Newsweek* magazine as "dinosaurs" that Microsoft could "bypass".

While he clarified the statement a year later, the retraction did not pack nearly as much punch as that prehistoric jab.

Was he right? Are banks on the path to extinction? Are they slow and cumbersome (assuming that was the inference) and unable to see the inevitability of their demise?

Many of us working in the industry certainly don't subscribe to that gloomy outlook. The fast-paced digital world is certainly bringing lots of change to financial services. But for those who are brave enough, it is also bringing opportunity, innovation and, (believe it or not) plenty to be excited about.

Recently at ASB, we've been discussing internally how we are really not 'just a bank', and that we are increasingly seeing ourselves as a technology company that is licensed and trusted to provide financial services. As the bank's chief architect, I spend a lot of time thinking about the challenges inherent in that description.

For example, what is expected of a modern tech company nowadays? Agility? Flexibility? Innovation? Not words one would necessarily associate with traditional bank architecture. So, how do we need to change to better succeed in a digital world?

One of the conclusions I have reached is that I don't believe we should expend too much effort trying to accurately guess what the next 'big thing' will be - I'll leave that to the futurists. Rather than trying to architect for a prediction, my team and I are focused on 'architecting for disruption'.

Launching ASB's Application Programming Interface (API) platform in September was a good example of the steps we are taking to try to anticipate further disruption, design flexibility into our systems, and embrace the new, digital world.



Publicly-available APIs are not new - especially not to tech companies such as Google, Apple and Twitter - but they are a very new concept for banks. Our API platform provides developers with easier access to some of our real-time data (such as interest rate feeds and location information) for use in their new digital applications.

And this is just the beginning. In the near future, we'll look to broaden the API platform to offer even more information and capability. We've described it as a 'bridges not walls' approach to the way we

share information.

Historically, banks have spent most of our time designing and building the most secure walls we can to protect the precious information we hold - and we have become very good at it. But it is no longer enough to just protect and defend. Customers want access to their finances wherever they are, whenever it suits them and, increasingly, in whichever form they choose. So we are now building some robust and safe bridges into our environment, which will make it easier for trusted developers to securely access and use some of our financial information and capability in a variety of apps and digital experiences.

Previously the only way to directly interact with the bank digitally was as a person sitting in front of a web browser or using a mobile app. But through an API, a registered and trusted application can get that information for itself. In other words, it's software talking to software, and is important in establishing a vibrant, digital financial ecosystem.

I'm excited by these sorts of changes that see a bank breaking down traditional barriers and extending our trusted financial services capability to power the digital economy. This evolution means you won't want to bypass your bank - we'll be too relevant for that! **f**



## ABOUT JAMES BERGIN //

James Bergin is the chief architect for ASB Bank in New Zealand, where he and his team work with the senior leadership to ensure the architecture of ASB aligns with its strategy, and where he is accountable for driving an innovation and research agenda to identify strategic technology and business opportunities.

# 7 UI/UX principles to help create a fresh experience

Subject matter expert **Jeff Dance** gives his top tips on designing a website that will get your users doing what you want...

## 1. Design should focus on an experience

People don't always remember information presented, but they do remember what they feel. This is why user experience design, or UX design, has become such an integral part of web and application work. It should effectively weave together a combination of text, graphics, layout and interactive elements to ensure users have an experience, not just an informational view. With all of the complexity and quantity of information we are swimming in, differentiation matters

## 2. People scan websites, they don't read them

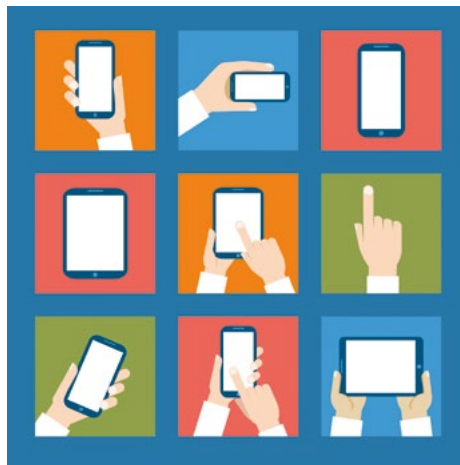
Make your website 'scannable' because users don't read websites. Is it any wonder why the use of infographics has become standard fare for anyone looking to convey sets of data or instructions? Research shows that users switch from scanning to actually reading when web content helps them focus on sections of interest.

## 3. Users crave simplicity and clarity

It takes as little as 0.5 seconds for visitors to decide whether they are interested in a website or not, so be clear with what you want users to do. Today's interfaces need 'preferred actions' to be as obvious as possible. For example, it could mean focusing visual attention on one button vs. four on your home page. Let extra functionality be discovered as needed. A consistent design is actually simpler for users because it re-uses components, behaviours, colors, and aesthetic to reduce the need for users to rethink. Complying with the pattern of common web components will make the system simpler and clearer to begin with.

## 4. Know where to get creative

Be careful with innovating new UI patterns. Most interfaces should already be familiar to users. For



example, links should look like links, buttons like buttons and login access is typically located in the upper right with logos and company names upper left. While it might feel cool to do something non-traditional, usability and creativity need to be balanced. Navigation, URLs, and button placement should focus on usability first before design aesthetic. This is why its best practice to wireframe without design aesthetic to begin with to focus on layout first.

## 5. Design to capture someone's attention above the fold

First, designing for 'above the fold' needs to be put in context as the fold varies for every device. This means that while the 'above the fold' content is important, it is more important to capture user attention into your experience than it is to put everything above. Of course, the stuff above the fold is still important in your information hierarchy because it's the first thing people see, however,

when you balance the importance of simplicity, clarity, and experience, it puts the ever-changing fold line in context as one variable of many.

## 6. Scrolling is often faster than paging

Today's websites are vertically longer. Just visit 10 modern company websites and you'll probably find the average printed page length to be three to six-plus pages. The old guideline to avoid scrolling web pages in order to let users focus on speed no longer holds true. Scrolling beats paging because it's faster to scroll down than to click and avoids page refreshes. We're very fast at scanning a website but the average website refresh is 6.5 seconds, which means longer pages can be better than just more pages. Flicking and panning on our mobile and tablet devices has only strengthened our scrolling frequency. And

## 7. Build nice responsive design

Responsive design has been popular for the last few years, however, most design companies, were originally designing websites to be responsive just to be responsive without taking into account the size of images and text in the end result. Users are on all device types of all screen sizes so after you've checked the responsive box, look at your responsive design on a mobile or tablet device and ask yourself if it is nice. ■



### ABOUT JEFF DANCE//

Jeff Dance is founder & CEO of Fresh Consulting which offers digital services with a focus on fresh technology, fresh thinking, and fresh talent. He is a regular blogger on the topic of UX for the Fresh Consulting website and has a background in consulting for Deloitte and Hewlett Packard.

# Customer convenience trumps experience

Usability expert **Gerry McGovern** says we should focus our online efforts on customer convenience and effort, not experience or satisfaction...

You're out of coffee. You have two choices. Ask your neighbour or drive to the local convenience store. Your neighbour, John, is nice but boy does he love to talk. You drive to the convenience store.

We don't always want to engage. We don't always want an experience. Sometimes, we just want to get things done as quickly and easily as possible.

"Why is usability so often ignored?" Derek du Preez asks in an article for *diginomica* in June 2014. Derek writes about the problem that thetrainline.com had where there was "a 30 percent drop off between the shopping basket and payment. As a result, thetrainline.com tested the introduction of guest purchasing, where users didn't require their login details to make their purchase." By not forcing people to login, thetrainline.com increased its gross margin by more than £1 million per year.

Amazon has known for a long time that the further away they pushed the login process the more they sold. If you make it simpler, people buy more. If you make it simpler, people stay with you longer. Reducing hassle increases sales.

So, why don't more organizations get usability? Because they often measure the wrong things. Like satisfaction, engagement, interaction, relationships, loyalty. So much marketing and branding hyperbole.

"Feeling overwhelmed, consumers want support – not increased marketing messages or "engagement" – to more quickly and easily navigate the purchase process," Corporate Executive Board (CEB) stated in a study it published in 2012. "Brands that help consumers simplify the purchase journey have customers who are 86 percent more likely to purchase their products and 115 percent more likely to recommend their brand to others."

In a study of 7000 consumers, CEB found that only 20 percent want a relationship with a brand. In



a study by Havas Media in 2013, over 90 percent of Western consumers said they wouldn't care if most brands disappeared. Brands and marketing has a hugely inflated view of how important they are in the lives of customers. It's time to get real.

"Our research indicates that the impact of simplifying purchase decisions for consumers is four times stronger than the favoured marketing strategy of engagement and is the number one driver of likelihood to buy," said Patrick Spenner, managing director at CEB.

CEB has even produced a book on the topic, called *The Effortless Experience*. In it the authors state: "Customers want ease. Getting back to their busy lives quickly matters more than anything. The greatest driver of disloyalty is the amount of effort you require your customers to put into their service experience. Customer effort includes repeated contact, repeating information, channel switching (e.g. starting online and ending up on the phone), transfers, policies and procedures, and the general

hassle factor that most service interactions create."

In 2013, The Temkin Group found that IT professionals were 55 percent more likely to buy from tech vendors who made life very easy for them. Only four percent said they planned buying from vendors who were very difficult to deal with.

Today, time is more valuable than a Rolex watch. To save time in a hassle-free way is the best gift you can give the busy, stressed customer. Focus on increasing convenience for customers. Seek to reduce the effort they have to make to do business with you. **fm**



#### ABOUT GERRY MCGOVERN//

Gerry McGovern is an expert in customer-centric technology, CEO of Customer Carewords and a five-time published author. He helps large organisations become more customer centric on the web. His clients include Microsoft, Cisco, VMware, IBM, Atlas Copco and Tetra Pak.



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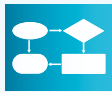
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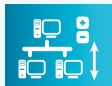
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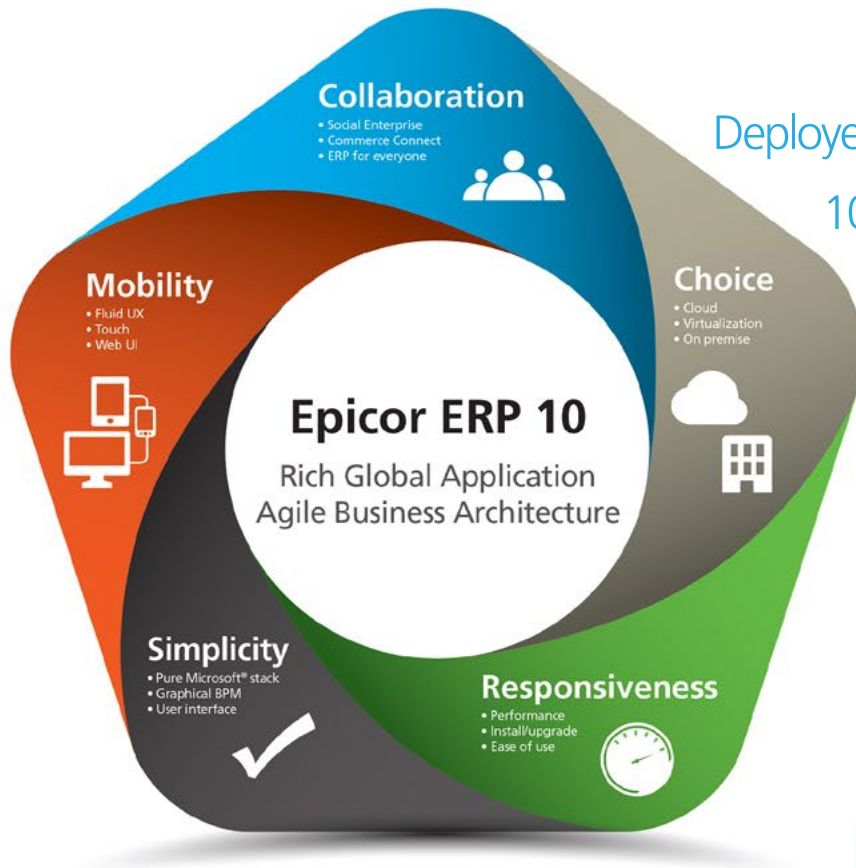
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