

Companies have more software applications than they need ... and what to do about it

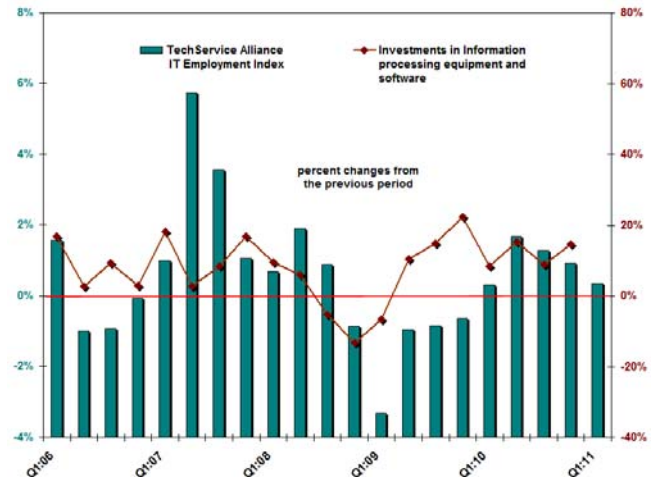
As the variety of software applications continue to proliferate, businesses find themselves becoming increasingly over-saturated with excessive applications. According to a recent survey report conducted by HP and Capgemini, a global IT consultancy, nearly 60% of participants claimed "they support 'more' or 'far more' applications than necessary to run the business."

Retiring applications is often not in an IT department or CIO's field of vision. The HP and Capgemini report highlights several reasons why companies remain "cluttered with obsolete IT systems and applications:"

- ✧ Cost and lack of immediate ROI: IT funding and budgets are normally based upon new projects or maintaining existing ones, not for decommissioning legacy systems. Often it's not a priority and corporate executives choose to focus efforts in other areas.
- ✧ Companies often end up with different systems that duplicate functions as a result of merger and acquisition activity.
- ✧ There is a lack of qualified developers and engineers to decommission some systems. Particularly for custom systems, often the people who were involved with the development are likely no longer around. Bringing in outside IT talent, albeit on a temporary basis, may be necessary.

The report suggests several strategies for maintaining a healthy portfolio of applications:

- ✧ Ensure good alignment between the business strategy, application development and maintenance activities.
- ✧ Preparing key stakeholders for change is integral to being able to retire applications.
- ✧ When an application is no longer supporting a current business process, retire it and archive the data. The survey found that most companies have formal data retention policies and procedures but only follow them 50 percent of the time.
- ✧ Outsourcing application development and/or maintenance can be a successful strategy for maintaining a trim IT portfolio, but only when business alignment and life-cycle guidelines are followed.



Sources: TechServe Alliance (www.techservealliance.org) and U.S. Bureau of Economic Analysis (BEA)

IT wages stagnated in 2010

A recent survey by Global Knowledge, an IT and business training company, and on-line publisher TechRepublic concluded that "the stagnant economic environment held salaries in check for the IT profession." According to the survey of over 12,000 participants, the average IT worker's salary was down 3.1 percent year-over-year in 2010, but was up eight percent compared to 2008. The incidence of offering insurance coverage was incrementally down in 2010, while more direct cash benefits such as vacation and sick leave, along with 401k contributions, retirement and profit-sharing were noticeably down four or five percentage points.

Areas with the largest IT salaries are generally located in the northeast, with salaries in Washington, D.C. being highest at 22.6 percent higher than the national average of about \$79,600. By sector, salaries were highest in pharmaceutical or bio-medical research followed by aerospace/defense, natural resources, IT consulting and VAR/ARE integration.

A major IT job board survey of nearly 20,000 technologists came to a similar conclusion about salary changes for 2010, finding that the average annual salary was \$76,384, a different of less than \$200 or 0.02 percent with the Global Knowledge/Tech Republic report.

Low unemployment persist for IT professionals into 2011

The unemployment rate for IT professionals in the first quarter of 2011 was approximately half of the overall unemployment rate, which hovered around nine percent. While the overall demand for IT professionals was strong, the call for analytical skills was particularly high as exhibited by the especially low rates for computer systems analysts, systems managers and administrators and computer hardware engineers.

Occupations	Q1 2011
Computer and information systems managers	3.5
Computer hardware engineers	2.8
Computer occupations, all other	5.2
Computer programmers	5.3
Computer support specialists	7.6
Computer systems analysts	3.4
Network and computer systems administrators	4.4
Software developers, applications and systems software	4.6
Web developers	5.1

Source: unpublished tabulations of Current Population Survey data furnished by the U.S. Bureau of Labor Statistics.

Federal IT spending expected to continue but consolidate

While federal IT spending has been relatively flat since 2009, the FY 2012 proposed budget includes a total IT spending of \$79.5 billion. This is 1.9 percent increase from FY 2010.

Although the projected increase in the FY 2012 IT spending is relatively flat, spending on major IT projects is proposed to increase 9.5 percent. One of the major pushes in the 2012 budget will be to reduce the number of data centers from 2,094 in 2010 to 1,284 by 2015, or by about 39 percent.

Alongside the consolidation of Federal IT spending, Federal IT procurement may also be changing. The budget document acknowledges the problem of aligning appropriations and acquisitions with the technology cycle, due to the fact that "technology solutions that are often out of date by the time the project starts." The budget document offers some specific and non-specific changes in the process.

Backing up the back-up plan

Crucial to every company's business continuity planning is having an up-to-date IT disaster recovery plan. Recent events in Japan point out the importance of not only having a back-up plan, but perhaps a back-up to that back-up plan.

Some experts believe that back-up plans that depend upon resources located in the same geographic area may be flawed. Certainly backing up to the cloud can be a sound strategy, but only if that cloud is not local, or possibly not even regional.

Tips & Tricks

Closing the barn door *before* the cows have gotten out

Most enterprises should have detailed procedures and theft recovery solutions to mitigate losses from a misplaced or stolen laptop.

As smart phones become a ubiquitous part of corporate life, the need to apply those same rigorous standards has increased. Here are a few suggestions to lessen your risk:

- ✘ Start simple – lock it down with a password and customize that locked home screen with contact details and reward information.
- ✘ Backup, synchronize on a regular basis!
- ✘ If you must store sensitive info – such as other passwords – on your mobile device, don't do it in a file named "password" or "psswrds." Name the file something innocuous like "Meeting schedule, Kansas City, Mar 2007."
- ✘ Minimize the number of apps that store passwords for purchase approvals.
- ✘ Are you so dependent on your mobile phone that you can't recall important phone numbers? Keep a hardcopy list handy and don't forget the corporate IT department for a few reasons:
 - Some handhelds devices can be wiped clean remotely, which can be very useful if it is lost or stolen. Make sure this feature is installed and active.
 - Many devices can be located remotely - make sure the device has this capability.