



AMERICA'S GOT TALENT... BUT NOT ENOUGH IT TALENT

Companies continue to struggle to attract and retain IT employees—and look to outsourcing and the cloud for help.

U.S. colleges and universities are churning out more than 40,000 graduates in computer and information sciences each year, according to the National Center for Education Statistics. Apparently, it's not enough.

In a new CFO Research survey, conducted in collaboration with RSM, 49 percent of senior finance executives at middle-market companies say their businesses are being adversely impacted by their ability to attract and retain qualified technology talent.

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Within that group, these executives say the business functions most severely impacted are operations (cited by 64 percent of those reporting talent woes), finance (36 percent), and IT (36 percent). Clearly, the fallout from the talent shortfall extends far beyond the IT department. (See Figure 1.)

The dearth of qualified personnel isn't all that hard to explain. Over the past two decades, technology has inserted itself into nearly every facet of daily life, transforming the way we work,

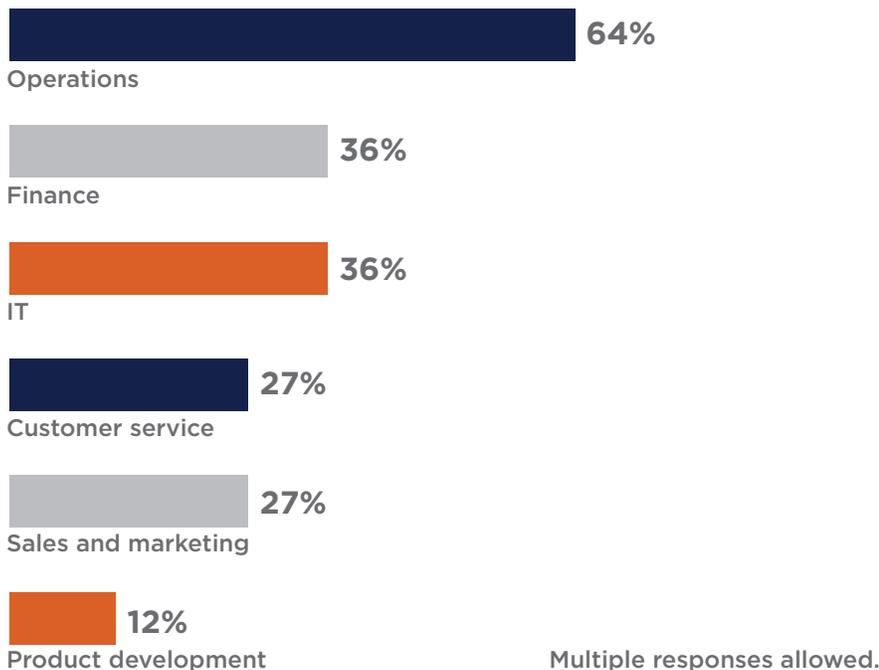
shop, travel, and consume entertainment. Companies seeking to keep pace with customer expectations have a voracious appetite for skilled tech workers, from supply chain analysts to data scientists, who can navigate and manipulate the tools and technologies behind those transformative developments. Meanwhile, many colleges and universities, especially in the public sector, are struggling to provide enough space and faculty to keep up with demand from students who would like to enter the field. As Ed Lazowska, the Bill & Melinda

Gates Chair in Computer Science & Engineering at the University of Washington, told a reporter for the technology news site GeekWire three years ago, "Every field is becoming an information field." Translation: Even students in majors who once would have considered computer science classes irrelevant are now seeking them out, taxing the ability of colleges and universities to meet their needs.

Asked to identify their most difficult IT-related talent issues, 40 percent of the finance executives surveyed by CFO Research cited out-and-out "technical competency," followed closely by the 36 percent who cited "strategic planning and vision." (See Figure 2.)

The good news? Helping companies better understand their businesses and refine their strategic vision is one of the services increasingly available to them from the newest generation of third-party managed IT services. Once used primarily to provide tactical support, the best of these services today can assist companies in creating a strategic vision for their IT function, and in transforming themselves into digital enterprises. Indeed, 50 percent of the finance executives surveyed by CFO Research

FIGURE 1
Business functions most severely impacted by a technology talent shortage

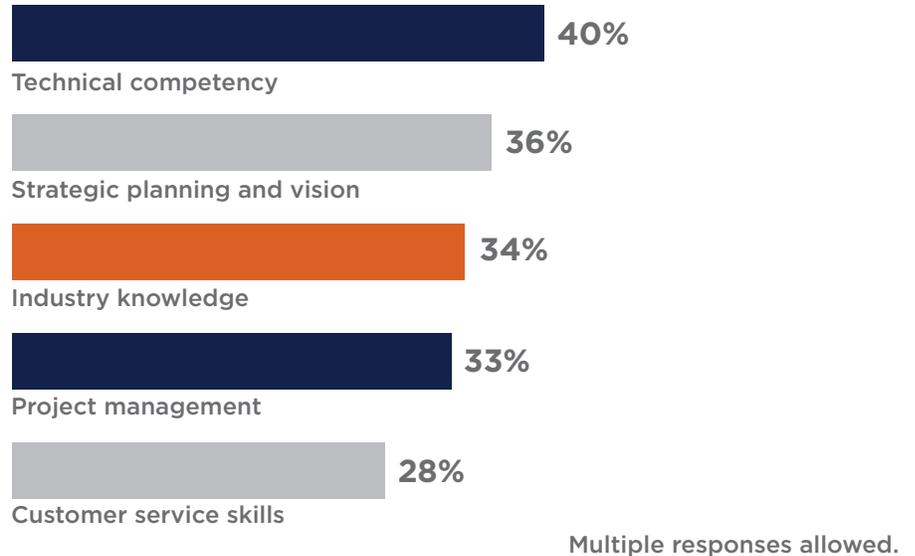


identified access to world-class capabilities as one of the top benefits of outsourcing IT activities.

Many companies have already turned to managed IT services to bridge the gaps in their own IT workforce, with generally favorable results. More than two-thirds of the finance executives surveyed—69 percent—say a trusted managed IT services provider can do a better job of delivering IT services than the typical company can do on its own. And a stunning 60 percent now say they would be comfortable having a managed IT services provider deliver all of their company's IT functionality. In addition to giving them access to world-class capabilities, they say, outsourcing IT services can free internal resources for other purposes (57 percent of respondents), streamline or increase efficiency for time-consuming functions (45 percent), and reduce and control costs (32 percent). A small but significant minority—22 percent—also say outsourcing IT can improve a company's focus.

Many companies also are looking to manage their way through the IT labor shortage by moving some or all of their IT operations to a cloud-

FIGURE 2
Most difficult talent issues related to current IT staff



based environment, largely eliminating the need to source, manage, and maintain computer hardware and software on their own. Fifty-three percent of the survey respondents say their companies are already using cloud-based services for fundamental applications such as data storage and network hosting, 41 percent are using cloud-based office productivity software, and 37 percent are using cloud-based financial systems. Migrating higher-value activities to the cloud has proceeded more slowly—only 27 percent of survey respondents say their companies use cloud-based

data analytics systems, for example—but the percentage of firms doing that is expected to grow. Survey respondents say their companies see clear value in technologies such as mobile applications (69 percent of respondents), big data and predictive data analytics (45 percent), social enterprise (24 percent), Internet of Things (24 percent), and other advanced technologies, all of which benefit from the scalability, agility and cost-savings associated with operating in a cloud environment.

ABOUT **RSM**

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RSM's managed IT services is a highly scalable platform that combines our industry knowledge with the essential IT functions organizations need to run a high-performing,

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RSM utilizes our full range of services to develop a customized solution to meet your needs. You have the flexibility to choose a co-managed platform, with our advisors working alongside your IT staff, or a fully managed engagement to outsource your entire IT department. Either way, your technology support costs are more consistent, with a predictable monthly expense.

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