



SIMPLIFIED TECHNOLOGY. SUPERIOR RESULTS.™

C-level Playbook: IT Talent as a Competitive Advantage

Technology is everywhere, across every business department and in every business process. To remain competitive, companies must be agile and develop innovative, new business models such as the IT Maturity Model explained in Synoptek's paper Transforming your IT Operations for Business Results.





Introduction - The Challenge: Building a Winning Team

Technology is everywhere, across every business department and in every business process. To remain competitive, companies must be agile and develop innovative, new business models such as the IT Maturity Model explained in Synoptek's paper [Transforming your IT Operations for Business Results](#).¹ This approach contends that moving to the next level requires businesses to do new things, handle things in new ways, learn new skills and processes, and “unlearn” the ones they replace.

This adaptive model applies to the battle to recruit—and retain—top-performing IT talent. Finding candidates with the skills necessary to make the plays is becoming tougher, especially in cybersecurity, AI, analytics, mobile apps and cloud-migration roles. However, forward-

thinking businesses are solving this challenge through a hybrid approach, combining training, acquisitions, new technology solutions and outsourcing.

This playbook addresses the following topics:

- ▶ What is the IT skills gap, and how prevalent is the problem?
- ▶ What impact does the shortage of qualified staff have on businesses today?
- ▶ What are companies doing to secure the talent needed to transform businesses from tactical to strategic?

No matter the approach, what's clear is that companies can't just maintain the status quo,

they must transform their approach to ensure they build a team that can help them win the challenging digital transformation game.

“Every field is becoming an information field.”

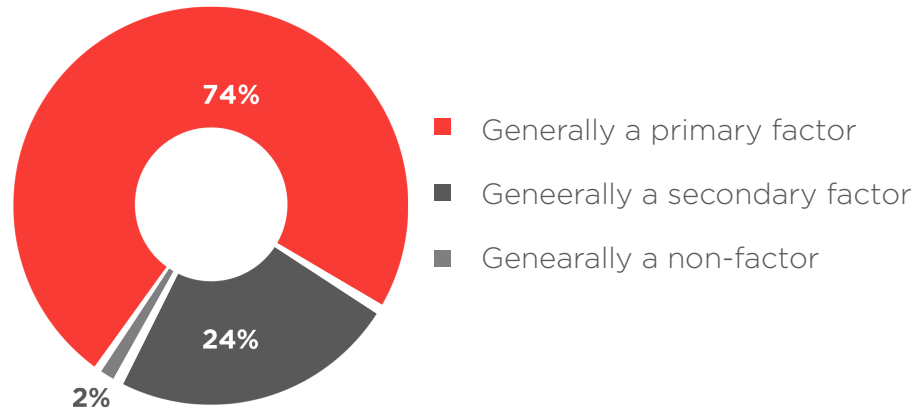
Ed Lazowska, the Bill & Melinda Gates Chair in Computer Science at the University of Washington.²

Section 1 - Assessing the Field of Play

Let's take a closer look at the problem. When it comes to the IT "talent shortage" or "skills gap", 86% of IT and business executives report being aware of the issue. However, in companies where technology affects the ability to achieve business objectives, awareness becomes reality. Nearly half of business leaders report the situation has become worse over the past two years.³

In fact, the IT talent shortage is one of the top five threats that keeps CEOs up at night.⁴ This is particularly true for healthcare, financial, manufacturing and technology verticals. To improve patient care, healthcare companies need to modernize systems and devise new programs to drive better outcomes. In the financial services sector, security and data professionals are in critical demand. In manufacturing, automation is the key driver for increased demand for tech workers. And, of course, technology providers are hit hardest since they need to secure true MVPs, and these talented, innovative superstars are the most difficult to recruit and retain.

Role of Tech in Reaching Business Objectives



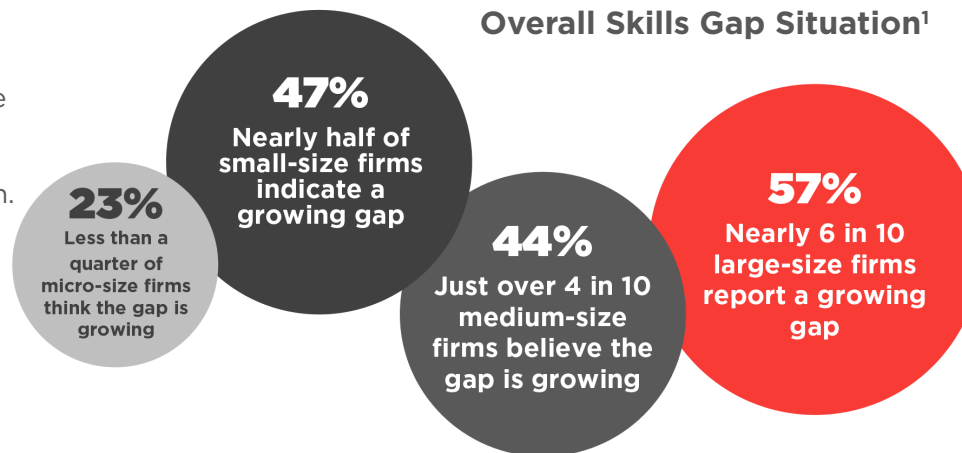
Technology is a primary factor in reaching business objectives for 74% of organizations.³

So why is it becoming increasingly difficult to find candidates with the experience and skills needed for companies to compete and grow?

1) Constantly evolving technologies are exacerbating the talent shortage, and hard-to-find skills are continually changing and becoming increasingly scarce.^v

Tech workers may have deep expertise in legacy environments, but will need upskilling (i.e., training or education) to implement and manage new technologies. The top seven skills gap areas are highlighted below,³ but given the critical impact this issue has on business, Synoptek provides more insights in its [IT Skills Required for Business Innovation report](#).⁵ The fluidity of emerging tech becomes even more challenging due to the lag in the availability of workers and training materials companies need to move forward along the maturity continuum.

Overall Skills Gap Situation¹



Section 1 - Assessing the Field of Play

Top IT Skills Gap Areas

1. Emerging tech, i.e. IoT, AI, automation [59%]
2. Integrating different apps, data sources, platforms, devices [59%]
3. Cloud infrastructure / cloud apps [57%]
4. Digital business transformation / modernizing legacy HW or SW [57%]
5. Cybersecurity [55%]
6. Software or app development [55%]
7. Data management / data analytics [53%]

"Being able to integrate new software quickly enough, and having efficient people to do so."

Senior IT executive in professional services industry

2) Lengthy recruitment processes, rising salaries and poor employee retention contribute to the problem.

In such a competitive market, businesses need to change their workforce strategies to provide not only the compensation and job perks that top-level candidates want, but also the training, growth and overall work experience that will keep critical team players engaged and loyal.

Flawed recruitment and automated processes miss good candidates, and the process from post to hire is too long (over four weeks). According to a survey of CIOs, "two-thirds of the technology professionals surveyed said they would 'lose interest in a job if there was no follow-up within two weeks of an interview.'"⁷

Once businesses are able to hire the right candidate or upskill an existing employee, they immediately risk losing

them because of the high demand for their skills. In fact, some of the largest tech companies have the shortest tenure as employees leave for better pay and opportunities. IT workers also job hop if they feel they are only working on legacy technology without the opportunity to train, advance and join the most innovative teams and projects. The table below highlights other issues contributing to employee retention difficulties.⁵

"When in-demand candidates do enter the hiring market, they are often snapped up at lightning speed."⁶

Robert Half 2017 Technology Salary Guide

3) Always on, always connected employees and customers demand 24x7x365 operational support.

It is difficult enough to find IT talent during regular business hours, but companies with mission critical environments

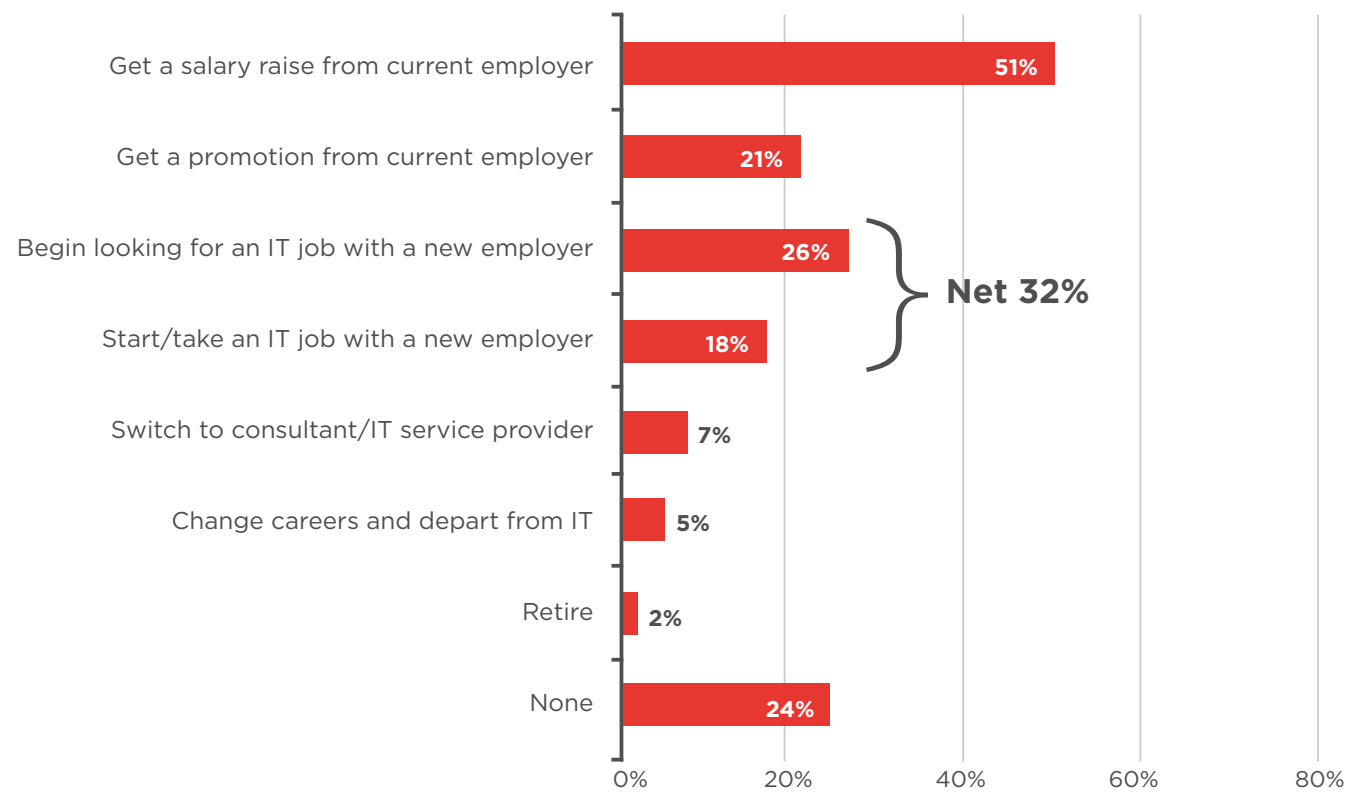
must build teams to address IT challenges around the clock. Additionally, the more complex the IT environment, the more a multi-sourcing strategy is needed. Without it, companies cannot provide follow-the-sun support, and they lose access to a deeper—and potentially more affordable—bench of talent and resources. They may lose out on the increased efficiencies for routine but time-consuming functions an outsourced service partner can provide.

While the situation seems daunting, there is a bit of good news. The number of graduates in IT related fields is outpacing demand for new tech jobs. As these new professionals gain experience and training, companies may feel some relief in the years to come.⁸ In the meantime, companies are getting creative about how they address the skills gap and keep their companies advancing across the field of play (see section 3).

Of course, finding the right talent and developing the skills needed for transformation is only part of the challenge. Learn more about what is holding IT back in Synoptek's white paper [In Transition: Shifting from Tactical to Strategic IT](#).⁹

Section 2 - Out of Bounds: The Business Impact

IT Career Changes Expected in 2018



Despite the increasing impact of the IT talent shortage on a company’s ability to transform and mature, many IT professionals view outsourcing with an IT partner such as a Managed Services Provider (MSP) as a potential threat to their job security. The rationale is that a MSP may be able to provide IT services much more cost-effectively than internal staffing. The resistance to external resources, however, makes it more difficult for internal teams to stop maintaining existing operations and work instead on more challenging projects and innovative technologies. Read Synoptek’s story [Why Corporate IT Departments Appreciate Their MSP](#)¹³ to learn how one company’s IT managers overcame their bias against outsourcing to help address their skills gap.

Negative impacts of the IT talent shortage and skills gap are seen in key business areas by 94% of organizations.³ Failing to recognize and address the growing challenges will prevent companies from driving innovation and delivering business value, which in turn impacts brand perception and customer preference.

Research shows that 8 in 10 IT and business executives are at least somewhat concerned with the IT skills gap at their organizations.³ When you consider the following consequences for business, the concern is well-founded.⁵

Top areas influenced by shortcomings in IT skills are: staff productivity (52%), customer service & engagement (38%), and

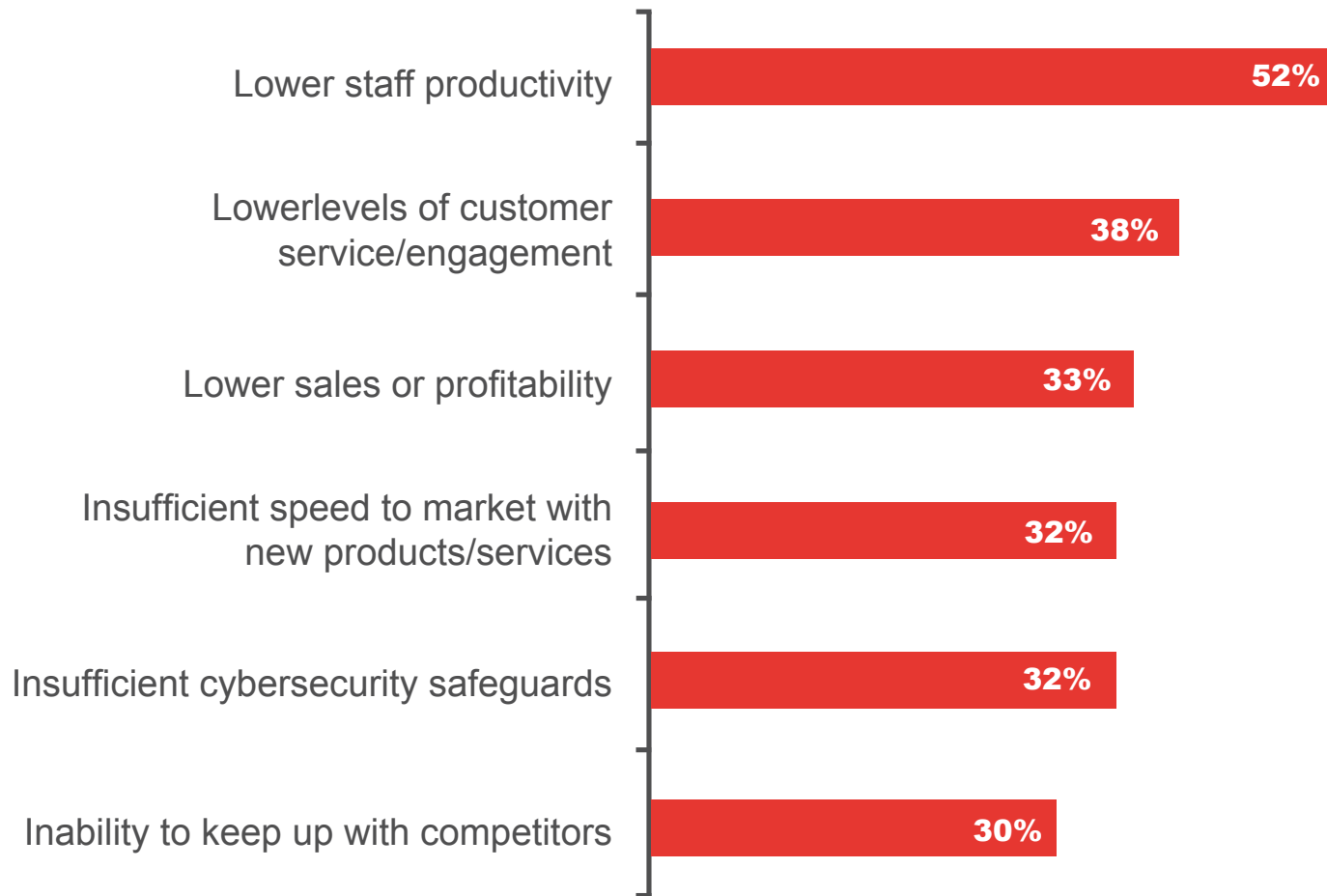
security (32%). Smaller companies report feeling the impact on profitability more so than larger firms (23% vs. 15%).⁵

The number of available IT positions is expected to rise 12% by 2024¹⁰, which means increased competition to acquire skilled job candidates.¹¹ The business impact comes from candidates commanding higher salaries (rising

at least 3 percent in 2018).¹¹ Not all companies will be able to hire candidates with all of the required skills. In fact, “44 percent of CIOs say they miss out on top talent because candidates are seeking higher salaries than they’re able to offer. As a result, there’s been an increase in companies hiring less experienced workers who are ‘motivated to learn new skills quickly.’”⁷

Section 2 - Out of Bounds: The Business Impact

IT Career Changes Expected in 2018



There's a war for talent. That's why salaries are increasing. The talent gap is increasing. Sixty percent of businesses are unable to find skilled candidates."¹²

Dan Schawbel,
research director of
WorkplaceTrends,
an HR-focused
research firm

Section 3 - Making the Tough Calls to Close the Skills Gap



How are companies currently addressing the skills gap?

More than half of all companies struggle to identify what gaps exist, which interferes with the development of strategies to fill them.³ Others are simply consumed by firefighting, with a focus on employee recruiting and retention as well as managing day-to-day operations. In fact, research from Everest Group shows that 75% of an IT department's time is still devoted to maintaining systems.¹⁴ While this meets immediate needs, these companies are just running in place, or they are falling behind the competition because there is no bandwidth for innovation.

With limited resources, business must make hard decisions to overcome skills gaps and to control the rising costs of recruiting and retaining top tech talent. Some companies may adopt intensive training programs or hire specialized consultants. Others may restructure their internal teams to include strategic thinkers focused on driving innovation while outsourcing routine tasks or highly specialized functions to technology partners.

“Only 1 in 3 organizations indicate they have a formal process and resources in place to address skills gap challenges.”

The remaining two-thirds of respondents report having only an informal process or no process at all.³“

Section 3 - Making the Tough Calls to Close the Skills Gap

However, leaders must first understand how resources are deployed and utilized within their organization. By measuring workload balance, task time-to-completion and other performance factors, businesses gain insight into the critical gaps and can start devising methods for addressing them. Some effective ways to compensate for the limited talent pool and/or overcome the skills gap include:

- ▶ Retraining or upskilling experienced in-house IT professionals
- ▶ On-the-job training, mentoring and experience for new workers
- ▶ Evaluations, certifications and credentialing to validate skills and knowledge
- ▶ Outsourcing specialized services such as cyber security and/or routine operations to a MSP
- ▶ Offshoring to fill the demands of follow-the-sun operational support and potentially reduce labor costs
- ▶ Merging with or acquiring other companies with the desired core competencies or innovations needed to advance

Of course, there are highly desired skills that will remain difficult to

find, and companies will need to get creative about attracting individuals with these advanced skill sets.

Common Causes of IT Operations Gaps¹⁵

- ▶ Complacency
- ▶ Lack of functional training and cross-functional awareness
- ▶ Communication and timing challenges
- ▶ Poor documentation
- ▶ Failure to plan for the future



Section 3 - Making the Tough Calls to Close the Skills Gap

What can companies do to build tomorrow's tech workforce today?

Commit from the top by selecting a likable leader with both technical knowledge and a track record for effective team leadership and program management. This officer, sometimes called the chief digital officer, will develop and drive the strategies companies need to grow and compete in the digital age. McKinsey's [A Roadmap for a Digital Transformation](#) further recommends appointing a high-caliber launch team - including designers, data scientists, scrum masters and developers - and establishing a company-wide agile operating model.¹⁶ Then, savvy IT leaders look to their IT maturity models road maps to bridge the gaps and align IT with business objectives.¹

Businesses can also borrow a strategy from marketing and apply segmentation, research and experiential mapping to customize employee recruitment, onboarding, development and retention. The following are other strategies companies are using to successfully address the skills gap.

“With nearly 800,000 looming IT worker retirements through 2024, delaying efforts to address the quantity and quality of the talent pipeline will only exacerbate the problem.”³

Scouting for Players

When it comes to workforce planning, businesses can look beyond standard recruitment tactics and potentially leverage tech conferences and developer communities to boost results. Improving hiring techniques is integral to attracting top talent. In a LinkedIn article [Overcoming](#)

[the Talent Shortage](#), the author recommends that businesses:¹⁷

- ▶ Treat candidates like customers
- ▶ Not solely focus on university graduates
- ▶ Not underestimate the power of analytics in the hiring
- ▶ Beware of strenuous and over-technical assessments

Extra Points for Creative Compensation Packages

Tech workers report high job satisfaction, in part due to the compensation and perks companies use to entice talent. In a survey of CIOs, more than 80% offer bonuses, and at least two-thirds offer either merit or performance-based salary increases. Popular job perks include flexible work schedules, regular social events, achievement-based awards, free gym memberships and remote work opportunities.⁶

8 Hot Hiring Trends⁸

- ▶ Workplace flexibility
- ▶ Blended workforces/flexible staffing
- ▶ Soft skills
- ▶ Security jobs
- ▶ Upskilling
- ▶ Importing talent from Silicon Valley
- ▶ AI-based recruiting
- ▶ Higher compensation

Section 3 - Making the Tough Calls to Close the Skills Gap

Keeping the Ball in Play

Job candidates report seeking companies offering opportunities for professional development. It is also the primary reason why employees stay in their current roles. In a report by the [Execu Search Group](#), nearly 60 percent of respondents said “access to projects to help keep their skills up-to-date” would keep them happy in their current positions.¹⁸

Transformative companies are investing in upskilling programs to promote employee innovation readiness. This ensures tech workers receive relevant work experience, on-the-job training, workshops and other learning opportunities. Testing and certification results are key performance indicators demonstrating which tech workers are acquiring the skills needed to fill the gaps.

“For example, in effort to address the skills gap, Microsoft offers professional training programs to both internal teams and to the public, such as:¹⁹

- ▶ Artificial Intelligence
- ▶ Azure Initiative
- ▶ Server Virtualization



Section 3 - Making the Tough Calls to Close the Skills Gap

Boosting Performance through Ownership

IT professionals crave engagement and want to work with top-level teams on projects that drive innovation. Many companies already have structured “management by objective” programs but haven’t considered presenting these performance objectives as ownership opportunities. These can be customized by area of expertise and serve as a pathway for career progression. Employees who own a particular project or program are more productive, fulfilled and committed to delivering stellar quality.

Blending of different types of workers “may increasingly involve the use of artificial intelligence, bots, virtual assistants, and other types of knowledge-based systems.”²⁰

CompTIA’s 2017
Cyberstates Report

Calling in Special Teams

Another key strategy in addressing the IT talent shortage is calling in reinforcements. Companies may outsource to one or two strategic IT partners or take a hybrid approach that includes hiring specialized contractors, offshoring selected operations and partnering with a MSP.

Technology itself may also be helpful in addressing the need for around-the-clock customer support through virtual assistants and chat bots. Companies are also eliminating the need to source, manage, and maintain computer hardware and software on their own by moving some or all IT operations to a cloud-based environment.

Once used only to provide tactical support, third-party MSPs are now digital enterprises that provide strategic vision and specialized IT expertise to help fill the skills gaps for clients. “Indeed, 50 percent of the finance executives surveyed by CFO Research identified access to world-class capabilities as one of the top benefits of outsourcing IT activities.” And 69 percent of finance leaders say “a trusted managed services provider can do a better job of delivering IT

services than the typical company can do on its own.”²

Researchers at Microsoft and the University of Cambridge

have developed a new AI, called DeepCoder, that can write its own lines of code.²¹

IT leaders are choosing to partner with a MSP to help fill the skills gap and capacity restrictions of their current IT teams. But, what should they look for in a partner? Savvy IT leaders look to their **IT maturity models** road maps to bridge the gaps and align IT outsourcing areas with business objectives.¹ According to Synoptek’s article **What Does the Future of IT Management Look Like?**, “good outsourced service providers will also provide business oriented strategic advice and will help create visibility into technology ROI.”¹⁴

MSPs also provide access to resources and technology that

would otherwise be prohibitively expensive for IT departments. By outsourcing commodity IT services to an MSP, such as routine infrastructure maintenance, companies can achieve cost savings instead of hiring additional dedicated IT staff. As an added benefit, IT teams can remain agile to focus on innovation, giving them the ability to outmaneuver the competition.

“Outsourcing provides access to higher level security skills and enables my in-house team to be more strategic and proactive in planning and decision making.

Finding the right partner was critically important because we have an ethical and moral responsibility to consumers to provide security and protect their data. It had to be one we could trust implicitly.”

Michele Buschman, Vice President of Information Services at AP Mortgage and a Synoptek customer

Conclusion - Building a Championship Team

Some skill sets will always be challenging to find as technologies continue to evolve at a record pace. However, today's business leaders must be creative to attract and retain top IT talent. This means more than just providing higher compensation; it means instituting training programs and developing a culture where innovation abounds, and professionals take ownership of challenging projects and programs. Building a championship team may even involve a cross-departmental perspective, where business-savvy employees with coveted soft skills, for example, can be trained on technology.

When considering special teams, companies should first identify the opportunities to augment systems or services, improve customer experiences and help internal teams focus on innovation. Some examples include 24x7 technical support, highly specialized cybersecurity, or just basic, routine operational processes. MSPs team with companies to devise and recommend strategies for increasing organizational efficiency and capacity. It is important to vet MSPs and find one capable of handling a diverse set of challenges and able to be trusted with mission-critical systems.

“Despite a labor shortage, high-level skills in the U.S. are still the best in the world.”⁴

CEO advisor and author Ram Charan

Synoptek has already helped many organizations overcome the talent shortage to rise through the levels of the **IT Maturity Model** to achieve measurable business results.¹ In fact, by implementing best practices and the latest technology, Synoptek has helped companies save both time and money. An impressive 93% of firms that outsource some part of their IT operations to an MSP reported meeting or exceeding their cost-savings expectations.³





Conclusion - Building a Championship Team

Whatever approach companies select to overcome the IT talent and skills shortage, there are a plethora of strategies that can help them win. ***The ultimate objective of the game is simple: stop maintaining and start transforming.***

By partnering with an MSP, companies:¹³

- ▶ Are never short-handed
- ▶ Have access to a broader selection of skills
- ▶ Find growth easier to handle
- ▶ Can readily take on one-time events
- ▶ Can backfill regular staff positions
- ▶ Can make technology decisions independent of human resources
- ▶ Have increased agility when MSP personnel can fill in the gaps
- ▶ Have redefined reliability and accountability



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Resources:

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