

# Rust Report

News and views of the action in Australasia's IT sector this week

February 5, 2010

## THE RUST BUCKET

### Responding to change

Over the past few months the IT world has been confronted by mergers, takeovers, acquisitions, partnerships, inflection points, and game changers — some exciting, others rife with tension and ambiguity. Even the industry analysts jumped onto the bandwagon with Gartner finalising its acquisition of AMR and the Burton Group and thereby eliminating two of the top independent groups catering to the buy-side.

Andy Grove described a strategic inflection point as "a time in the life of a business when the fundamentals are about to change". Companies today must try to understand both paradigm shifts and their inflection points — when technology and market place disruptions create opportunity — and adjust accordingly. We have experienced significant paradigm shifts in information technology over the past 40 or 50 years. From 1980 to around 2001 the transformation was driven by advances in integrated circuits, networking, and user-interface technology and included the rise of smart clients (PCs and cellular phones) and the Internet with broadband technology tying it all together.

This paradigm shift fundamentally changed both business and society. It was supported by venture-backed start-ups that were launched shortly before and during the shift (Intel 1968; Microsoft 1975; Apple 1976; Oracle 1977; 3Com 1979; Adobe 1982; Compaq 1982; Sun Microsystems 1982; Cisco 1984 and then Netscape 1993; Amazon 1994; Yahoo 1994; eBay 1995; and Google 1998, and many more. All were game-changers in one form or another, some in several.

We are now in a relatively mature phase of that huge tectonic shift that includes social networking, SaaS, cloud-based application delivery models, and a host of security concerns.

Industry watchers say Apple's long awaited iPad tablet could reverse the fortunes of the tablet PC industry. Tablets are not new — Hewlett-Packard has been supplying them since 2004; if there is a boom in tablet PC sales, HP is there and ready.

We used to say that the IT industry consisted only of hardware and software companies and rarely did they meet. IBM was probably the exception. Now HP's services have been greatly enhanced, thanks to its acquisition of EDS, and it offers a rich portfolio with enterprise integration services.

There is no doubt the recently-closed Oracle-Sun acquisition will also change the industry, although concerns have been raised by channel and supply chain partners of both companies. Larry Ellison, Oracle's CEO, said in a recent press conference that Oracle's sales teams would be serving Sun's top 4000 customers and letting Sun focus on direct selling to its remaining 31,000 customers. Partners in Australia are receiving mixed messages in this regard.

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## CCK scores second Indonesian banker

Australian developer CCK Financial Solutions has won its second customer in Indonesia's banking sector with an order to deliver its Guava Suite of treasury management software to PT Bank Pan Indonesia (PaninBank). Last month the software went live at PT Bank Rakyat Indonesia (Rust Report, Jan 15, p2). PaninBank will use the software to manage its entire treasury operation, from dealing and risk management to settlement and reporting.

"CCK is gathering momentum in Indonesia as we have won both of the two latest contracts awarded for treasury management systems in the country," claimed Joseph Wong, managing director of CCK. "To support our growing client base in Indonesia CCK has established its own support team in the country." [www.cck.com.au](http://www.cck.com.au)

## Aussie pioneer sold abroad

Neller Software, an Adelaide-based developer that has been producing HR and related systems since 1976, has been acquired by NorthgateArinso, a multinational provider of HR systems that is headed by Mike Ettling, who at one time headed Unisys in Australia. The transaction includes Neller's Preceda software and the Neller Employer Services business, which provides outsourced payroll services ([www.neller.com.au](http://www.neller.com.au)).

In the wake of the transaction David Page, previously managing director of Neller, will become responsible for NorthgateArinso's Australia/New Zealand business.

Darcy Lalonde, Asia/Pacific president of Northgate-Arinso, said the opportunity to acquire Neller was too good to miss because "the company's credentials are second to none and they are very well recognised and respected.

"Together the combined entity will provide the most comprehensive and advanced suite of HR technology, outsourcing, and consulting options available on the Australian and New Zealand markets," Lalonde added. [www.northgatearinso.com](http://www.northgatearinso.com)

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## INSIDER EDITION

### Bravura builds on Vietnam business

Australian developer Bravura has joined forces with British company SSP to win the first Vietnamese customer for SSP's InsureJ general insurance administration system. The customer is Bao Viet General Insurance Corporation and the contract covers licensing and implementation of the system.

Bravura had earlier provided its TalisLife life insurance system to Bao Viet Life Insurance Corporation, noted Simon Woodfull, group CEO of Bravura.

SSP's InsureJ will be integrated with TalisLife, Woodfull added. [www.bravurasolutions.com](http://www.bravurasolutions.com)

### Building society goes live with Rubik

Queensland's Maleny and District Community Credit Union went live this week with the Bank-in-a-Box technology platform developed by Australian company Rubik Financial. The system allows the credit union to offer a range of new services, including mobile phone banking, as well as enhancements to existing services, explained Brent Jackson, CEO of Rubik.

"The Bank-in-a-Box allows Rubik to provide any organisation the technical ability to make and sell financial service products with the security and regulatory reporting the market demands," Jackson added.

Other recent business for Rubik included letters of intent from two Middle Eastern banks to take the CWX collection system, and a contract with "a major bank" for a refresh of its Internet banking system, which is "the largest Internet banking sale in Rubik's history", Jackson said. [www.rubik.com.au](http://www.rubik.com.au)

### Aussie tech puts dealers in picture

MapData Sciences has upgraded a dealer location facility of the Website of irrigation products supplier Toro Australia. The enhanced facility allows customers to search for dealer locations and provides them with a visual presentation of locations, including driving directions. [www.mapds.com](http://www.mapds.com)

#### RUST BUCKET

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We have started the new decade with a bang; many new technologies are ready to make a big impact. Some will be brand new, like Google moving into the mobile phone business. We can expect more collaboration, like Cisco, Netapp, and VMware to deliver new capabilities for the dynamic data centre. Strategic alliances between EMC, Cisco, Microsoft, Dell, and VMware also will continue.

Change is pervasive in our society and is a fact of life in the IT industry. Change can cause unresponsive organisations to flounder. Change is about survival. Globalisation is one example of pressure to change — with globalisation comes greater competition. Change is about making alterations to a company's purpose, culture, structure, and processes in response to the seen or anticipated changes in the marketplace. Good luck for 2010.

— Len Rust [RustOz@bigpond.com.au](mailto:RustOz@bigpond.com.au)

### TechOne app bursts on to market

An application developed by Queensland-based developer TechnologyOne to help government departments manage the use of grants to achieve policy outcomes, has chalked up orders worth more than \$A500,000 while still in its initial launch phase. Adrian Di Marco, executive chairman of TechnologyOne, said the first customers include the Australian Department of Innovation, Industry, Science, and Research; the New Zealand Ministry for the Environment; and the City of Melbourne.

Research commissioned by TechnologyOne showed that there is huge demand for software covering the complete grants lifecycle. "An ad hoc approach to grants management means many large organisations are struggling to keep up with customer expectations and increasing levels of reporting, while spending unnecessary amounts of time and money supporting disparate systems," Di Marco explained. [www.technologyonecorp.com](http://www.technologyonecorp.com)

### Empired picks up WA cops

Perth-based IT services provider Empired has been awarded a contract to provide IT strategic consulting services to the Western Australian Police. The deal has been valued at \$A5 million over its three-year term, which includes two one-year options to extend, explained Russell Baskerville, managing director of Empired.

"Empired will provide collaborative and high quality independent services in the areas of strategic advice and planning, benefits realisation, plus project and program delivery assurance to assist WA Police in achieving their business requirements," Baskerville added. [www.empired.com](http://www.empired.com)

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## INSIDER EDITION

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**C4i flies high on RAAF deal**

C4i, an Australian developer of communications systems for the defence, aerospace, transport, and utilities markets, has been awarded a contract to provide equipment to Daronmont Technologies for use by the Royal Australian Air Force. The contract covers the IP-based Red/Black Switch Plus system, which will be customised for RAAF requirements. "The system is based on C4i products that have been specifically designed for mobile and transportable applications, such as this project," explained Peter Harrison, managing director of C4i's parent company LongReach Group.

Harrison added that the Queensland Government has also placed a recent order with the company for the supply of a communications system for Townsville ports. [www.c4i.com](http://www.c4i.com)

**EMC puts telco in the clouds**

Macquarie Telecom has acquired EMC storage and automation tools to support its private cloud hosting services. The deal, which includes Clarion networked storage and the Ionix IT management software, is valued at more than \$A1 million.

"We are expecting to realise savings of more than \$A260,000 over the next three years through the reduction of operational costs with the Ionix infrastructure and service management solutions," claimed Aidan Tudehope, managing director, hosting, Macquarie Telecom. <http://australia.emc.com>

**Orders and Implementations**

- Suncorp has extended two business-processing contracts with the Australian arm of Unisys Payment Services. Under the terms of the deal Unisys will provide cheque-processing services for a further two years and direct-entry electronic payments for a further three years. [www.unisys.com.au](http://www.unisys.com.au)

- Mincom has been selected to play a part in an Australian Defence Force project to improve military logistics across the entire ADF organisation. The developer had also been involved in a previous phase of the project, which included delivery of the Military Integrated Logistics Information System. [www.mincom.com](http://www.mincom.com)

- The Australian Plant Phenomics Facility has implemented an IBM server infrastructure with the help of Datacom Systems SA. [www.datacom.com.au](http://www.datacom.com.au)

**Aussies worth watching**

A roundup of companies making waves at home and abroad

- AUDITFLOW has developed online audit planning, management, and data repository software as a service solution that helps auditors adhere to mandatory professional and legislative requirements. The company's aim is to provide auditors with best-practice tools, compliant audit plans and programs, coupled with online operational ease. [www.wpias.com.au](http://www.wpias.com.au)
- MEDICAP provides surgeons and operating theatre staff with touchscreen technology to capture video and still images throughout surgical procedures. The visual record can be integrated with tailored and specific information to create accurate and detailed reports. [www.medicapit.com](http://www.medicapit.com)
- ELEVATE TECHNOLOGIES has developed an online health portfolio service that enables users to document their health records, share them with doctors and family, and upload information through a PC or mobile phone manually or automatically by connecting a medical device. Users own their data and have complete control over who gets to see it. [www.elevatemobile.com](http://www.elevatemobile.com)
- TSM IP has developed a service management software solution that allows service organisations to manage business activities. The Service Manager software has built in redundancy, providing multi-way workflow for small businesses. It includes job-logging, time sheets, stock control, invoicing, maintenance contracts, repetitive tasks, purchasing, and visual scheduling. [www.theservicemanager.com](http://www.theservicemanager.com)
- CORE IT SERVICES is an IT solutions and services company that provides IT solutions and delivers projects for a range of medium to large Australian businesses. The company's aim is to assist and complement customers' existing IT staff and resources by providing design concepts, engineering, support and project management services. Core IT delivers technical services in server virtualisation, data storage, application deployment and delivery, and data management and replication. [www.core-it.com.au](http://www.core-it.com.au)
- SALEEM TECHNOLOGIES helps companies implement content management systems, customer relation management, and SharePoint solutions. For construction projects it uses its Track'm materials management system that is designed to simplify the process of entering, accessing, and updating the status of construction materials in real time. [www.saleem.com.au](http://www.saleem.com.au)

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## DEALMAKERS

### Pronto in bed with US tax expert

Australian developer Pronto Software has formed an alliance with US Web-based sales tax automation systems provider Avalara ([www.avalara.com](http://www.avalara.com)). Under the terms of the deal Pronto will integrate Avalara's AvaTax service with its own products to enable customers to manage sales tax calculation, compliance, and exemption management, explained David Jackman, managing director of Pronto.

"Our clients will now have lightning speed, fully accurate tax calculations at their fingertips. The process will be fully automated, which will drive greater efficiencies throughout their operations."

Jackman also noted that Pronto recently ramped up its North American operations by appointing several new VARs in Canada and the US. The agreement with Avalara expands the North American offering, Jackman claimed. [www.pronto-software.com](http://www.pronto-software.com)

### Developers link systems for loans

Sandstone Technology ([www.sandstone.com.au](http://www.sandstone.com.au)), an Australian developer of loan origination and banking solutions, has agreed to open its systems up to interoperate with those of Newcastle-based Synergetic Services. "This agreement effectively means that Synergetic and Sandstone, by allowing their systems to seamlessly talk to each other, can collaboratively enable customers at the point of sale, such as market sites, to electronically submit applications to financial institutions and receive a response in real time," explained Andrew Meakin, chairman of Synergetic Services.

"Loan applications initiated in Synergetic's Synergy product are seamlessly transferred to Sandstone's system for fast tracking through to settlement in the lender's back office. Both systems operate in a real time environment." [www.synserv.com.au](http://www.synserv.com.au)

### Digislide eyes telco opportunities

Adelaide-based projection technology developer Digislide has entered an alliance with Australian telco Voicetek and training services provider Workright Group. Luceille Outhred, CEO of Digislide, noted that Voicetek is developing a premium directory assistance service. She added that the three companies will investigate a range of commercial relationships, including product bundling for domestic and international markets. "There are considerable strategic synergies," she said. [www.digislide.com.au](http://www.digislide.com.au)

### GoConnect seeks three-way merger

Communications company GoConnect has agreed to a three-way merger involving Cashmere Media, which operates a music news service, and artist management company PLW Entertainment. If the merger is consummated it will create the largest independent entertainment company in Australia, claimed Richard Li, chairman of GoConnect.

"GoConnect's technologies GoTrek and mVision, as well as its existing multimedia online properties, will form the foundation for international multimedia broadcasting for content and programs produced by PLW and Undercover, as well as Soundcheck.com.au, initially for Australia and China, before expansion into further territories," Li added. [www.goconnect.com.au](http://www.goconnect.com.au)

### Powerlan takeover bid withdrawn

Alpha Growth International (Australia) has withdrawn a hostile bid for ICT products and services provider Powerlan (Rust Report, Jan 15, p4).

Jon Newbery, CEO of Powerlan, welcomed the decision, claiming Alpha's proposal had been "uncertain and highly conditional" in nature. [www.powerlan.com.au](http://www.powerlan.com.au)

### NewSat pumps up new satellite

With one eye very firmly focused on the Federal Government's national broadband network, NewSat has released details of a new satellite, Jabiru-1, it plans to launch in 2012. While Richard Green, chairman of NewSat, was able to release some details, most information will remain undisclosed until a complete strategy statement is released sometime before the end of the current financial year.

Green did say that Jabiru-1 will cover Australia, South-East Asia, the Middle East, and parts of Africa. "It will leverage NewSat's global coverage of 75 per cent of the world," Green claimed. [www.newsat.com](http://www.newsat.com)

### Online trader trips over watchdog

Commonwealth Securities (CommSec) has made an enforceable undertaking to the Australian Communications and Media Authority over spam messages. The agreement came after the ACMA investigated complaints that CommSec had continued to send commercial messages to customers who had withdrawn their consent. In addition, CommSec's e-mail campaigns did not include options to unsubscribe. [www.acma.gov.au](http://www.acma.gov.au)

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## DEAL MAKERS

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### Ideas joins green lobby group

Ideas International, an Australian provider of comparative information about enterprise IT infrastructure, has been accepted as a member of The Green Grid, a body that promotes energy efficiency in data centres and business computing systems.

The move was made because Ideas wanted to collaborate with other organisations to help with data centre efficiency and energy cost savings, claimed Stephen Bowhill, CEO of Ideas. "Ideas is committed to providing innovative tools that assist enterprises in modelling and analysing IT infrastructure and can help companies meet their sustainability, efficiency, environmental, and cost reduction programs." [www.ideasinternational.com](http://www.ideasinternational.com)

### TrackITOnline targets desktop

Australian software distributor TrackITOnline has extended the range of products it handles by entering agreements with desktop virtualisation specialist Kaviza and desktop assessment analyst Liquidware Labs.

Kaviza is the developer of the VDI-in-a-box 2.0 virtual desktop solution, while Liquidware provides the Stratusphere and ProfileUnity solutions that enable organisations to plan, migrate, and manage desktop infrastructure, explained Philip Lancaster, director of TrackITOnline. [www.trackitonline.com](http://www.trackitonline.com)

## Business Briefs

- Melbourne-based "boutique" IT services provider The MasterMind Group has agreed to set up an extended reseller network to deliver IT service management and software licence and asset management solutions from US company iET Solutions. [www.tmg100.com](http://www.tmg100.com)
- Simms International has been appointed a Dell distribution partner for SMBs in New Zealand. Simms opened its operation there last month. [www.simmsnz.co.nz](http://www.simmsnz.co.nz)
- MapData Sciences has released a QuickMap developer toolkit to help with the creation of location-based applications. The JavaScript APIs provide access to more than 20 categories and 52,000 sets of locations, such as fast food outlets or ATMs. In the development phase QuickMap is free from transaction charges, but live applications attract an annual fee plus monthly transaction charges. [www.mapds.com](http://www.mapds.com)
- Internet telephony company engin has launched a hosted phone system for small businesses that is claimed to offer the features and functionality of a premise-based PBX system. Jack McKeon, engin's head of business sales, said the system is easy to install and maintain, with a Web portal providing a simple way to handle software upgrades. [www.engin.com.au](http://www.engin.com.au)
- Objective has raised its sights on the public sector market with the release of community and collaboration solutions uCreate, uEngage, and ePetitions. [www.objective.com](http://www.objective.com)

GUEST SPOT

## Designate 2010 the year of data centre design

By Gordon Makryllos\*

Data centre power consumption is now a global issue — as both an environmental concern and a business matter. As energy costs skyrocket, IT departments are facing increased C-level demands to bring the escalating power and cooling expenses of today's high-density deployments under control.

To meet these demands, APC believes 2010 needs to be the year of data centre design. Data centres cannot be built like they were three or five years ago. IT strategies and IT trends are changing the way data centres are run, operated, and configured, so data centres now need to be designed in relation to the IT evolution and IT business model.

Below are APC's top 10 predictions for the data centre market in Australia this year:

- 1) Governments, NGOs, and customers will increase the pressure on business to improve energy management and usage. Energy efficiency will jump the to a priority consideration for IT procurement.
- 2) Electricity costs WILL increase significantly and come into the spotlight. CFOs will start to see the operational cost of electricity and will increase the pressure on data centre managers.
- 3) High density footprint will be increased inside data centres. The standard is becoming majority high density and minority low density areas in new data centre design requests.
- 4) Data growth will continue to accelerate. More data storage and sharing will lead to more high density systems, which will result in more of the IT budget being allocated to power and cooling infrastructure investments.
- 5) Cloud computing (internal or external) equals high density centralised computing and more focus on the data centre model.
- 6) Demand for multipurpose (high and low density capable) data centre hosting services will increase.
- 7) Integrated energy management systems to manage power and cooling systems in the data centre will become critical.
- 8) Data centre design has reached the tipping point where modular scalable designs will win out against one-time, site-specific engineering of data centres.
- 9) CTO plans will include a plan for measuring the carbon footprint and strategies for cutting energy operating costs. One of the key approaches will be hot aisle containment to reduce power costs.
- 10) IT and facilities will need to come together to tackle and support business energy efficiency. Decisions made in isolation by one of these groups will impact negatively the energy goals of the other.

\*Gordon Makryllos is vice president Pacific, APC by Schneider Electric

## RUST e-RESEARCH

### Hybrid model favoured for the cloud

Cloud computing, the most important trend for 2010 has barely even started, according to Ovum. The research company believes the next three years will see cloud computing mature rapidly as vendors and enterprises come to grips with the opportunities and challenges that it represents.

Some prefer to limit cloud computing to infrastructure-as-a-service (IaaS) and platform-as-a-service (PaaS), whilst others (Ovum included) also consider software-as-a-service (SaaS) and private clouds part of the phenomenon. A wider perspective helps understand one of the key trends in cloud computing — cloud computing will be hybrid. "Enterprises will mix and match public and private cloud elements with traditional hosting and outsourcing services to create solutions that fit short and long-term requirements", said Laurent Lachal, an Ovum analyst.

"The past 18 months have seen a significant shift in focus away from public clouds towards private ones owing to a powerful mix of vendor push and user pull," Lachal said. The private cloud is, to a large extent, a rebranding of what data centre-focused hardware, software, and services vendors have been doing under different names (such as utility computing, autonomic IT, on-demand data centre, etc.) for the past 10 years. Many users are wary of public clouds' quality of service in areas such as reliability, availability, scalability, and security, but are curious about the possibility of adopting some of their characteristics (like on-demand instant provisioning of IT assets).

Private clouds are either defined as the aim of the data centre evolution (a long patient maturation process) or as shortcuts that push parts of the data centre ahead to deliver focused return on investment. What is needed is a way to reconcile the two approaches (private-cloud-as-a-journey and as-a-shortcut) to understand when, on the road towards a next generation data centre, users should take shortcuts. Unfortunately, most vendors currently emphasise the second approach rather than trying to reconcile the two.

"Cloud computing promises to tackle two irreconcilable (so far) IT challenges; the need to lower costs and boost innovation. It will take a lot of effort from enterprises to actually make it work. Instead of a nimble IT with their IT mess for less somewhere else, the ill-prepared will end up with their IT mess spread across a wider area," said Lachal.

### Mobile phone shipments rebound

The world's mobile phone market grew 11.3 per cent in the fourth quarter of 2009, ending five consecutive quarters of decline, according to IDC. Vendors shipped 325.3 million units in the quarter compared to 292.4 million units in the fourth quarter of 2008, IDC found. In addition, vendors shipped a total of 1.13 billion units on a cumulative worldwide basis in 2009, down 5.2 per cent from the 1.19 billion units shipped in 2008.

"The mobile phone market has rebounded in dramatic fashion," said Kevin Restivo, IDC analyst.

"The Asia/Pacific region and the United States were primarily responsible for pushing the market back into growth territory. Overall, vendors offered a wide array of converged mobile devices (smartphones) and messaging devices in the seasonally strong fourth quarter, to take advantage of increased user demand."

One area of the market that has consistently shown growth all year is the converged mobile device market. "Consumer tastes for mobile phones have increasingly shifted from simple voice telephony to greater data usage, and both handset vendors and carriers have been eager to meet demand despite ongoing economic challenges. IDC believes that the converged mobile device market grew almost 30 per cent year over year, and that the market will continue to gain momentum as device selection increases and price decreases continue into 2010 and beyond."

IDC anticipates that the worldwide mobile phone market will rebound in 2010. "In 2009, the mobile phone market, like many others, contracted due to economic pressures. But as the year progressed, demand for mobile phones increased each quarter while year-over-year declines progressively decreased," added Restivo. "Economic recovery mixed with pent-up demand will create positive conditions for handset vendors in both developed and emerging markets in 2010. Meanwhile, key handset vendors expect to exceed their 2009 shipment levels with refreshed portfolios, leveraging interest in touchscreens, messaging devices, and converged mobile devices."

In Asia/Pacific (excluding Japan), 2009 was relatively flat year on year, marked by a stronger preference for low-cost handsets in China and India as users substituted away from more expensive options under recessionary pressure. However, the Asia/Pacific market saw strong gains in the fourth quarter, reflecting a strong start to recovery. Touchscreen-enabled devices remained a hot segment of the market, helping to drive the demand for converged mobile devices across the region. >>

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## A business case for social software

A lot has happened in a year within the social software and collaboration space. The growing use of platforms such as Twitter and Facebook by business users has resulted in serious enterprise dialogue about procuring social software platforms for businesses. Success in social software and collaboration will be characterised by a concerted and collaborative effort between IT and the business. Research company Gartner offers five key predictions for social software:

By 2014, social networking services will replace e-mail as the primary vehicle for interpersonal communications for 20 per cent of business users.

Greater availability of social networking services both inside and outside the firewall, coupled with changing demographics and work styles will lead 20 per cent of users to make a social network the hub of their business communications. During the next several years, most companies will be building out internal social networks and/or allowing business use of personal social network accounts. Social networking will prove to be more effective than e-mail for certain business activities such as status updates and expertise location.

"The rigid distinction between e-mail and social networks will erode. E-mail will take on many social attributes, such as contact brokering while social networks will develop richer e-mail capabilities," said Matt Cain, research vice president at Gartner.

By 2012, more than 50 per cent of enterprises will use activity streams that include microblogging, but standalone enterprise microblogging will have less than five per cent penetration.

The huge popularity of the consumer-microblogging service Twitter, has led many organisations to look for an "enterprise Twitter" that provides microblogging functionality with more control and security features to support internal use between employees. Enterprise users want to use microblogging for many of the same reasons that consumers do; to share quick insights, to keep up with what colleagues are doing, to get quick answers to questions, and so on.

"However, it will be very difficult for microblogging as a stand-alone function to achieve widespread adoption within the enterprise. Twitter's scale is one of the reasons for its popularity," said Jeffrey Mann, research vice president for Gartner.

By 2013, more than 70 per cent of IT-dominated social media initiatives will fail.

When it comes to collaboration, IT organisations are accustomed to providing a technology platform (such as, e-mail, IM, Web-conferencing) rather than delivering a social solution that targets specific business value. By 2014, IT organisations will struggle with shifting from providing a platform to delivering a solution. This will result in a failure rate of more than 70 per cent in IT-driven social media initiatives. Fifty per cent of business-led social media initiatives will succeed, versus 20 per cent of IT-driven initiatives.

Enterprises will need to develop entirely new skill sets for designing and delivering social media

solutions. Until this happens, failure rates will remain high. A dearth of methods, technologies, and tools will impede the design and delivery of social media solutions in the near term. But long term, enterprises will realise that social media is not a "hit or miss" activity naturally prone to high failure rates, and that a calculated approach to social media solution delivery must be an IT competency.

Within five years, 70 per cent of collaboration and communications applications designed on PCs will be modelled on user experience lessons from smartphone collaboration applications.

As we move toward three billion phones in the world serving the main purpose of providing communications and collaboration anytime, anywhere, Gartner expects more end-users to spend significant time experiencing the collaborative tools on these devices. For some of the world, these will be the first or the only applications they use. The experience with these tools for all who use them will enable the user to handle far more conversations within a given amount of time than their PCs simply because they are easier to use.

"IT organisations should continue to procure leading-edge smartphones for testing and to accumulate knowledge on how the collaboration applications on such devices accomplish business tasks," said Ken Dulaney, a vice president at Gartner.

"As more organisations consider replacing desk phones with cell phones, they may wish to anchor their collaboration tools also on the cell phone."

By the end of 2015, only 25 per cent of enterprises will routinely utilise social network analysis to improve performance and productivity.

Social network analysis is a useful methodology for examining the interaction patterns and information flows that occur among people and groups in an organisation, as well as among business partners and customers. However, when surveys are used for data collection, users may be reluctant to provide accurate responses.

For these reasons, social network analysis will remain an untapped source of insight in most organisations.

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## REVOLVING DOORS

### Connxion restructures for growth

Connxion Ventures has made a number of changes to its executive team and board of directors in order to strengthen the company ahead of some major contracts and to align it for growth.

- Rod Olsen will become non-executive chairman, replacing Ian Smith, who will remain a director.
- Bill Brooks, general manager of Connxion Networks, has been appointed managing director of Connxion ventures and Andrew Phillips, CFO of Connexion Networks, has been appointed finance director of Connexion Ventures. Warren Riddell has resigned as executive director.
- At Connxion Ventures, Cha Loh has been appointed general manager of the company in Australia while Glen Grosic has been appointed general manager for China. Baden Wright, formerly a director of Sonnet, has been appointed director of strategy.

"Connxion is focused on becoming a leading data, networks, payments, and rewards business. There is a well-defined strategy in place to grow these services and deliver an integrated and seamless offering to our customers," Olsen claimed.

### OnCard boosts leadership team

OnCard International, an ASX-listed provider of loyalty, rewards, and payments systems, has appointed Jeff Wilson and Joey Zhang to the positions of group general manager. Wilson will be based in Melbourne and Zhang in Shanghai.

Wilson was most recently with Customers Limited, and has also worked for Lifestyle & Rehab.

Zhang was previously the company's general manager for A/NZ and Shanghai.

### Craig Gob heads Eaton A/NZ

Power management specialist Eaton Corporation has appointed Craig Gob managing director of its electrical business in Australia and New Zealand. He will be based in Sydney. Gob has worked for the company in the US for 15 years, most recently as regional vice president and director of sales in Texas.

### Barnett plugs Bank-in-a-Box

Australian company Rubik Financial has appointed Philip Barnett to lead the sales push for the company's Temenos T24 product. He was previously with Temenos in a number of senior roles, and has also worked in large systems sales positions for Kindle and Misys.

### Industry vet to head legal developer

Stephen Wood has been appointed managing director of Leap Searching, part of legal practice management software developer Leap Legal Software. He will be based in Sydney. With 23-years experience in the ICT industry, Wood has worked for a number of companies, most recently at Optus subsidiary Alphawest, where he was general manager of business solutions.

### Prowse heads DiData division

Peter Prowse has been appointed general manager of data centre solutions at Dimension Data. He was previously with Hewlett-Packard South Pacific, most recently as manager of the director of the network solutions group. In his life before HP, Prowse worked for IT services provider Interim Technology, IBM, and training company Pollak Partners.

Before entering the IT sector in 1994 Prowse worked in the retail banking and insurance sectors.

### Researcher nabs public servant

Industry research company Ovum, a Datamonitor company, has appointed Kevin Noonan research director for the public sector, based in its recently-opened Canberra office.

Noonan worked in public sector IT management for more than 28 years and has since worked as a government analyst.

## Around the Traps

● Teradata has promoted Noel Pettitt to the position of vice president South Asia. He was previously vice president for the company's South Pacific area and will move from Sydney to Singapore to take up his new position.

● Alasdair MacLeod has resigned from the board of REA Group to follow other business directions. He joined the board in February 2003.

● Richard Holcomb has resigned as a non-executive director of small-cap technology developer Mikoh to travel to the US. He had been on the board for more than three years.

● Dynamic Logic, an online research company operated by Millward Brown, has appointed Adam Hayes manager for digital solutions. He was previously with the company's operation in Europe as senior client services manager.