

Rust Report

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

February 12, 2010

THE RUST BUCKET

Blood from a stone

The world is full of cycles. There have been many highs and lows, periods of good times and bad, even apparent cycles of good luck and bad luck. Remember client/server? Decentralising was another, followed by downsizing, which gave birth to outsourcing. Then came e- and, what a ride that has been while CIOs attempt to lay track in front of a runaway train — namely their business units and executive teams.

While economic pressures have put the spotlight on IT savings, the emphasis on strategic management of IT costs and getting value from existing and new IT investments, are of even greater significance. For IT management there is a constant balancing act between cost, quality and risk.

A key dilemma facing many organisations today is how to move forward with new technology when forced to live with existing systems that are firmly embedded in the organisation and are doing an effective job of running the business?

Organisations of all sizes face mounting pressures to boost revenue, increase profits, and keep costs at bay, which result in many cases of having to do more with less and at the same time having to operate more efficiently. Achieving these goals requires making smart, timely decisions-backed by the appropriate data.

In addition, many technology vendors seem to be taking the attitude that once the downturn is over, it will be back to business as usual. Their plans typically consist of re-staffing former positions and restarting the same internal and external programs that were running during the previous economic upturn.

Changes in market dynamics, company resources and previous industry drivers require a regular realignment of vendor product portfolios. Some companies don't seem to have even revisited and reviewed the core assumptions of their product sets to determine market share, margins, maturity, and importantly their contribution to future innovation. The result should be a clear action plan that identifies which products to retire, sell, repackage, reposition, or invest in for further marketplace opportunities.

Competition is fierce, hype is rampant — and then there's the economy. As budgets have tightened and resources grown scarce, there have been other challenges brought about by competitive trends, shifts in consumer desires, swings in markets, significant demographic changes, and the growing challenges and opportunities emerging from globalisation and technological advances. The implications are being felt right across the economy and involve new ways of operating. Today's competitiveness increasingly requires organisations to build distinctive capabilities and at the same time to keep bolstering team spirits and team focus.

— Len Rust RustOz@bigpond.com.au

Peter Kazacos part of Hostech buying spree

Serial IT entrepreneur Peter Kazacos has wiped out any thought that he would hold an IPO for his latest venture — services provider Anittel — by agreeing to sell the company to Melbourne-based Hostech. The purchase was just one of four announced by Hostech this week. The others to enter the Hostech family are Accord Technologies, Axxis, and Aspirence and Hostech will outlay \$A6.9 million in cash and a further \$A6.75 million in shares to complete the four purchases.

ASX-listed Hostech, which was best known as an IP telephony company, has a history of growth through acquisition. Earlier this year it announced deals to buy OfficeLink Plus and 5Star Telecom. In October 2009 it acquired Samsung Communications Australia.

When the latest round of deals are completed Hostech will have two divisions — IT services and a telecommunications business delivering a full suite of voice and data services, explained Campbell Corfe, chairman of Hostech. "These transactions represent a major strategic milestone in the transformation of Hostech into an IT and telecommunications service provider to small and medium businesses around Australia," Corfe added.

Kazacos will become executive chairman of Hostech, and fellow Anittel founder Mark Stead will also join the company's board, along with Telstra executive director Steve McAllister, who has been working closely with the Anittel board. www.hostech.com.au

Yellowfin sells another US licence

Melbourne-based business intelligence specialist Yellowfin has enjoyed a further strong sale in the US with the purchase of an enterprise licence by 360training.com, a provider of online training courses for business professionals. The courses focus on compliance and workforce education.

Last month Yellowfin implemented its BI platform for US payments processing company Century Payments (Rust Report, Jan 2, p1). www.yellowfin.bi

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INSIDER EDITION

Digislide ships first order to S Africa

Adelaide-based projection technology company Digislide has received its first order from the South Africa Community Action Network (SACAN), which works with emergency, security, critical response, and rescue services throughout South Africa. Digislide negotiated an agreement with SACAN late in 2009.

The initial order is for just 500 units, but it is expected that further sales will follow a promotion of the technology at a summit to be held next month.

"We are delighted to be part of the life saving initiatives that SACAN is involved in," said Luceille Outhred, CEO of Digislide. www.digislide.com.au

CargoWise wins logistics company

CargoWise, a multinational developer with Australian roots, has been selected to provide its ediEnterprise system to international logistics company Yusen Air & Sea Service. The system will be used at the heart of the Yusen Navigation System, which is expected to support the company's global business strategies for the next few years, explained Simon Clark, CargoWise business development manager for EMEA.

"The YAS Group goal is to improve process management and operation efficiency," Clark added. www.cargowise.com

ComOps services Virgin Blue

Australian solutions provider ComOps has deployed a Web-based safety, risk, and claims management reporting system for Virgin Blue Airlines. It replaced a manual reporting system that was previously used to store and record compensation claim information for Virgin's workforce of 6000.

The ComOps system now holds every employee claim made over the past nine years with automated features enabling the company to collate end-of-month reports in less than two hours. During 2010 Virgin Blue intends to integrate the ComOps system with its safety department's IT systems to create a seamless occupational health and safety platform. www.comops.com.au

Intermoco backs development

Australian remote metering specialist Intermoco has been selected to provide and manage a utilities solution for a residential development undertaken by Accord Property Group. The five-year contract, valued at \$A2 million, covers electricity, voice communications, and data services to tenants of a development in Preston, Victoria. Intermoco will work on the project with technology partners NEC and Optus.

Ian Kiddle, CEO of Intermoco, explained that the companies will implement an embedded network system, which is an integrated utility management platform that allows tenants to access all their utilities, including water, electricity, voice communications, and data services, from Intermoco as the service provider. "Embedded network systems are now becoming standard installations in the construction of new residential buildings in Australia," Kiddle said. www.intermoco.com.au

ASG powers into big contract

WA-based company ASG Group has been awarded a five-year contract to provide IT services to Western Power Corporation. The deal, valued at \$A35 million, covers provision of a full range of services, including data centre facilities, midrange infrastructure, and network and VoIP managed infrastructure services.

Murray Rosa, ASG's chief officer of sales and strategic operations, said the deal includes ASG's newly launched national data centre facility. "The Data Centre is of major strategic importance in positioning ASG as an industry leader in providing services in areas such as cloud computing, software-as-a-service, shared services, and disaster recovery," Rosa added. www.asggroup.com.au

Amcom cracks big Territory sale

Amcom has been selected to provide high-speed fibre-based telecommunications to the Northern Territory Government under a five-year contract valued at \$A20 million. In order to provide the services the company will extend its existing fibre networks in Darwin and Alice Springs to provide data carriage services to government agencies and schools.

"The additional fibre optic infrastructure to be installed in Darwin and Alice Springs will enable us to leverage other commercial opportunities and introduce new data products for business customers, who to date have had limited access to high-speed fibre services," explained Clive Stein, CEO of Amcom.

"Amcom's new infrastructure will be well positioned to complement the Federal Government's [Black Spot Program] initiative by providing competitive last mile infrastructure," he added. www.amcom.com.au

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INSIDER EDITION

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Integrator takes BMC for clients

iVision, an Australian provider of unified communications solutions, plans to implement BMC's Remedy IT Service Management suite of software to support its managed service customers. The system will support iVision's help desk, maintenance, and advanced managed services, explained Graham Williams, managing director of iVision.

The system will also provide functionality to field service engineers, who will access the system from Blackberry devices via the Mobility for BMC Remedy software from Aeroprise (www.aeroprise.com).

"The new platform will improve on the existing managed services offered as well as enable iVision to provide the value-added managed services their customers are now requiring," Williams said. www.bmc.com

DiData builds biotech know-how

Dimension Data Learning Solutions has agreed to work with the biotechnology industry organisation AusBiotech to deliver project management training to AusBiotech's members. The training course created by DDLS and the association is accredited and cost-effective, claimed Dr Anna Lavelle, CEO of AusBiotech.

"Australian biotechnology is recapitalising and expanding after the global financial crisis and many new and delayed projects are now moving ahead. The availability of this tailored course is very, very timely for our industry," she added. www.ddls.com.au

Orders and Implementations

- NSC Group has deployed a Juniper WAN-acceleration solution for NSW miner Donaldson Coal. The system will enhance file transfers between the head office and four remote sites. www.nsc.net.au
- Computelec has deployed Fortinet's FortiGate and FortiMail appliances to protect the online activities of staff and students of Carey Baptist Grammar School in Melbourne. The school has 2000 students. www.computelec.com.au
- Zavanti has implemented the CentreView dashboard from Corda for Grace Removals. The system will be used to enhance management reporting for management teams around the country. www.zavanti.com

Aussies worth watching

A roundup of companies making waves at home and abroad

- CARADATA develops health informatics software for use in the management and surveillance of sexual health, communicable diseases, HIV/AIDS, Hepatitis C, and family planning clinics. Its Specialised Health Information Planning (SHIP) was developed in partnership with Queensland Health and is used in clinics throughout Australia, New Zealand, Asia, Ireland, and the Caribbean. www.caradata.com
- DEK designs and develops microchip technology for the communications industry. The company designs both ASICs for use in high volume devices such as mobile phones, and field programmable gate arrays (FPGA) through which a single chip can be used in many different applications. One of the company's biggest recent contracts with Ericsson was the ground-up development of components of a distributed central processor system for mobile and fixed line platforms. www.dektech.com.au
- TECHHEAD INTERACTIVE delivers mobile communications and fleet management solutions plus flexible management and support on a range of technology platforms using a framework for providing managed ICT services. The company provides a range of support services to optimise technology investments and maximise the productivity of customers. www.techhead.com.au
- HEARD SYSTEMS has developed a method for diagnosing pregnancy in cows by using a proprietary combination of non-invasive sensors and signal processing to detect foetal heartbeat signals. The technology is suitable for deployment as a handheld device for use in the field, or as part of the equipment on milking stands to access cows while they wait. Heard's products are integrated into farm software and Web-based systems. www.heardsystems.com.au
- ADAPTRA is a project management group offering a range of consulting services, including project management office setup, the evaluation and improvement of existing projects, development of future projects, prioritising the investment of discretionary budgets, and additional business and IT projects. www.adaptra.com.au
- C4 COMMUNICATIONS consists of two businesses — C4 Digital, which specialises in digital strategy and content, Web development and online publishing; and C4 Live, which specialises in visual and experimental communication. www.cfour.com.au



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DEALMAKERS

Qld group bows to SuccessFactors

US business execution specialist SuccessFactors (www.successfactors.com) has agreed to acquire Queensland-based developer Inform Business Impact. Inform, which was once known as Infohrm, focuses on analytics and workforce planning. SuccessFactors will outlay \$US25.5 million in cash plus shares worth about \$US15 million to finance the transaction.

Peter Howes, the founder and CEO of Inform, said the acquisition will allow SuccessFactors to offer business analytics and workforce planning as part of a comprehensive business execution software suite. He insisted it was the complementary nature of the businesses that persuaded him to sell the company. "Acquisition wasn't our goal. In fact, I have never been interested before in being acquired until I saw the strategic fit with SuccessFactors," he claimed. www.informimpact.com

No risk in takeover for Inmatrix

Inmatrix, a Melbourne-based developer of risk analysis and business forecasting solutions, has agreed to be acquired by SunGard, a US provider of software and services for the financial services, higher education, and public service sectors (www.sungard.com). Terms of the deal were not disclosed.

Dale Smorgon, head of business development at Inmatrix, said the company's two products — Optimist, which helps evaluate the credit worthiness of borrowers, and Portfolio Strategist, which helps banks develop a view of their exposure — will complement SunGard's Ambit Risk and Performance solution suite. "SunGard's international reach will help us add greater global scope to a customer base that already includes some of Australia's largest banks," Smorgon said. www.inmatrixinc.com

Civica buys Aussie developer

Management & Executive Software, a provider of budgeting, reporting, and performance management applications for local government, has been acquired by Civica, the Australian subsidiary of UK company Civica Group. MES has a staff of 17 in offices in Sydney and Melbourne, and the two companies have about 30 Australian clients in common, said Matthew Burgess, managing director of MES.

"The combination of our business intelligence applications and Civica's enterprise suite for local government provides the means to help councils improve efficiency and service delivery in all areas," Burgess added. www.mesware.com.au

Solid customer list at Surface debut

Microsoft added some punch to the launch of its Surface table-top computing interface this week by announcing that the system was already being used by ANZ Banking Group and Curtin University. "We've received strong interest from Australian organisations who are looking to embrace the next evolution in computing to engage with their stakeholders and from developers," claimed Tracy Fellows, managing director of Microsoft Australia. www.microsoft.com/australia/

Aussie steps up pace of US training

Village Green Global — a Melbourne-headquartered company with a focus on reducing its clients' environmental impacts — has entered a partnership with the East Los Angeles College to provide rapid training for environmental assessors. The partners will use a train-the-trainer strategy to provide the technicians with the skills needed to fill green jobs in the fast-growing market, explained Village Green's Doug Smith, who will conduct the training. "This partnership . . . realises our vision to help nurture an emerging industry in the US and to make it simple for organisations to become more energy proficient, reduce costs, and create green jobs," Smith said.

The training will be based on Village Green's SmartWeb SaaS software tool and will involve hands-on assessments of businesses, schools, and government buildings. www.villagegreenglobal.com

ICT companies catch Comet grants

Five ICT companies figured in the latest round of Federal Government Commercialising Emerging Technologies grants, which shared \$A774,400 among 11 recipients. www.ausindustry.gov.au

- Imallestate (NSW) received a grant for its Richleads tool that analyses a purchaser's Internet activity to determine his/her expected order;
- Ph.Art Gallery (NSW) for a Web-based digital image management program;
- BusinessHQ (Qld) for its Web-based ISO 9001 toolbox for SMBs;
- Soils Unlocked (SA) for a software tool that interprets soil test data and recommends fertiliser doses; and
- PD Marine (Tas) for a data capture and dissemination system for the marine sector.

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DEAL MAKERS

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Uni commercialises security system

Curtin University has joined forces with Perth-based transit security company Digital Technology International to commercialise a software system that increases security in public spaces. The two have formed a new company — Virtual Observer — to commercialise the software of the same name that was developed by Professor Svetha Venkatesh and Dr Stewart Greenhill of Curtin's Institute of Multi-sensor Processing and Content Analysis.

The system replaces traditional fixed cameras with mobile cameras and sophisticated software that allows for a greater level of coverage and flexibility than traditional static surveillance systems. "The software uses GPS technology to capture the location of the vehicle at a particular time, as it moves around, matching that data with the footage taken by the vehicle's cameras," explained Professor Venkatesh. www.curtin.edu.au

Business Briefs

- Rubik Financial, the Australian developer of the Bank-in-a-box technology platform, has bought a stake of 19.8 per cent in CCK Financial Solutions (www.cck.com.au). CCK is an ASX-listed developer of treasury systems. www.rubik.com.au
- Australian-based corporate administration services provider Computershare has completed the acquisition in the UK of HBOS Employee Equity Solutions from Lloyds Banking Group. www.computershare.com
- Digislide, the Adelaide-based developer of miniature projection technology, has secured Next Byte as the second national retail stockist of its products. The first retail chain to stock the products was the Strathfield group. www.digislide.com.au
- Optimice, a company that provides research and consulting services to help clients improve business relationships, has launched a new "visual markets" approach to market research with a report on the Australasian ICT market. The report identifies more than 500 client organisations and 400 vendors connected through more than 1000 business relationships, explained Dr Laurence Lock Lee, Optimice partner. The report can be purchased from www.visualmarkets.net
- Fluffy Spider Technologies has introduced support for the Google Android platform into the latest version of its FancyPants user interface technology for consumer electronics. "FancyPants 3.0 enables device and application developers to add value to Android without fragmenting this growing market," claimed Robi Karp, CEO of Fluffy Spider. www.fluffyspider.com
- AFCOM, the US-based data centre industry body (www.afcom.com), plans to open chapters in Melbourne, Brisbane, and Sydney this year, supported by an Asia/Pacific regional office that will open in Australia "some time early this year". The only staffer so far is PR consultant Terry Quinn (quinnid@bigpond.com or phone 0439 710 418).

BY ASSOCIATION

Proposed tax credit fails own test

*By Heather Ridout

Ai Group is strongly opposing the Federal Government's draft legislation for a tax credit scheme to replace the longstanding research and development (R&D) tax concession.

Ai Group believes that the changed approach would narrow support for business R&D, removing much of the incentive for industrial R&D. In doing so, it would slow business-led productivity improvements and future economic growth. In particular, there appears to be discrimination against the technology sector that puts at risk the critical innovation necessary for potential productivity gains across the broader industry.

The proposed amendments, as they are currently drafted into legislation, include the augmented feedstock provisions that will unnecessarily exclude a substantial proportion of business expenditure on industrial R&D from eligibility for the tax incentive.

The new requirements replace the current broader requirements for "innovation or technical risk" with demands for "considerable novelty and high levels of technical risk". The measures become increasingly restrictive through the substantial expansion of the exclusions list and a major claw-back in the range of software expenditure that would qualify for the tax credit.

The government claims that the reforms have been aimed at encouraging business to see innovation as a core activity, and help Australian industry reach its full potential as a dynamic, internationally competitive and prosperous nation.

There are aspects of the new credit scheme that Ai Group continues to support, particularly the potential doubling of assistance to small-to-medium-businesses (SMBs).

However, on the basis of the feedback we have received from our members, the much more restrictive approach will reduce the range of expenditure eligible for the tax credit and result in very large reductions in total support for business R&D. Together with the removal of the 175 per cent premium concession, the proposed restrictive approach will go well beyond the government's proposed revenue-neutral objective.

Moreover, this approach requires difficult judgments that will very substantially add to the ongoing complexity of the scheme and add to compliance costs, a particular burden for SMEs. This is in stark contrast to the unsupported claims made by the government that the new scheme would reduce complexity.

In particular, there are mounting fears that the new legislation could cripple local investment in a period when the industry and particularly technology-based start-up businesses and SMBs face a funding drought.

The draft legislation for a tax credit scheme not only appears at odds with the government's recent calls for focus on increasing the growth of productivity. If enacted, it will undermine investments in innovation in a range of areas that are vital to the success of the national broadband network (NBN) and the Digital Dividend. And at a time when the government expects business to be adapting processes and products to the carbon constraint of its proposed emissions trading scheme, an approach to R&D that focuses on research but forgets development is unsound.

* Heather Ridout is chief executive of Ai Group www.aigroup.com.au

RUST e-RESEARCH

Infrastructure management is hot

The negative impact from the economic crisis is almost over for the infrastructure management software market in most countries in the Asia/Pacific region, excluding Japan region (APEJ), according to IDC. Budgets and purse strings have started to loosen again and a rebound is expected in 2010.

IDC expects the infrastructure management software market to experience a 12 per cent year-on-year growth and return to double-digit growth rates during the forecast period up to 2014.

Larger vendors have been leveraging their resources to bridge financial and skills gaps their clients faced in order to help them through the tough times earlier. Now the vendor pipelines have started to look healthier as pent-up demand has started to come through, though cautious spending still remains the call of the day.

Meanwhile, vendors are also gearing up with partner programs and targeted solutions aligned to businesses and industries to ensure they are ready to tap the market growth.

"Business has regained confidence now and we are seeing mission-critical projects and priority projects linked to business needs to lead the way in the infrastructure management software market in APEJ. However, the crisis has modified the manner in which projects are returning. A high focus on business value, return on investment (ROI), and shorter, modular type projects are more typical," said Daphne Chung, research manager of IDC's Asia/Pacific infrastructure software domain research group.

Vendors have also focused on themes such as virtualisation, optimisation and data centres during this time. Chung noted that while mergers and acquisitions have slowed in pace, more strategic partnerships and initiatives such as those created by Cisco, EMC, and VMware have been implemented to target data enters.

The Greater China (GCG) region, South-East Asia, and India, driven by large emerging markets such as China and India are where the key growth opportunities will remain for infrastructure management software in terms of both storage software, and systems and network management software (SNMS). However, while the Australia and New Zealand region market is relatively more mature, it is expected to show good growth, particularly in the storage software markets where growth will be driven by more advanced functionality requirements.

Technology trends in data centres

There is a strong association between application delivery, cloud computing and business agility, according to a Frost & Sullivan survey on behalf of F5 networks. The survey looked at enterprise views of application delivery and cloud computing with respect to business needs as well as their understanding of the technology drivers behind these needs.

CIOs and senior IT decision-makers in Asia/Pacific region recognise the importance of Web applications in driving their businesses, and that their strong recognition of the seriousness of Web-based attacks makes security a top concern, the survey showed. However, it also exposed a need for more awareness of the differences between traditional network-based vulnerabilities versus Web application attacks as there appeared to be some confusion among respondents about the capabilities of network-based firewalls versus Web application firewalls.

Also, the findings revealed a preference for utilising more bandwidth to overcome Web application performance issues. Since adding bandwidth does not overcome latency issues caused by physical distances between source and destination, this potentially means that the prevalent issue of application latency remains unresolved for many enterprises.

Further, the study showed that customers see an important association between cloud computing and business agility, which places an onus on aspiring cloud services providers to assure enterprise-level availability, security, and performance.

"Applications are the lifeblood of enterprises today, and it is essential that decision-makers take the right approach, one that includes creating strategic points of control that give complete visibility. Whether application protection, high availability, or performance, the business objective can only be achieved when the solutions are part of an overall application delivery networking strategy that ensures full visibility and control of end-to-end traffic between users and application servers," said Kurt Hansen, managing director of F5 Networks in A/NZ.

"On the cloud computing front, the study showed that while perception of cloud computing as a business enabler is encouraging, security and access control are key challenges that could affect an enterprise's willingness to embrace cloud computing as a viable business tool in the immediate future."

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RUST eRESEARCH

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Asia/Pacific IT services market

The top 10 Asia/Pacific IT services vendors won 38 per cent share in the Asia/Pacific (excluding Japan) IT services market in 2009, according to Springboard Research. Although IBM was the overall leader in the region, it was only the market share leader for application services. Hewlett-Packard Enterprise Services had the largest market share for infrastructure services and Accenture was the market share leader for consulting.

IBM clearly benefited overall from being ranked number two in both infrastructure services and consulting. Unisys, Fujitsu, and CSC were the other strong performers in the region but their market share is traditionally over-dependent on their infrastructure service portfolio and a limited number of geographies in the region. Korean vendors like Samsung SDS and LG CNS also scored well overall but this was due to their dominance in their home market. Their failure to significantly penetrate outside of Korea highlighted the significant challenge that they face in growing revenue and capability.

"Organisations with a multi-dimensional approach to IT services, a focus on industry-specific solutions, and an ability to transform customers' businesses to keep pace with the market are better placed than any other service provider to overcome challenges that economic downturn throw up," said Sudip Saha, senior analyst at Springboard. "The overall market shows a preference for vendors with an integrated and end-to-end services portfolio and the ability to combine software, hardware, and services."

IBM and HP Enterprise Services are clearly the key leaders in the region. Based on analysis of key parameters including market performance (market share, revenue growth) and growth potential (ability to deliver locally, client base, employee base, offshoring ability and capacity for solution and delivery innovation), IBM scored 7.7 and HP scored 7.5 on a scale of 10. Saha noted that HP marginally lagged behind its global services competitors in application services and in the scale and maturity of its offshoring ability, with the results reflecting this.

"More than ever before, we see the next 12-to-24 months as a particularly pivotal point of transition for the competitive makeup of the IT industry in Asia/Pacific. Current market valuations and company challenges present ripe conditions for strategic acquisitions for astute IT providers," said Phil Hassey, vice president of IT services at Springboard. "In combination with some of the fundamental shifts taking place in technology delivery — with virtualisation, cloud computing, and SaaS most noteworthy among them — it is clear that IT providers need to have a sound active M&A strategy linked with the ability to integrate for long term success."

Set-top roll-out ramps up

Set-top boxes (STBs) are set to reach Asian consumers at an ever-increasing rate, according to market data published by ABI Research. Overall STB shipments in the region, including those for cable, DBS, IPTV, and DTT television services, will approach 111 million in 2014, the culmination of a compound annual growth rate in excess of 12 per cent from 2009 to 2014.

"As in so many other things, China is the powerhouse that is driving STB shipment and revenue numbers in the Asia/Pacific region," said analyst Michael Inouye. "Within China, one of the main sources of STB segment growth is its target of completing the transition to digital cable and terrestrial TV in 2015. While expectations remained mixed about the feasibility of that aim, China appears to be focused on 2015 as an achievable target. That translates to a lot of cable boxes."

While much of the Chinese market demand will be met by domestic vendors, some foreign companies want part of the action. Late last year, for example, Cisco acquired the cable STB unit of Chinese vendor DVN.

In addition the satellite market in India continues to show strong growth potential and while HD services launched in 2009, HD is expected to spread at a relatively slower pace.

Security spending to ramp up

About 40 per cent of businesses will significantly increase their spending on new IT security technologies in 2010, according to two studies by Forrester.

Forty-two per cent of enterprises expected to increase IT security spending on new technologies by five per cent or more this year, and 37 per cent of small and medium-size businesses (SMBs) expected to do the same. Forrester surveyed almost 2200 executives and technology decision-makers.

"As we move out of the recession, we expect to see security investments continue to grow, although the nature of that investment is changing," said Forrester analyst and vice president, Jonathan Penn.

While data security is perennially the largest budget item for IT organisations, the greatest spending increases are in the area of network security, where 40 per cent of enterprises and 36 per cent of SMBs are expected to spend more in 2010.

Interestingly, the new technology trend of utmost concern to IT security professionals was not cloud computing or data virtualisation; it was the consumerisation of IT — the proliferation of consumer devices in the workplace.

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REVOLVING DOORS

Two chiefs better than one for ISS

Perth-based developer ISS Group has separated the roles of managing director and CEO in order to cope with international growth. Both will report to the board of directors. Shane Attwell, the company's founder who was previously both managing director and CEO, will relinquish the position of CEO and day-to-day management of ISS, in order to focus on the longer-term strategic direction of the company. Tony Hanavan has taken over the position of CEO. He has been running the Australian division of ISS Group for two years.

Digislide loses marketing head

Tim English has resigned from his position as chief marketing officer of projection technologies developer Digislide. He was initially employed as a consultant with the company but was appointed marketing manager in 2002 and chief marketing officer early in 2009. The company has not announced a successor.

Razor attracts banking boffin

Razor Risk Technologies has appointed John Goodacre program director, based in the company's Sydney office. He was previously with Westpac, and has also worked for Commonwealth Bank and St George Bank.

To lead growth in North America Razor has appointed Franklin Robinson unit president Americas. He will be based in Razor's New York office. Robinson originally joined the company in the US as a senior risk consultant.

Milestone boosts US presence

Milestone Group, an Australian provider of funds processing and investment analytics software, has appointed Terence Faherty managing director, North America. With investment markets and investment technology experience spanning 20 years in North America, Europe and Asia, Faherty was most recently with IGEFI MultiFonds, prior to which he was with SunGard.

Object promotes Microsoft watcher

With Microsoft's launch of the Surface technology this week Australian company Object Consulting was appointed a Microsoft Surface strategic partner. Treating the relationship seriously, Object Consulting has appointed Chris Seymour to the newly-created position of Microsoft Technology strategist. He has been with the company since 2007.

Feds name commercialisation chiefs

The Federal Government's inaugural Commercialisation Australia Board was named this week by the Innovation Minister Senator Kim Carr. The board will be chaired by Dr Laurie Hammond, a founder and director of iQ Capital Management.

Members of the board are:

- Dr Katherine Woodthorpe, CEO of the Australian Private Equity and Venture Capital Association;
- Dr Susan Pond, former chairman and managing director of Johnson & Johnson Research;
- Dr Bruce Whan, director of Swinburne Knowledge and CEO of Swinburne Ventures;
- Nixon Apple of the Australian Manufacturing Workers Union; and
- Jan Bingley, general manager, IP, licensing, and technology transfer, with CSIRO.

Bargent heads sales for Utilisoft

Jason Bargent has been appointed national sales manager of Utilisoft, which provides energy market integration solutions to gas and electricity companies. Bargent was previously with MYOB's Australia/NZ enterprise division and has also worked for Oracle Australia, Sun Microsystems Australia, and IBM's Professional Services Group.

Around the Traps

- Paul O'Connell has joined Tandberg Data — a supplier of data protection solutions — as channel sales manager for Australia and NZ. He was previously with Westcon and Anixter.
- Videoconferencing company Tandberg has appointed Marco Corrent channel manager for Australia and NZ. He was most recently with Blue Coat Systems, which he joined via its acquisition of Packeteer. He has also worked for Trend Micro, Nortel, and ComTech Communications.
- Andrew Plympton has been appointed non-executive chairman of Swish Group. He is well known for his former role as president of the St Kilda Football Club. Bill Graham has resigned as a non-executive director of Swish.
- Greg Major has been appointed a director of CCK Financial Solutions. He is a banking executive with 17 years experience.