

# Rust Report

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

February 19, 2010

## THE RUST BUCKET

### ICT ups and downs

THE HALF YEAR RESULTS and trading updates for Australian technology stocks have been flowing in for the past week. As indirect costs have been on the rise and the economic pressures increasing, the needs for profitability and cost management have also grown.

Several companies have restructured, others have made acquisitions to make themselves more competitive and to capture more market share in certain segments. Some results came in on or about expectations, but others were below after having been hit by the strong Aussie dollar. Going forward, M&A and new partnering appear on most agendas, and there are widespread concerns about the lack of available talent in some companies. Clearly some of the tech stocks are on the move.

- ASG (ASX: ASZ) reported a net profit increase of 32.5 per cent to \$A6.5 million on revenue that fell 9.3 per cent to \$A58.2 million. Managing director Geoff Lewis said he expects to announce several acquisitions in the year, especially in the SAP space.
- CSG (ASX: CSV) reported a 30 per cent increase in revenue over the first half to \$A111.9 million with net profit up one per cent to \$A12.3 million. Managing director Denis MacKenzie noted that both the IT services and print divisions contributed to the group's growth. CSG acquired Oracle partner Delexian during the year.
- DWS Advanced Business Solutions (ASX: DWS) experienced a 28 per cent increase in net profit to \$A9.2 million; revenue was up 10 per cent to \$A48.12 million. The company acquired Graeme V Jones, which provides DWS with a presence in the SAP and PeopleSoft space, and CFO Lachlan Armstrong said more acquisitions were on the cards.
- INTEGRATED RESEARCH (ASX: IRI) reported that net profit fell six per cent to \$2.7 million on revenue down eight per cent to \$18.1 million. The company reported that revenue derived from its IP telephony was particularly strong during the half year and the sales pipeline was in good shape.
- iSOFT GROUP (ASX: ISF) reported a net profit of \$A4.8M, down 27 per cent. Revenue was down 14 per cent to \$A237 million. Chairman and CEO Gary Cohen noted that currency fluctuations affected the results.
- OAKTON (ASX: OKN) suffered a drop of 4.9 per cent in revenue to \$A93.3 million, while net profit after tax was up 59.2 per cent to \$A10.2 million. Chief executive Neil Wilson said he expected an increased demand for Oakton's services as the Australian economy emerged from the global financial crisis.

Continued on page 2 >>

## Solo LANSA to build on strength in Japan

LANSA, an Australian developer of software tools for IBM environments, has decided to take full advantage of its strengths in the Japanese market by opening its own office there. More than 1200 Japanese organisations have already acquired LANSA licences and the company intends to build on its large installed base and the strong market potential, said Peter Draney, CEO of LANSA.

LANSA first entered the Japanese market through a distributor in 1990 and more recently has been represented through a joint venture, LANSA Japan, which was majority owned by system integrator Neoaxis. The Australian company has now acquired Neoaxis' share in the venture.

Draney said Neoaxis, which has more than 100 LANSA consultants, will continue its LANSA-oriented project activities, and LANSA Japan will continue to support its partners. It also intends to make further investments in Japan, Draney said. "For example, LANSA plans to add further technical resources to the existing in-country team to strengthen localisation and customer support." [www.lansa.com](http://www.lansa.com)

## Alliance extends Bravura offering

Bravura Solutions, an Australian developer of applications for the financial services sector, has extended its offerings through an alliance with British company Calastone, which provides technology allowing the electronic trading of mutual funds. The alliance will provide Bravura's clients with direct connectivity to Calastone's live messaging service and translation network, explained Tony Klim, Bravura's CEO of EMEA.

"We can now provide a cost-effective solution to our clients wishing to connect to the Calastone transaction network, building further on our position as a provider of straight-through processing financial messaging through our Babel software application," Klim added. [www.bravurasolutions.com](http://www.bravurasolutions.com)

### INSIDE THE RUST REPORT

Insider Edition	Page 2
● <a href="#">This week's orders and installations</a>	
Aussies worth watching	Page 3
● <a href="#">Companies making waves at home and abroad</a>	
Deal Makers	Page 4
● <a href="#">Mergers, acquisitions, &amp; funny business</a>	
By Association	Page 5
● <a href="#">Health bill a positive step, says AIIA's Ian Birks</a>	
Rust eResearch	Page 6
● <a href="#">What the analysts said and did this week</a>	
Revolving doors	Page 8
● <a href="#">Who's in work and whose jobs they took</a>	

## INSIDER EDITION

### eServGlobal kicks off with football

eServGlobal, an Australian developer of management solutions for telcos, used the African Cup of Nations as the launch pad for its FlexiContent service on Orange networks. Orange used the service to offer a results and infotainment service that progressively gained 12 Orange affiliates within a month.

Richard Mathews, CEO of eServGlobal, said FlexiContent is a carrier-grade service that uses a rapid application development environment, allowing operators to offer new content and two-way message-based services without set-up costs. "Mobile network operators will be able to generate immediate new revenue from popular events, such as sporting competitions," Mathews said.

"The African Cup of Nations was a successful rehearsal before the big event of the football year. eServGlobal is now preparing for the 2010 FIFA World Cup, which is expected to attract the attention of more than one billion subscribers in June and July this year. FlexiContent with additional assorted service is expected to be extremely popular." Mathews added.

[www.eservglobal.com](http://www.eservglobal.com)

### Objective streamlines UK council

Australian developer Objective Corporation has provided applications to improve the transport, housing, and economic activities of Durham County Council in England. The council's Regeneration and Economic Development Service will implement the uCreate and uEngage applications to streamline the creation of policy documents and improve engagement with the public.

Tony Walls, CEO of Objective, said the council will realise significant benefits, including a substantial reduction in the time taken to write, edit, review, format, update, and publish each document, as well as cost savings in the design process. [www.objective.com](http://www.objective.com)

### NSW takes Aussie library manager

The NSW Adult Migrant Education Service has selected the Libero library management system from Queensland developer Insight Informatics for use in libraries at five of its branches.

The Web-based system will be deployed as a managed application supported by Insight Informatics. When installed at all five branches the system will allow the sharing of resources across all campuses. [www.libero.com.au](http://www.libero.com.au)

### Cable-laying kicks off at Mt Isa

Transmission services provider Nextgen Networks has kicked off the construction of an optic fibre network at Mount Isa in Queensland (Rust Report, Dec 11 2009, p2). The work is being undertaken as part of the Federal Government's Regional Backbone Blackspots Program. The actual cable-laying, which will extend north to Darwin and south to Toowoomba, will be done by Visionstream.

"It is the technical and economic benefits of broadband that will enable a thriving industrial and commercial centre like Mount Isa to participate fully in a national broadband network world," claimed Phil Sykes, managing director of Nextgen Networks.

[www.nextgennetworks.com.au](http://www.nextgennetworks.com.au)

#### RUST BUCKET

Continued from page 1

- PIPE NETWORKS (ASX: PWK) made a net profit of \$A16.6 million after tax, mostly from one-off events in its overseas operation, on a 130 per cent lift in revenue to \$A55.4 million. Chief executive Bevan Slattery said that he expected the cable operation would make a larger contribution to the company's balance sheet over the next six months. Pipe is in the process of being acquired by TPG Telecom — previously SP Telemedia.
- SAI GLOBAL (ASX: SAI) reported a record half year profit after tax of \$A13.7 million representing a 33.2 per cent increase. Revenue increased by 35.9 per cent to \$194 million. CEO, Tony Scotton said the result was strengthened by contributions from a number of recent acquisitions.
- SEEK Limited (ASX: SEK) reported a post tax profit of \$A36.5 million, up 12.6 per cent. Revenue jumped 19 per cent to \$A130.4 million. Joint CEO Paul Basset said the company would benefit as the job ad markets improved along with the company's exposure to structural trends.
- SMS Management & Technology (ASX: SMX) increased net profit after tax by nine per cent to \$13.3 million on revenue that slipped 3.1 per cent to \$A117.1 million. CEO Tom Stianos said recent increasing demand for the company's services had led to a significant improvement in utilisation with its consistent flow through to the bottom line. The company has restarted its 457 Visa program to hire professionals from the UK.

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

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**INSIDER EDITION**

Continued from page 2

**PM-Partners keeps monitor focused**

Facing a barrage of new technologies, media intelligence company Media Monitors has called on technological assistance from project services company PM-Partners. John Croll, CEO of Media Monitors, noted that in the past two years the company has expanded the range and flexibility of its products at a time of unprecedented reconfiguration of the media landscape. Further complexity came when the company made acquisitions offshore.

To help cope with the changes PM-Partners was called in to provide a range of services, including organisational capability development; project governance, consulting, and delivery; and project management education, training, and certification. PM-Partners also provided electronic project management solutions and tools to support new business processes, Croll explained. [www.pm-partners.com.au](http://www.pm-partners.com.au)

**Orders and Implementations**

- PieNetworks has enjoyed success with the first sponsored services contract on its network of Hotspot Webphones in New Zealand. The service allows customers to make telephone calls to a sponsor's call centre or to access the Internet at no charge, explained Campbell Smith, managing director of PieNetworks. [www.pienetworks.com.au](http://www.pienetworks.com.au)
- Australian online marketing agency First Rate has been selected to work on a search engine optimisation program for HotelClub.com, part of US company Orbitz Worldwide. [www.firstrate.com.au](http://www.firstrate.com.au)
- Victorian water services provider South East Water has deployed Open Text's Content Lifecycle Management Services for Microsoft SharePoint. The system is being used to manage about nine million physical and electronic records. [www.opentext.com](http://www.opentext.com)
- New Zealand's Aviation Security Service has selected Dutch company Quintiq to provide an employee scheduling system to help manage operational staff. A single system will be used to cover all Avsec's locations throughout NZ. [www.quintiq.com](http://www.quintiq.com)
- The Perisher ski resort in NSW has deployed application delivery appliances from Californian company Blue Coat Systems to improve the performance of its business applications. [www.bluecoat.com](http://www.bluecoat.com)

**Aussies worth watching****A roundup of companies making waves at home and abroad**

- MAPTEK develops high technology solutions for the mining industry and its products are in use at more than 400 sites in some 60 countries, supported by a worldwide network of 12 offices. Maptek's Vulcan, a 3D mine planning and modelling package, has about 4000 licences in use. Other products are for mine surveys, mine production monitoring and fleet management systems. [www.maptek.com](http://www.maptek.com)
- DIPOLAR specialises in Web survey software and its flagship product Professional Quest is used for the design, distribution, and analysis of Web-based surveys. The software has a number of powerful modules designed for specific survey types. Clients include Coles Myer, CSIRO, Commonwealth Bank, American Red Cross, 3M, eBay, NRMA, RAAF, and the U.S. Department of the Interior. [www.dipolar.com.au](http://www.dipolar.com.au)
- 5 LIMES is an IT consultancy that specialises in the way humans interact with technology provides digital consultancy, architecture, development, and implementation services as well as project managing the delivery of the solutions for medium to large corporations. Clients include Resimac, Australian Wool Innovation, Tourism Australia, Minit and Talent Technologies. [www.5limes.com.au](http://www.5limes.com.au)
- PASSMARK SOFTWARE develops bench marking solutions and provides independent IT consultancy services to clients ranging from government organisations to major IT vendors such as Dell, Intel, Symantec, NASA, and CA. The company also maintains a CPU benchmark Web site <http://cpubenchmark.net/> that provides users with access to results for more than 20,000 systems covering more than 300 different types of CPUs. [www.passmark.com](http://www.passmark.com)
- DECIPHA provides information logistics, which relates to the flow of physical information into and around an organisation. The company was originally a division of Australia Post and has built a knowledge of mailroom operations and the ability to provide an extensive range of associated services, utilising a wide variety of scanning, data capture techniques, and delivery mechanisms to improve the incoming information flow for customers. [www.decipha.com.au](http://www.decipha.com.au)
- ROI.COM. provides search engine optimisation solutions to the small to medium business market and helps organisations increase the traffic, sales, and revenue generated through their Web sites. The company has extensive search engine marketing expertise and has delivered more than 500 Web site marketing projects. [www.roi.com.au](http://www.roi.com.au)

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## DEALMAKERS

### Customer shocks Oakton with claim

Just as it prepared to announce a solid performance in the first six months of the financial year (see page 1) Australian consulting and services provider Oakton received unwanted news with the information that a customer — Tenix Solutions IMES — had not only terminated a contract with Oakton's contracting subsidiary, but was also claiming \$A19.4 million in damages. "Tenix's notice was preceded by the referral to arbitration by Oakton of several disputes arising from the contract," noted Neil Wilson, managing director and CEO of Oakton. "Oakton denies the grounds upon which Tenix has purported to terminate the contract." [www.oakton.com.au](http://www.oakton.com.au)

### Victorian MP spins out of India

A flurry of announcements has accompanied a recent trip to India by John Lenders, the Victorian Minister for Information and Communications Technology. Included were:

- Business Intelligence Technologies, a Victorian data management company, has been awarded a contract to implement a Web-based project management and monitoring system for Indian city council, Bruhat Bengaluru Mahangara Palike. The system will enable the management of more than 22,000 projects for the council. [www.bitanz.com](http://www.bitanz.com);
- Indian services provider Infosys will beef up its Victorian operations and will invest \$A8 million in a data centre to support a range of cloud services. [www.infosys.com](http://www.infosys.com); and
- Software developer Kovair Software will open its Asia/Pacific headquarters in Melbourne. Kovair has also entered an agreement that will make its Global Lifecycle application available for use by students, researchers, and start-up companies at La Trobe University's Technology Infusion Centre. [www.kovair.com](http://www.kovair.com)

### CargoWise wins support in UK

CargoWise, a multinational developer with Australian roots, has been approved as an official partner of UK company Community Network Services (CNS), which provides inventory management and customs clearance to shipping lines, ports, freight forwarders, and haulers.

"The advantages of this partnership will provide our clients with a more robust connection to CNS. The transfer of data is much faster, processing in a few seconds for a round trip rather than taking minutes," explained Daniel Clarke, senior developer of EMEA products for CargoWise. [www.cargowise.com](http://www.cargowise.com)

### Telstra steps up mobile pace

Telstra has had a busy week during which it has collaborated with Taiwanese manufacturer HTC Corporation to launch the HTC Desire smartphone, which is an advanced Android device, and has completed the upgrade of its Next G network with dual carrier technology. The upgrade allows Telstra to send and receive wireless data on two channels simultaneously. [www.telstra.com.au](http://www.telstra.com.au)

### Melbourne attracts IBM research lab

IBM plans to set up a research "collaboratory" — one of only six in the world — in Melbourne to study human disease. The new centre, which will be equipped with high-performance computing systems, including IBM's Blue Gene supercomputer, will be used by scientists from the Victorian Life Sciences Computational Initiative at the University of Melbourne and the IBM Research Computational Biology Centre.

The lab, due to be fully operational this year, will be dedicated to improvements in human health through technology innovation in medical diagnostics, drug discovery, and drug design, underpinned by a deep understanding of disease, claimed Tilak Agerwala, vice president of IBM Research. [www.ibm.com/au/en/](http://www.ibm.com/au/en/)

### Mooter plays with social games

Digital media company Mooter Media has signed a heads of agreement covering joint sales and marketing of games developed by HotShot Media. The interactive online games are built on social gaming and networking together with digital imagery and photography, explained Peter Jermyn, founder of HotShot and recently appointed chairman of Mooter (Rust Report, Dec 4 2009, p8).

Although HotShot was not established until early in 2009 it has established a subsidiary in San Francisco as its major development centre, and opened a marketing and development business in Singapore. "HotShot's objective was to create an online entertainment platform that could transcend the language, economic, cultural, and other boundaries that have traditionally restricted global-scale participation," Jermyn said. [www.hotshotmedia.com](http://www.hotshotmedia.com)

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Continued from page 4

### Centre to tackle comms law

The University of Technology, Sydney, is gearing up to launch next month a non-profit Communications Law Centre. The aim of the centre is to represent the public interest in the media and communications industries, explained its director, Professor Michael Fraser, whose credentials include 21 years as CEO of the Copyright Agency.

"We're on the cusp of a new information economy and we are working out the ground rules now," Fraser explained.

"Whoever controls communications can control the society and the decisions being made are crucial to the maintenance of liberal democracy. The CLC will contribute to the debate and promote policy to serve the public." [www.comslaw.org.au](http://www.comslaw.org.au)

### Village Green starts carbon trades

Village Green Global — a Melbourne-headquartered company with a focus on reducing its clients' environmental impacts — has entered a joint venture with Carbon Credited Farming (CCF) to create a carbon and credit trading desk. CCF is a British company with green oil plantations in Asia and Africa.

The carbon desk will serve as a centre for credit market activities as well as a point of reference for companies to get information and advice about buying carbon and other credits, explained Doug Smith, CEO of Village Green. [www.villagegreenglobal.com](http://www.villagegreenglobal.com)

### Altium leaps into the robotics fray

Altium ([www.altium.com](http://www.altium.com)), an Australian company that develops electronics design software, has thrown its weight behind the FIRST Robotics Competition for young people. Not only is Altium providing all 1800 teams with a licence of its Altium Designer product, it is also supporting the Australian team — the first Australian team ever to enter. The FRC championship will be held in April at Atlanta's Georgia Dome. [www.usfirst.org/roboticsprograms/frc/default.aspx?=966](http://www.usfirst.org/roboticsprograms/frc/default.aspx?=966)

## Business Briefs

- Transition Systems Australia — part of the Transition Systems Group, which has offices throughout South-East Asian and India — has been appointed an Australian distributor of Motorola's wireless networking products and solutions. Transition Systems Australia was formed in 2008 through the acquisition of Unitel. [www.unitel.com.au/](http://www.unitel.com.au/)
- Video conferencing specialist Tandberg has appointed Dimension Data Learning Systems its first authorised training partner in Australia. [www.ddls.com.au](http://www.ddls.com.au)
- Telecom NZ subsidiary APT has launched an ADSL2+ broadband service — 24/7 Unlimited Broadband — that has no download limits. "What we're now launching will change the broadband telco industry in this country," claimed Paul Broad, AAPT's chief executive. [www.aapt.com.au](http://www.aapt.com.au)

BY ASSOCIATION

## Healthcare bill a positive step

By Ian Birks\*

AIIA is a strong supporter of the Healthcare Identifiers Bill, recently tabled in Parliament by Federal Health Minister Nicola Roxon. The aim of the bill is to introduce nationally consistent healthcare identifiers that will improve the accuracy of health records by ensuring that the right information about the right patient goes to the right place.

With a planned implementation date of July 1, the introduction of healthcare identifiers would deliver the foundations for a much wider range of electronic health care initiatives across the sector by supporting information flow between healthcare providers — creating improvements in planning, co-ordination and decision-making at all levels.

E-health strategies have seen a long process of development in Australia, and it is now very important that we act consistently to implement planned activities. Delays in implementing national e-health strategies will only lead to higher costs as these issues are inevitably addressed in the future.

There are no strong arguments against the implementation of the Healthcare Identifiers Bill. Healthcare identifiers contain no clinical information. Clear mechanisms are in place to address privacy concerns.

In fact, NSW alone currently has 20 separate identifiers in place. Eliminating that level of duplication through a single national program that offers consistency at both the federal and state levels is essential if Australia is serious about improving the productivity of the healthcare sector.

The right technology strategies will be critical to improving the efficiency of healthcare on a national scale. Yet the levels of technology investment found in other parts of the Australian economy have not been seen in healthcare. ICT investment across healthcare industry sits at around 1.5 per cent, compared with an average of 2.5 per cent in the wider economy. Moreover, the health sector will be a critical component of Australia's economic growth in the future as we set out to develop a genuine digital economy.

Healthcare already represents around 10 per cent of GDP and is expected to increase this share to between 12 and 15 per cent over the next two decades. Modelling from the Centre for International Economics suggests the industry will grow by close to one per cent following the implementation of genuine broadband in Australia, in the first five or six years alone. And some estimates indicate universal access to 100M-bit/sec broadband infrastructure may reduce the national demand for hospital beds by more than 25 per cent.

Clear-cut figures are not available, but the potential is clear. E-health will be the key driver of future productivity across the healthcare sector, and the healthcare industry is a significant component of our future prosperity in the international economy.

The Healthcare Identifiers Bill is a very positive step towards improving the role of ICT in Australia's healthcare system, strengthening the domestic industry and developing the right foundations for our digital future.

\*Ian Birks is CEO of the Australian Information Industry Association [www.aiia.com.au](http://www.aiia.com.au)

## RUST e-RESEARCH

### The recovery keeps on coming

An ongoing recovery within the Australia/New Zealand (A/NZ) software market will lead to growth above 4.8 per cent in 2010, according to Ovum. Even with such a relatively positive forecast, the market will not see pre-recessionary growth levels until the end of 2012 at the earliest, the company's forecast showed. By the end of the forecast period in 2013, the market will grow to over \$A5.6 billion.

"The A/NZ software market did not suffer a huge drop off in growth during the financial crisis period and these ongoing revenue streams have enabled the major players to be well-positioned for the predicted upturn," said Jens Butler, principal analyst with Ovum.

Even though the A/NZ market tends to contribute only between two per cent and five per cent of most global software organisations' revenues, there is still substantial interest in the region, often as a test-bed for enhancements to products as well as of partner eco-systems.

"A/NZ is currently leading the pack in terms of economic performance and will see further influx of investment going forward, but not reaching pre-recession growth levels before 2012," said Butler.

The recession did impact the IT software market in A/NZ to some extent, but with a large proportion of revenues locked into multi-year deals, this area was less impacted than others. Even with such annuities, the market's growth rate did take a slight hit, but has rebounded on the back of the pent-up demand being released within a number of the key verticals and, as such, this is leading the investment charge into 2010. "Systems infrastructure software will see growth on the back of hardware refreshes and Windows 7 upgrade or replacement programs, and information management demand will continue to grow exponentially," he added.

### Data centres are energy-guzzlers

The data centre co-location and managed hosting services market in Asia/Pacific has been going strong for almost a decade, growing in tandem with the rise in business and Internet subscribers. This growth in Asia/Pacific will continue at a compound annual growth rate of 14.6 per cent (2009-2011) with revenues exceeding \$US10.68 billion by the end of 2011, according to Frost & Sullivan industry analyst, Chengyu Wu.

In Australia and New Zealand, growth will continue at a CAGR of 14.8 per cent (2009-2011) with revenues exceeding \$US587.6 million by the end of 2011.

"Data centre hosting services are a huge, growing business; one that has remained largely insulated from the recession," she said. "As much as two-fifths of a company's total energy consumption is spent on powering data centres, making the cost of maintaining captive data centres highly prohibitive. Real estate, of course, is the other significant cost."

Demand for data centre hosting, Wu added, currently exceeds supply. "In fact, more than 80 per cent of the major data centres in Asia/Pacific are running at close to 90 per cent capacity and space is at a premium."

Recent analysis from Frost & Sullivan found that the market — covering 14 Asia/Pacific countries, including Japan — grossed an estimated \$US8.0 billion in 2009, growing 12.8 per cent year-on-year. Australia and New Zealand grossed an estimated \$US446.3 million in 2009.

Revenues for the Asia/Pacific are expected to rise even higher by 14.7 per cent this year to reach \$US9.18 billion by the end of 2010, and by as much as 16.4 per cent in 2011. Leading data centre hubs in the region are Japan, Australia, Singapore, Hong Kong, and, to a lesser degree, China, India, and Malaysia. The largest of them, Japan, alone accounted for more than 71 per cent (\$US5.7 billion) of the revenues last year.

Much of the growth in most countries is fuelled by strong domestic demand, prompted mainly by government initiatives towards e-governance and e-readiness. Singapore and Hong Kong continue to be prime hubs for regional facilities. "Government-driven investments in next-generation broadband networks, IT infrastructure build-outs, and e-ready nations have created a growing Internet-savvy population that demands rich content, collaboration, and Web applications," Wu explained.

Wu added that the Internet media, telecom and IT industries together account for up to 45 per cent of the demand. These sectors are still growing at a fast pace in almost all Asia/Pacific countries and are expected to continue to be the biggest users of data centre space over the next four to five years.

While the outlook appears highly promising with no lull in demand in sight, data centre operators struggle with the high cost of operations which have increased exponentially in recent times. Power costs can often account for more than 50 per cent of the overall operational expenditure of a data centre, while real estate pricing could also seriously inflate costs.

[Continued on page 7 >](#)

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## RUST eRESEARCH

Continued from page 6

Oddly, in Asia, the larger data centres tend to be based in the most expensive cities — Tokyo, Hong Kong, Singapore, Shanghai, and Sydney.

Adding to the rising OPEX, disruptive technologies also pressure data centre operators into upgrading their facilities continuously to keep pace with evolving technologies. For instance, many data centres have been compelled to upgrade their cooling systems to meet the demand for blade servers, which, while requiring less space, now also consume more energy. It is estimated that nearly two per cent of the world's electricity supply is spent powering data centres.

### Database Technology summersault

For database administrators (DBAs) and those who select and manage database management system technology that is based on conventional row-oriented, disk-based systems that drive queries in a linear fashion, a new generation of DBMS technology is sending a simple, clear message — "everything you know is wrong".

Recent IDC research showed that at the current rate of development and adoption, it is likely that within five years:

- Most data warehouses will be stored in a columnar fashion;
- Most OLTP databases will either be augmented by an in-memory database (IMDB) or reside entirely in memory;
- Most large-scale database servers will achieve horizontal scalability through clustering; and
- Many data collection and reporting problems will be solved with databases that have no formal scheme at all.

"Many of these new systems encourage you to forget disk-based partitioning schemes, indexing strategies, and buffer management, and to embrace a world of large-memory models, many processors with many cores, clustered servers, and highly compressed column-wise storage," said Carl Olofson, research vice president at IDC. "These technologies are no longer on the fringes, used only to solve exotic data warehouse or other intensive number-crunching problems. They are becoming mainstream, and are offered by a wide variety of vendors — some new, some quite familiar — to solve common, real-world data management problems."

To ensure a smooth transition to the next generation of DBMS, vendors should take several steps including:

- Consider problems their products solve today that might be more effectively addressed by these third-generation technologies;
- Develop plans to enhance or evolve their DBMS products to incorporate the technology or functionality they need to address the demands associated with those database workloads they have targeted; and
- Determine whether there are other workloads, and therefore other opportunities, that they do not address today, but that they could address if they develop or acquire third-generation DBMS technology.

### Telcos need more than smartphones

While mobile broadband and smartphones have been a big boon to Australia's mobile operators, which are searching for growth, the decoupling of cost and revenue is forcing them to look for ways to ensure their profitability does not suffer as they continue to drive growth with non-voice services, according to Telsyte.

Although mobile carriers had planned for mobile data increases, the growth magnitude experienced in the past two years has caught many of them off-guard and there are signs Australian mobile networks are struggling to cope. Poor service and negative customer experiences are becoming a real risk to operators as they lead to churn in a cut-throat market.

Carriers also have another reason to worry. Demand for mobile data bandwidth — and thus the cost of delivering services to support it — is rising much faster than revenue. According to Telsyte analysts the cost of delivering mobile data services in Australia in the next five years will grow more than five-fold while revenue will less than double.

"Things are poised to get worse. The increasing availability and affordability of prepaid smartphone and mobile broadband offerings, along with new breeds of mobile Internet devices, will add further load to already-strained networks," said Warren Chaisatien, research director at Telsyte. Practical strategies carriers can deploy to mitigate that impact can be both operational through cost management and customer-facing through new revenue generation, Chaisatien added: "we foresee mobile quality of service (QoS) as a key competitive and differentiating factor in the local market as it allows for many more dimensions to mobile data service provisioning, thus enabling differentiated pricing schemes based not only on download allowances as is the case today, but also on other parameters such as speeds and time of day." Telsyte expects mobile QoS to be heavily trialled by Australian carriers in 2010, with commercialisation commencing next year.

Given that Telstra, Optus, and VHA are still extending capital-intensive 3.5G HSPA networks, implementation of LTE is not expected until 2012 at the earliest.

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## REVOLVING DOORS

### Scully-Power takes interim role

Just two months after joining Australian technology developer Mikoh as group head of strategy and operations, Dr Paul Scully-Power has stepped in as transition CEO. He replaces Matthew Bloomfield, whose contract was not renewed. Bloomfield had been CEO since 2004 (Rust Report, Nov 19 2004, p8).

A statement released by the company said Mikoh will now be restructured as a security solutions company and will focus on the commercialisation of its technology.

Scully-Power has extensive commercial and public sector experience in the US, the UK, Australia, and New Zealand. He was also Australia's first astronaut.

### Kaseya imports sales chief

Betsy Chupek has moved from the US to Sydney to become regional sales manager for the public and private sectors at Kaseya, a US developer of IT systems management software. She was previously a senior executive in the company's office in Washington DC.

### Markinson builds sales team

After expanding into New Zealand, Queensland-based developer Markinson has appointed Peter Moore to the newly created position of Australasian sales manager and Matt Tohill senior account executive for New Zealand.

Moore was previously Australian country manager for ERP supplier HansaWorld, while Tohill was previously business development manager for Avanti Solutions.

### Scan Conversion appoints first GM

Scan Conversion Services, a South Australian scanning and workflow management group, has appointed Steven Todd general manager to help cope with anticipated international growth this year. Todd has held senior positions with British Sugar Group in the UK and with Balfours pie and cake bakery in Australia.

### ComOps names Microster chief

ComOps has appointed Sharon Lowry head of sales for its Microster workforce management division. With a long career in health informatics and the healthcare industries, Lowry was most recently manager of the Asia/Pacific healthcare division of Kronos. She has also worked as senior application consultant with Total Care Technologies in Queensland.

### MYOB fills a brace of positions

Australian developer MYOB has appointed Dominic O'Hanlon chief strategy officer and Simon Raik-Allen chief technology officer.

O'Hanlon was previously a senior vice president of Oracle Corporation. He had joined the US giant after it acquired Australian company RuleBurst Holdings in 2008 (Rust Report, Oct 31 2008, p1).

Raik-Allen has previously worked on the Telstra BigPond News portal Web site and with Sony, AOL, eBay, National Australia Bank, and the Victorian Government.

### Banker joins CSC financial services

Simon Millett has been appointed director of banking within CSC's financial services team. He began his career with 11 years in the Royal Australian Navy, before joining Westpac and later heading banks in Samoa and Papua New Guinea. He then joined Standard Chartered Bank which deployed him in London, Sierra Leone, Nigeria, and, most recently, Singapore.

## Around the Traps

- Marketing services company Epsilon has promoted Michael Kustreba to the position of vice president for Australia and New Zealand. After nine years with the company he was most recently client services director for Australia and NZ.

- Glenn Scown has been promoted to director of Datacom's Queensland business, taking over from Todd Gorsuch, who has been appointed director of Datacom Systems NSW.

- Australian software quality assurance specialist Planit Software Testing has appointed Edgar Smith director of technical testing services. In 1997 Smith was a founder of British software testing consultancy Cresta, which was acquired by SQS in 2006. He stayed with SQS for two years.

- Bill Sanger has joined the Australian operation of Axios Systems as senior account manager in the Sydney office. He was previously with EMC Ionix (formerly Infra) and has also worked for Datawatch in Australia and the UK, and with BMC Software.

- Frank Cooper has been appointed a partner with executive search firm Pact Global, based in Melbourne. He was previously with JSP Associates Executive Search Group.