

Rust Report

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

January 22, 2010

THE RUST BUCKET

Opportunities open

THE HYPER-COMPETITIVE BUSINESS world that is IT is forcing vendors to become more and more innovative in the ways they deliver competitively differentiating worth to their customers. Innovation is also driving industry, drawing in new talent, attracting VC money, and winning fame for its leaders.

Advances in IT technology are producing many changes to our society. These changes have already produced many benefits — and have also raised concerns. Innovation in IT has created jobs, promoted the growth of new markets, and helped to increase Australia's trade and presence world-wide.

Experience suggests, though, that the required policies must be developed through closer consultation between governments, sector leaders, and stakeholders. The arguments for a stronger research base in Australia are well made, particularly with an emphasis on our well qualified people. Attracting investment and improving public policy is now critical. With the continued growth in products and services, organisations at the leading edge of innovation — both sellers and buyers — must successfully integrate many different approaches to gain additional growth across the board.

The services business is now transforming into a solutions business, its challenges often compounded by organisations' increasing complexity. Buyers today are more dispersed, often representing multiple buying centres, from the IT. In addition the buyers themselves have changed, some becoming more sophisticated, others sceptical and risk-averse. They desperately want quick solutions to their business problems, not just technology. Most importantly, they want to work with service and solutions providers that understand their business issues and can offer measurable results.

More feet on the street is not necessarily the answer. In many cases it takes a different sales approach and a new set of skills that fully understand today's buyers. University courses are also being changed, combining computer science courses with other majors such as business, science, or mathematics.

Studies show that the demand for IT people who are business-driven and innovative will only keep increasing. This means that specialist vendors who have the technical skills and the creative vision to create new products, plus industry capabilities, relationship management, and project management skills are essential.

The economics of the IT industry have changed considerably over the last decade, as has the talent pool. Vendors can handle these challenges individually, but in the real world both vendors and user organisations face many, if not all of these challenges, all at once and over and over.

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Aussie gains patent for SMS technology

SMS verification technology developed by Queensland company Bond Wireless has been awarded patents in China, Hong Kong, the US, and Australia. The SMS Authenticate and Verify (SMS AV) technology provides organisations with non-repudiated proof of the parties engaging in a variety of interactions via mobile technology, explained Brett Milne, marketing director of Bond Wireless.

"Mobile interaction with health, education, and commercial applications is fast becoming a normal communications path between organisations and their patients, customers, or clients," Milne noted. "One of the key issues facing these organisations has been the inability of the application to adequately validate that the right person has control of the mobile device before a personal communication can occur. SMS AV solves this problem by managing the authentication and verification process with the mobile user in a simple and cost effective manner."

Milne added that the technology is designed for enterprise applications, providing additional business process security without the need to modify SIM cards, mobile networks, and phones, or the need to create phone-based applications.

The technology is already being used in a number of environments, including in the health and education sectors. www.bondwireless.com

Yellowfin bags big US contract

Melbourne-based business intelligence specialist Yellowfin has entered the new year in style with the implementation of its BI platform for Century Payments, a US company that provides payment processing solutions to small and medium-sized merchants.

The Yellowfin system is being delivered "in the cloud" via Amazon Web services, a spokeswoman explained. It has gone live with 750 users. www.yellowfin.bi

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INSIDER EDITION

ASG scores with WA education

Perth-based IT services provider ASG Group has been awarded a contract extension involving the provision of additional services to the Western Australian Department of Education. The three-year deal is valued at \$A23 million and covers the provision of Oracle applications management, database administration, and server operations for all critical applications, including finance, HR, and payroll, explained Murray Rosa, ASG's chief officer for sales and strategic operations.

Rosa added that under the terms of the contract the department has the discretion to appoint ASG as its key corporate and enterprise applications partner. In such a role ASG would provide additional services for mission-critical systems, including managed and project services, applications support, enhancement and database administration of selected Oracle Stack applications. www.asggroup.com.au

Fintechnix confirms relationship

Fintechnix, a Sydney-based developer of front- and back-office solutions for financial services providers, has extended its relationship with BlueInc, a third-party insurance administrator. BlueInc has been using Fintechnix's OneOffice software for five years, explained Phil Fourie, CEO of Fintechnix.

Under the terms of the new three-year deal between the companies BlueInc will continue to use OneOffice, which provides access to a straight-through processing capability, and there will be opportunities to leverage of the platform to sustain more complex products and benefit types, Fourie claimed. "This is supported by a range of Web access and use of the same component to facilitate processing, be it by someone in the back-office or a customer or adviser." www.fintechnix.com

PieNetworks tests new markets

As it beds down networks of its latest Hotspot Webphones in New Zealand, WA company PieNetworks has also been sending demonstration models to South Africa and Mexico for "potentially large-scale roll-outs". www.pienetworks.com

RUST BUCKET

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The important thing for tech companies to learn this time around is that if information-centric businesses are to survive and thrive into the future where else are they going to look but to more far-reaching uses of IT? Vendors are well advised to get closer to the real process management problems that many organisations need to address in order to get out of the holes that many of them are currently in.

This is a time when tech companies have an opportunity to shine, firstly by showing a genuine interest in the business problems, then by bringing resources to bear to help prospects or customers take a serious look at their implications and the likely consequences to their business.

— Len Rust RustOz@bigpond.com.au

Unisys stays at Qld TAFE

A 12-year relationship between Unisys and TAFE Queensland will continue following the awarding of a new outsourcing contract by the Queensland Department of Education and Training. Under the terms of the deal Unisys will continue to provide IT outsourcing services to all TAFE institutes in the state. The contract has been valued at about \$A41 million over its three-year term with options for two one-year renewals.

Unisys will support about 330 servers and 19,000 desktop systems, manage local and wide area networks, and provide help desk services. In addition, the company plans to introduce new processes and toolsets for service management, service desk, change management, problem management, and asset management, claimed Tony Henshaw, Asia/Pacific vice president of Unisys Global Outsourcing and Infrastructure services. www.unisys.com.au

SAI Global picks Epicor ERP

SAI Global — an Australian company that helps organisations manage risk and achieve compliance — has selected Epicor to provide an ERP system. SAI has expanded rapidly and now runs offices in 25 countries, which it supports with 11 disparate ERP systems. Epicor was selected following the company's decision to standardise on a single ERP platform, explained Craig Charlton, vice president of Epicor's operations in Australia and NZ.

Charlton said SAI plans to roll out the system in phases with a primary focus on its corporate division and a number of its Melbourne-based businesses. It will then be implemented as a global platform. www.epicor.com/australia



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Qld names public safety suppliers

3Com and its Australian partner Communications Design & Management have been awarded a standing offer arrangement to supply enterprise switching hardware, software, and services for Queensland's Public Safety network. The network will provide secure access for Queensland Police, the Department of Justice and Attorney-General, and Queensland Corrective Services.

Under the terms of the SOA, the two companies will provide an MPLS-based network infrastructure together with training, maintenance, and associated services. www.cdm.com.au

Meru scores uni wireless contract

James Cook University in Queensland has elected to implement Meru Networks' 802.11n wireless LANs at its Townsville and Cairns campuses. The systems will be implemented by CCNA, a reseller of Meru's distributor, Wavelink Communications.

When the roll-out of the networks is completed they will provide pervasive wireless network access to 14,500 students and staff, claimed Jonathan Ordman, director of Wavelink. www.wavelink.com.au

Symantec protects shareholder data

Symantec has been selected to provide its data loss prevention solution to Australian-based corporate administration services provider Computershare. The system will be required to protect the confidential records of hundreds of millions of shareholders around the world, explained Stuart Irving, CIO of Computershare. "By implementing the Symantec DLP solution we have reduced both our risk profile and internal and external threats to customer data," Irving added. www.symantec.com

Across the ditch

- NZ energy lines company Unison Networks is to deploy Gentrack's Velocity network billing and CRM solution. www.gentrack.com
- Rental finance company FlexiGroup NZ has had an Avaya enterprise and contact centre telephony system implemented by NSC NZ. www.nsc.net.nz
- Otago University has selected the LogMeIn Rescue product to support students who are logging in remotely. www.logmein.com

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

- eCERTIFY turns the paperwork-driven processing of certificates of origin into an electronic process. Chambers of commerce, exporters, and trade service providers are dumping paperwork processes in favour of the eCert electronic solution. The company has clients in Australia, New Zealand, and the US. www.ecertify.com
- BUZZNUMBERS is a social media intelligence company that offers products and services to harness the business value of social media and the Internet. The company's platform provides monitoring, reporting, analytics, and engagement capabilities for customers in Australia, the Asia/Pacific, Europe, and the US. www.buzznumbers.com.au
- INFRASOFT offers products, services, support, and advice to assist the implementation of high availability infrastructure solutions for online real time transaction systems. The company is Intel's value-added representative for consultancy and support of the Intel SOA Expressway product line in the Australian market. www.infrasoft.com.au
- ZARLOC provides IT support on-site and remotely to businesses, and services IT helpdesk support contracts for medical software. The company's Ross System rostering product was designed for the quick service restaurant industry and is also used in the cafe, hotel, supermarket, and nursing sectors. www.zarloc.com
- SYNENCO is a consultancy that provides a range of operations management and asset optimisation functions, including operational report, real-time performance and reliability monitoring, maintenance and plant modification analysis, and advanced supervisory control and optimisation. The company has developed the SentientSystem that enables organisations to maximise the return on assets; make accurate forward predictions; and extend the life of plant and business control systems. www.synenco.com
- HISEIS builds on the technology and expertise in seismic imaging that has been developed at Curtin's University of Technology Western Australian School of Mines to help companies map ore bodies and plan mining operations. The imaging service has been successfully supplied over a number of years to companies like Rio Tinto, BHP Billiton, Goldfields, Consolidated Minerals, ERA and more. The company's Web site is under development at www.hiseis.com.au

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DEALMAKERS

Iress buys a presence in Asia

Iress, an Australian developer of information systems for stock markets, has begun establishing an Asian presence by acquiring Singaporean developer Sentryi. Andrew Walsh, managing director of Iress, said that Sentryi develops investment planning tools for Asian marketplaces.

"Sentryi's software has multilingual and multi-location capability and is already deployed in three countries where it is used by both tied agency forces and independent planning groups," Walsh added.

"Our immediate starting component for growth will be the existing Sentryi software and the strong relationships already developed by Sentryi with current and potential key customers. Beyond this our goal will be to localise existing software functionality and services available in Iress for the Asian market." www.iress.com.au

Keeling returns to Aust business

Brad Keeling, who shot to notice with the collapse of Australian telco OneTel, has returned to Australia after operating in Finland for several years. His new venture, One Small Planet, is being spun off from Slice Wireless as a "live real-time media management centre".

"It will operate like a call-centre would for voice communications, however, operators will work exclusively with digital media — monitoring, managing, responding to, and reacting to live posts and conversations on live media sites," explained Keeling.

Keeling added that he has been winding down his involvement with Slice's Helsinki companies to spend more time in Australia. Slice Wireless is turning into a holding company, he said. www.slicewireless.com

Powerlan issue pushes ahead

Under siege due to a hostile takeover bid from interests associated with Alpha Growth International (Australia), (Rust Report, Jan 15, p4) Powerlan drew up plans for a rights issue to raise \$A19.2 million.

Announcement of the issue last week triggered a flurry of activity, as a result of which the Takeovers Panel considered a submission by Alpha and on Tuesday ordered that the issue be postponed. On Wednesday the panel revoked its interim ruling, and Powerlan decided to push ahead in line with the original timetable. www.powerlan.com

UK know-how boosts Aussie app

ConverterTechnology — a subsidiary of Powerlan that specialises in file migration technology — has entered a technology alliance with UK company ChangeBase AOK. As a result of the agreement ConverterTechnology will offer ChangeBase's AOK automated application compatibility testing and remediation software.

While ConverterTechnology's OfficeConverter products help companies migrate their files and data to Microsoft Office 2007 and the forthcoming Office 2010, ChangeBase AOK software automates the manual work involved in the testing and packaging of applications when companies upgrade desktop computers to new environments, such as Windows 7, and application virtualisation deployments, explained Rob McWalter, senior vice president of business development for ConverterTechnology.

As part of the deal ConverterTechnology will be the key partner for sales, service and support of the ChangeBase AOK suite of products in North America. www.convertertechnology.com

Techniche buys British

Investment company Techniche has agreed to buy all the shares of British company Urgent Technology, the developer of the eMaintenance asset management software. Urgent was set up by its principal Malcolm Railson in 1997 and has offices in the UK, the US, and India.

Prologic, a Techniche company that provides software solutions and IT consultancy services, was awarded distribution rights to the Urgent products in October 2009. www.prologic.com.au

Feds open defence cyber centre

Defence's Cyber Security Operations Centre in Canberra was formally opened this week by the Minister for Defence, Senator John Faulkner. The centre forms a vital part of a national security initiative, Faulkner said.

"Cyber attacks on government and critical infrastructure constitute a real threat to Australia's national interest," Faulkner said. "The Cyber Security Operations Centre will develop capabilities to gain an edge in the cyber space domain and provide critical understanding of the cyber threat from sophisticated cyber attack," he added. Further information is available from www.dsd.gov.au

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Funds flow into Audinate

Audinate, a company that specialises in digital networking for audio/visual systems, has secured funding of SA4 million through an investment round led by existing investors Starfish Ventures and Innovation Capital.

"Over the past three years Audinate has transformed the way high-quality media networks are deployed by using standards-based IT networking. This investment will allow Audinate to continue to expand our global sales and support organisations and accelerate development efforts to support our rapidly expanding customer base," said Lee Ellison, CEO of Audinate. www.audinate.com

Business Briefs

- Australian developer Bravura Solutions has moved the headquarters for its central and eastern Europe operation to Warsaw. The new premises will house 50 employees who joined the company following its acquisition of the GTAS division of Citi, and will also allow for growth of Bravura's Polish operation, claimed Tony Klim, Bravura's CEO for EMEA. www.bravurasolutions.com

- Red Button, a company formed in 2006 by Professor Reg Coutts and Justin Wearne, has opened an office in Melbourne to house its software development team. "We are aiming to raise our profile over the next few months and Melbourne is home to some of the bigger telecommunications players," Coutts said. The company plans to launch its first product — a platform for the rapid development of telecommunications services — in April 2010. www.redbuttontechnologies.com.au

- Simms International has been awarded distribution rights to a range of portable computer security solutions from UK company IronKey. The products combine a secure flash drive with powerful USB management software, explained Danny Moore, managing director of Simms' Australian operation. www.simms.com.au

- A suite of filtered Internet services for ISPs has been released in Australia by Kiwi company Watchdog International. The Hosted Watchdog Services are cloud-based filtering systems that are claimed to be able to filter customers' connections without the need to install expensive equipment within their networks, claimed Peter Mancner, managing director of Watchdog. www.watchdoginternational.com.au

- ConvergeEx, a US developer of investment technology solutions, has opened an office in Sydney and appointed long-time employee Christ O'Connor head of Australian sales. He was most recently director of European sales for the ConvergeEx Eze Castle software. www.bnyconverge.com

- Singapore Telecommunications has agreed to join a group of telcos that plans to build a new South-East Asia-Japan submarine cable system. Initially linking Singapore, Indonesia, the Philippines, Hong Kong, and Japan, the cable is scheduled to be operational by the second quarter of 2012.

BY ASSOCIATION

R&D, innovation, and the digital economy

By Ian Birks*

ICT has begun to take a front-row seat in government policy and public mind-share over the past two years, and 2010 will be an important time of consolidation and leadership for the industry as we develop the foundations for a genuine digital economy in Australia.

The government is to be applauded for many of the recent initiatives it has put forward in this area.

Some of these principles have been clearly identified and positive programs put in place to support them. Last year the government released an innovation agenda for 2020 — under the banner Powering Ideas — on the back of a detailed report into the state of the Australian innovation system.

A careful balance needs to be struck in the policy environment to achieve the government's goals in these areas. The Tax Laws Amendment (Research and Development) Bill 2010 provides new incentives to replace the existing R&D Tax incentives from July 1 this year and will be an important component of this environment.

Proposed amendments to this legislation will deliver a 45 per cent refundable tax credit to small firms (group turnover less than SA20 million per annum) and a 40 per cent credit to companies with a group turnover more than SA20 million per annum — a plus for claimants who may receive more cash in the long run.

Where the proposed new R&D tax credit falls short is in its failure to address the drivers that will deliver a meaningful and effective program to stimulate R&D in Australian businesses operating in a commercial environment and across a broad range of industry sectors.

This is evident in the revised goals of the legislation to "encourage industry to conduct R&D activities that might otherwise not be conducted because of technical uncertainty, in cases where the knowledge gained is likely to spill-over to the benefit of wider Australian economy".

To any company operating in a dynamic, competitive, consumer-driven market within a global context, this statement falls well short of the mark in describing how R&D decisions are made. Combined with a tightening of eligibility criteria — now requiring R&D to demonstrate both novelty and high technical risk — and a restriction on some elements of software development, it will be very difficult to sustain the level of financial commitment necessary to support effective R&D under the revised legislation as it stands.

This will have a potentially negative impact across the ICT sector, and contradicts the goals identified by Government for the future of the digital economy.

AIIA, leading consulting firms, and a number of AIIA members have submitted comprehensive submissions to Treasury arguing against the proposed R&D changes. The issue highlights an important focus for the ICT industry in 2010: the requirements for a balanced approach to the digital economy across the wider policy environment must be emphasised with a unified voice. AIIA will co-ordinate a whole-of-industry R&D Summit in Sydney on 1 February to begin this process.

*Ian Birks is CEO of the AIIA www.aiia.com.au

RUST e-RESEARCH

CRM budgets to stay tight in 2010

As they move into 2010, contact centre outsourcing providers need to take into account that in-house CRM budgets will remain very tight, according to Ovum. A recent survey of contact centre managers revealed that across North America, Western Europe, Australia, and New Zealand, only one out of five respondents believed that their budgets would grow, with approximately 80 per cent stating that theirs would contract or remain flat.

"This placed tremendous pressure on enterprises that maintained in-house contact centres, as limited cash on hand means that they are unable to invest in new and leading-edge technology, and agent management will be compromised in terms of investing in ongoing training or increased staff incentives," said Peter Ryan, an Ovum analyst. "These will result in the erosion of the end-user relationships over the long-term".

From the perspective of the contact centre outsourcer, this means new contract opportunities with companies looking to maintain or improve customer service levels, but that can only work within limited means. This ties directly with changing priorities among enterprises.

There is a marked trend for enterprises to want to use their contact centres for the purposes of developing more revenue opportunities and end-user loyalty. This is very different from the end of 2008 and start of 2009, at the outset of the recession, during which time companies indicated that the over-riding priority was cost management.

However, enterprises working with outsourcers are aiming to find partners that are not only capable of ensuring strong customer interactions; but of delivering a superior level of service, in which they can excel during calls, to the point that the agents' performance will encourage the end-user to remain with them and to not want to find another provider.

In addition to excellent service levels, enterprises want to engage outsourcers that are able to develop leads on the back of service calls to the extent of converting them into cross-sales/up-sales of other products and services. This will reduce the actual cost of the contact centre as a service, while at the same time increasing overall profitability.

IT spending to rebound in 2010

After a dismal performance in 2009, the technology sector will see a recovery in 2010 as businesses and governments in the US and around the world begin spending again on information technology, according to Forrester Research.

After declining 8.2 per cent in 2009, US IT spending will grow 6.6 per cent in 2010 to \$US568 billion. Global IT spending, which dropped 8.9 per cent last year, will rise 8.1 per cent in 2010 to more than \$US1600 billion. Software and computer hardware will see the greatest growth, with Forrester forecasting a new multi-year cycle of technology investment growth and innovation defined by smart computing.

"The technology downturn of 2008 and 2009 is unofficially over," said Andrew Bartels, Forrester's principal analyst.

"All the pieces are in place for a 2010 tech spending rebound. In the US, the tech recovery will be much stronger than the overall economic recovery, with technology spending growing at more than twice the rate of gross domestic product this year".

With regard to sector growth, hardware and software will lead the charge. Measured in US dollars, global purchases of computer equipment will be up 8.2 per cent, communications equipment buying will rise by 7.6 per cent, software spending will increase by 9.7 per cent, purchases of IT consulting and systems integration services will grow by 6.8 per cent, and IT outsourcing services will be 7.1 per cent higher.

On a regional basis, Europe will be the strongest performing region. Measured in US dollars, the strongest growth in 2010 will be in Western and Central Europe, where tech purchases will rise by 11.2 per cent, boosted by the dollar's decline against the euro. IT purchases in Canada will grow by 9.9 per cent, Asia/Pacific by 7.8 per cent, and Latin America by 7.7 per cent. The weakest market will be Eastern Europe, the Middle East, and Africa, rising by just 2.4 per cent. When measured against local currency, however, the US will actually post the strongest growth of all the regional tech markets.

"We are entering a new six- to seven-year cycle of IT growth and innovation that Forrester calls smart computing," said Bartels. "New technologies of awareness married to advanced business intelligence analytics make computing smart. Smart computing rests on new foundation technologies such as service-oriented architecture, server and storage virtualisation, cloud computing, and unified communications. 2010 marks the beginning of this next phase of technology advancement".

Mobile cloud comes to business

An evolving IT supply chain, business adoption of cloud platforms for IT services, and greater business use of handsets and smartphones are creating new revenue streams for both IT and mobile suppliers serving businesses, according to ABI Research. By 2015, more than 240 million business customers will be leveraging cloud computing services through mobile devices, driving revenues of \$US5.2 billion.

ABI's practice director Dan Shey noted that the immediate opportunity lies in leveraging cloud platforms to develop mobile applications, particularly mobile applications that leverage enterprise data. "Directly and indirectly, Microsoft and Google are major players both influencing and enabling these developments. Mobile operators have the most to gain through offers of cloud services to the enterprise leveraging their networks, application enablement, and data centres".

In the longer term, the expansion of cellular connected devices beyond smartphones and laptops to MIDs, netbooks and smartbooks will further expand use of cloud services.

"The longer term opportunity is in mobile devices accessing IT services from the cloud and paying for access on a per-use basis," said Shey.

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"With the economics of cloud services expanding IT services access to the SMB market, and more cellular connected devices in the market for business customers, enterprise mobile cloud computing services will experience tremendous growth — and become more than just water vapour".

Services laid bare: 2010 forecasts

As the Australian economy is forecast to grow at 3.5 per cent, IDC has predicted an increase in outsourcing projects stemming from cloud computing, which has emerged from a mere catchphrase to be IT's prodigal son.

"Cloud computing represents a new dawn in enterprise computing and business leaders are beginning to ready their companies for the big changes that lie ahead," said Matthew Oostveen, IDC research manager and analyst. "Facilitating this change will be services organisations from consultants to systems integrators."

IDC has predicted a stark increase in the uptake of services originating from server virtualisation and data centre optimisation as organisations look to both consolidate their infrastructure and reduce the operational expenditure.

At the end of a tumultuous year noteworthy for the rise of disruptive technologies and strained economic conditions IDC presented a number of predictions for the 2010 Australian services sector:

1. The economy driving the market: The need to contain costs in 2010 will continue to drive the outsourcing and hosting services market in 2010. IDC believes that Australia is still emerging from the downturn, however, there are positive indicators that an early recovery may ensue. The overall services market will benefit both from cost reduction and operational efficiency measures generated by the difficult economic climate in 2009 and the slow recovery expected in 2010.

2. Positive view on cloud computing: In time, 2009 will be remembered as the year the cloud was seeded. Benefits such as rapid deployment, pay-per-use pricing models, and the latest functionality have roused interest in the concept beyond IT. IDC expects more announcements of contract wins in 2010, which will greatly benefit the system integration community.

3. Server virtualisation services will skyrocket: IDC believes that virtualisation services in Australia will see significant growth in 2010 owing to the growth in the SMB space. Additionally, key vendors of the technology are expected to lock horns in their bid to win over the SMB market.

4. Data centre optimisation services to be a growth area: The Gershon Review recommended de-duplication of data centres and IDC believes this recommendation is a reflection of Australian IT in general. Business and multiple levels of government running multiple data centres will consolidate sites spurring growth in optimisation services.

5. Telcos push their hosted applications and infrastructure plays deeper into IT and the Cloud: IDC expects telecommunications companies to play a significant role in modern IT following huge

investments in data centre assets blurring the line between IT and telecommunication companies. The investment in data-intensive, value-added services is amplified when leveraged with the ownership of the core network and expertise in outsourcing services.

6. Managed security services take on convergence, virtualisation and cloud: IDC sees cloud security as an increasingly important factor in the security space, which will benefit services providers offering integration, consulting, and implementation services.

7. Web 2.0 to re-engineer customer care: The change in the way we consume technology and the rise of Web 2.0 has greatly influenced the ways organisations and individuals approach customer care, with younger generations preferring social networking as a means of a support mechanism.

8. Cost-cutting will force innovations in IT strategy in manufacturing: At a time when trade is decreasing faster than production, manufacturers and their trading partners are earnestly seeking all available means to cut costs and improve efficiency. IDC forecasts that total ICT spending in manufacturing in Australia will grow from \$A4856 million in 2010 to \$A5612.5 million in 2013, achieving a CAGR of 4.9 per cent for the period.

9. NBN to drive project-oriented and consulting work in 2010: The Australian Government's ambitious NBN project will provide a shot in the arm for project management, with a majority of projects seen in system integration, network consulting, and IT consulting. In the coming years, many B2C entities will be thinking about content and application delivery to consumers to enhance their competitive positioning.

10. 2010 will see more business outcome types of services engagements: IDC believes that 2010 will see vendors make the shift in changing the measurement metric from IT outcomes (based on SLAs) to business outcomes that directly impact the top or bottom line. In light of the increased role of the COO and the CFO and in some cases the CEO in the purchasing process, vendors that focus on structuring contracts that incorporate business metrics will drive competitive advantage for themselves in 2010.

The Rust Report

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The Rust Report is published by
Dialog Marketing Services Pty Ltd,
PO Box 437, Roseville, NSW 2069, Australia.

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REVOLVING DOORS

Kiddle takes reins at Intermoco

Ian Kiddle has been appointed CEO of Intermoco following the resignation of Bob Gestro, who will remain with the company as non-executive chairman. Kiddle has been with the company as business development director since April 2009 (Rust Report, May 1 2009, p8).

Bailey to bow out of Photon

Matthew Bailey has announced that he will resign as CEO and a director of Photon Group at the end of June this year. He has been leading the company for six years. Tim Hughes, executive chairman of Photon, said an executive search firm has been engaged to find a replacement for Bailey.

Gamble joins service group board

Experienced executive Neil Gamble has been appointed chairman of the advisory board of project management services provider Protegic. Gamble's varied career includes periods as executive director of companies like Solution 6, Star City Holdings, Australis Media, and Wormald International.

In addition, David Thompson has joined Protegic as general manager of sales and marketing. He was most recently with AXS-One, prior to which he was managing director of start-up company IXOS Software Australia. He has also worked for SAP.

Pronto puts on infrastructure man

Australian ERP developer Pronto Software has appointed Stefan Crisp product manager, infrastructure. Crisp previously worked as a product manager at Agilent Technologies.

Dell boosts SMB, channel teams

Dell has made three appointments to its SMB and channel divisions:

- Jay Turner has been promoted to the position of A/NZ director of channels. He has been with the company for eight years, and earlier worked for Gateway and Tech Pacific.
- Cath Hodgson-Crocker has joined the company as SMB marketing director for Australia and NZ. She was previously with Symantec, most recently as vice president for channel sales in Asia/Pacific.
- After an absence of seven years, James Arnold returns to Dell as country channel manager for New Zealand. He spent the past seven years with Lenovo and IBM in Australia, Taiwan, and New Zealand.

McBride out of SAP

Following a major organisational restructuring of SAP, Geraldine McBride has left the company. She will be replaced as president for Asia/Pacific-Japan by Steve Watts, who has been COO for the region for the past two years.

McBride had been with SAP for about 15 years. She started her career in IT when she took a job with IBM New Zealand in 1985.

Lake boosts sales team

Raymond Lo and Pilvi Carman have joined call centre technology company Lake Corporation as sales executives. Both will be based in Sydney.

Lo has worked in the contact centre arena for Avaya, 3D Networks, and Commander Systems.

Carman has "spent a decade in senior level sales, marketing, and business development roles".

Around the Traps

- Gavin Jarvis has been appointed RSA's channel and program operations manager for Asia/Pacific-Japan. Jarvis, who will be based in Sydney, has been with the company since 2006.
- Simms International has opened a subsidiary in New Zealand with Paul Johnston as managing director. He has previously been CEO of Renaissance Corporation and manager of the graphics division of Datamatic.
- Dimension Data has promoted former national Microsoft practice manager Brian Walshe to general manager for Microsoft solutions. He replaces David Hanrahan, who will lead the company's virtual data centre practice.
- Object Consulting has promoted Michael Coates to the dual roles of principal consultant and product manager — Object Grants. He has been with the company for almost 10 years.
- Adelaide-based Web developer DBG Technologies has appointed Tamara Caire business development manager. She was previously employed by employment placement agency Interwork.
- Mike Webb has been appointed chairman of the IT service management industry association, itSMF Australia. Formerly board secretary, he replaces Peter Cross, who has been elected to the itSMF International executive board. Webb is also executive manager of ICT service management with WA Police.