

Rust Report

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

March 4, 2005

THE RUST BUCKET

Services opportunities

IT HAS BECOME VERY CLEAR that vendors can no longer throw technology at customers and expect them to figure it out more or less on their own. Real solutions require ongoing collaboration between suppliers and buyers.

And the roadmaps for many products don't provide the detail customers and partners need to make good decisions. Customers and partners need multi-year product roadmaps with specifics about what additional capabilities to expect in a product and when to expect them.

The major vendors today are all trying to restore the attractiveness of their product lines and to move more aggressively into the business solution arena. This all requires a greater understanding of the customer's core business issues.

Competitors are buying from each other, and are striking new deals and alliances so they can offer more pieces of the solution. In many ways they are trying to cobble together what IBM has completed already.

Customers are not in the technology business — they want someone to do it all for them — and the answers to most business problems are a lot bigger than one company's offerings. They include hardware, software, integration, services, application development, and knowledge of the organisation's core business. And they are seeking this all from one supplier.

It all begins with a vendor having an intimate knowledge of what the customer is trying to accomplish, not just in terms of IT strategy, but business strategy. They are looking for solution-oriented vendors, not just providers of consulting services and/or technology, but for vendors that can materially improve the effectiveness of their business through the application of technology and process expertise.

To date IBM has been the only hardware company that has successfully built a total services business and become a "solutions integrationist". What started off as an island in 1990 is now an integral part of IBM's Global Services. Several other hardware vendors have attempted to follow suit, but being only a hardware systems outsourcing company doesn't grant immediate access to the solutions club, as several have quickly discovered.

Results rule today. The world of services that started to change in the 1990s has moved on. Increased accountability and the emergence of new players from countries like India are also combining to alter the industry's competitive landscape. Customers have grown increasingly wary of advisers who claim to do and doers who claim to advise. Clients are considerably more discerning and demanding, and their expectations have gone up whilst at the same time they are hoping that their costs will go down.

— Len Rust RustOz@bigpond.com.au

Security specialist buys entry into Asia and the US

Australian identity management specialist Argus Solutions has given itself a firm footing in Singapore, and a strong distributor for the US by acquiring the Asian subsidiary of US company ImageWare Systems (IWS). The deal will enable iris recognition specialist Argus to offer combined biometric and identity card solutions to clients in Asia and the US.

As a result of the deal Argus has acquired an established sales force in Singapore that has already been awarded contracts to supply the governments of Indonesia, Singapore, and Malaysia with drivers licence components, explained Bruce Lyman, CEO of Argus. In addition, IWS will sell Argus products through its offices in the US, Canada, and South America.

"While Argus already has a base in Singapore, this deal gives us immediate exposure and access to a wider range of contracts and market opportunities," Lyman added.

The \$US1.3 million deal involves a small equity swap, and IWS's CEO Jim Miller will join the Argus board. www.argus-solutions.com

ERG rides on Kiwi bus company deal

ASX-listed ticketing systems specialist ERG has been selected as preferred bidder for the supply of a contactless smart card ticketing system for Stagecoach New Zealand. The system will be installed on some 1100 buses in Auckland and Wellington.

Dr Allan Sullivan, CEO of ERG, said the system will go public in the second half of this year and will be expanded in the first half of 2006. "The system has the capability to offer integrated ticketing solutions, which are expected to be rolled out by public transport operators in Wellington and Auckland over the next few years," Sullivan added.

ERG now claims leadership of the NZ smart card ticketing market after previously having installed ticketing systems in Christchurch. www.erggroup.com

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INSIDER EDITION

GMB manages mortgages for trustee

GMB, a Sydney developer of information management systems, has been selected to provide its RecFind-Corporate software to Australian Executor Trustees (AET), which was formerly known as Tower Trust. The software will be used in AET's corporate trust division to track the movements of all mortgage document packets between the company's trustees, mortgage brokers, and solicitors.

A spokesman explained that AET uses the workflow feature of the software to manage the life cycle of the mortgage package. Although the company's trustees will chiefly use RecFind to manage paper records, additional functionality is provided within the system to allow for electronic document management and e-mail management if required, the spokesman added.

The system will initially be installed in the offices of the corporate trust division in Sydney before its use is expanded to include the company's offices in Adelaide. www.gmbsupport.com

InfoComp runs funds for RBC

Australian software developer InfoComp has been awarded a contract to provide its Composer fund administration application to RBC Global Services Australia, a subsidiary of the giant Canadian transaction processing services provider.

"Moving from our inhouse system to a market-leading platform such as InfoComp's Composer provides us with an efficient and scalable solution to meet the expanding needs of our fund management clients," said Alex Muto, managing director of RBC

"We will now be able to configure funds and provide higher quality customised reporting to our clients." www.infocomp.com

NSW Treasury takes SimCorp

NSW Treasury Corporation has gone live with the Dimension portfolio management system from Danish developer SimCorp. The system replaced a suite of inhouse systems.

The new system will be used for pricing, valuation, settlement, and compliance functions for TCorp's internally-managed fixed income portfolios. "Deals are captured straight away and portfolio positions updated automatically in real time," explained Stephen Knight, general manager of TCorp.

"As a result we have the information and the tools to monitor investment and credit exposures continually. By being able to check credit exposures pre-trade we can address compliance issues before they eventuate."

Salmat scores big outsourcing deal

Salmat, an Australian company that is best known for its document delivery services (including junk mail) has been awarded a \$A40 million contract to provide statement-processing services to a "global credit and charge card provider" — which we understand to be American Express. For the five-year term of the contract the services will be provided by Salmat's business process outsourcing division from processing centres in Australia, Hong Kong, and Taiwan.

"This contract sees Salmat providing a true Asia/Pacific distributed processing model, which provides the security and control of central data processing while enabling our new client the opportunity to enjoy the benefits and time advantages associated with decentralised mail production," explained Peter Mattick, joint managing director of Salmat. www.salmat.com.au

W Home accesses 4000 buildings

W Home, the home automation and telecomms access subsidiary of Australian company SkyNetGlobal, has been granted the right to offer its services to up to 4000 residential buildings after entering a master agreement with property manager Prudential Investment Company of Australia.

"The deal is 12 months in the making and represents one of our most significant partnerships to date," noted Anthony Blass, group managing director of SkyNetGlobal. "It is difficult to overstate the importance of a master agreement with Prudential. It not only facilitates our growth, but it also represents a significant entry barrier for potential competitors." www.whome.com.au

NSW roads authority retains Fujitsu

The NSW Roads & Traffic Authority has awarded an extended IT management contract to Fujitsu Australia. The seven-year deal expands on a data centre outsourcing agreement between the two that dates back to 1997.

The new contract calls for Fujitsu to continue to host some 800 corporate applications for the RTA, as well as to become lead IT management provider with responsibility for the technology environment, from data centre to network and registry office operations.

Unisys wins Vic Government deals

Unisys has been awarded managed services contracts with the Victorian Department of Premier and Cabinet and the Department of Treasury and Finance. The combined value of the deals is about \$A12 million over three years.

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Toyota gives green light to ProQuest

US electronic catalogue developer ProQuest has been granted access to vehicle data from Toyota Motor Corporation Australia that will enable it to begin marketing an electronic parts catalogue for Toyota and Lexus vehicles. ProQuest expects to begin marketing the catalogue to Australian dealers within a month.

The ProQuest Toyota EPC is integrated with more than 70 dealer management systems around the world to help streamline workflow in the parts department, a spokesman said. "Proquest and local dealer management system company Reynolds and Reynolds will bring an advanced level of integration to dealers that provides pricing, availability, bin location, and parts searches without leaving the EPC application," the spokesman added.

COMMS BITS**IBA spreads the e-health message**

Australian health systems developer IBA Health is taking part in four broadband HealthConnect trials sponsored by Federal and State Governments around Australia. The aims of the trials are to improve connectivity and information flow to promote professional collaboration between GPs and other health professionals, explained Steve Garrington, CEO of IBA.

The four trials are the Launceston Broadband Project; the North Queensland HealthConnect project, which is centred on Townsville; the Eastern Goldfields Division Broadband project in WA; and the Brisbane Southside HealthConnect trial. "IBA's involvement in these four projects has been to adopt and deliver our applications to the new connected environment," Garrington claimed. www.ibatech.com

Cisco upgrades uni's Malaysian links

Curtin University in WA has upgraded the network connection to its only offshore branch campus, Curtin Sarawak Malaysia, through the installation of Cisco gigabit Ethernet equipment. The networking equipment, installed by Sarawak Information Systems, has increased connectivity speed between the two campuses by a factor of 10, a spokesman claimed. With the new network in place the Malaysian campus plans to install WLAN hotspots and remote virtual private network access.

Aussies worth watching

An ongoing roundup of Australian companies making waves at home and abroad

• **INFOCOMP** has evolved to become a provider of software solutions to the financial services sector from offices in Australia and in the UK. InfoComp's software solutions — Composer (funds administration), Conductor (electronic messaging), Unison (registry processing), and Mentor (portfolio management) — are based on open standards and incorporate products from leading technology suppliers. www.infocomp.com

• **EPHOX** provides companies with content publishing software products specifically aimed at Internet content publishing solutions. The company's technologies have been deployed to a large number of users across large enterprises. Customers include Fortune 500 companies such as Intel, Merrill Lynch and Xerox, plus ninems and Griffith University in Australia. www.ephox.com

• **UNIQUE WORLD** delivers technical and interactive new media solutions to major corporations and government departments. Established in 1999, and with offices in Australia and the US, the company is aiming to generate up to 90 per cent of its software revenue from the US within two years. www.uniqueworld.net

• **AXIOM BUSINESS SYSTEMS** provides a one-stop cemetery management system. The business started with software development in the accounting and financial management sector but in the last five years has turned to specialisation in cemetery management software. Axiom's software is being exported, with strong interest from the US and Asia. www.axiomsystems.com

• **TASKEY** provides software tools that enable companies, teams, and individuals to define and allocate appropriate workflow amongst specific activities to meet strategic goals. The company expanded into the US in 2003 with offices in Houston, Texas. Customers include governments (federal, state and local), defence, engineering and construction, education, distributors and resellers, and professional services. www.taskey.com

• **THOUGHTWEB** has been providing innovative solutions in the corporate, security, and defence industries for almost 25 years, and recently developed and launched a Web site that provides co-ordinated support for the Indian Ocean Tsunami relief effort. THOUGHTWEB has developed and patented a technology in the US and Australia which is based on a combination of "personal agent" software. www.thoughtweb.com

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DEAL MAKERS

US financial group backs DataDot

US credit insurer Life of the South has been appointed a major distributor of asset identification technology from Australian company DataDot. Based in Georgia, Life of the South will distribute DataDot automotive products to its agents and dealers throughout the US, explained Ian Allen, CEO of DataDot.

Each vehicle protected by the DataDot system is registered with a national US crime database and the DataDot program is backed by law enforcement nationally. "The agreement with Life of the South is important for DataDot," Allen said. "Automotive dealers realise the importance of increased theft deterrence for customers and, along with competitive theft warranties, DataDot Deal services offers a value-added competitive offering in this market." www.mdatatech.com

Gates becomes a shining knight

Love him or hate him, Bill Gates is a remarkable man and his many achievements have now been recognised by the Queen of England, who this week dubbed him a Knight Commander of the Most Excellent Order of the British Empire.

The honour was bestowed in recognition of the contributions the world's richest man has made "to improving health and reducing poverty in parts of the British Commonwealth and elsewhere in the developing world, as well for his contribution to enterprise, employment, education, and the voluntary sector in the United Kingdom".

"I am humbled and delighted," the new knight said after the Queen had presented the award during a private ceremony at Buckingham Palace.

Keycorp awarded Chinese licence

Keycorp, an Australian developer of electronic transaction solutions, has been given the green light by the Chinese Government to proceed with its joint venture with Hunan Computer Company. The venture, formed last August (*Rust Report*, Aug 27, 2004, p4), will design and make EFT-POS terminals.

Hyro finalises ISM takeover

Hyro, an ASX-listed provider of interactive sales and marketing solutions, has finalised its agreement to acquire IT services provider ISM Consulting. The deal includes ISM's interests in subsidiaries in Australia and NZ.

ISM has a close relationship with Canadian IT services provider CGI Group, which will be important to Hyro, explained Stephen Porges, chairman of Hyro. "The ongoing relationship with CGI Group brings a source of consulting skills and expertise throughout their global network, but importantly also as an out-sourced build operation in India," Porges noted.

Service Stream mops up Pracom

Service Stream has completed its acquisition of ASX-listed technology services and solutions provider Pracom (*Rust Report*, Jan 21, p4). Pracom will now change its name to Namberry.

Commander teams with big names

Australian telecommunications equipment manufacturer Commander has joined forces with Sophos and Hewlett-Packard to create a low-cost e-mail corporate security solution. The product will be created by combining Sophos' PureMessage anti-spam and anti-virus software with HP ProLiant servers. Commander will provide systems integration services.

"Our small, medium, and large customers have all told us they want to deploy bullet-proof protection for their business-critical e-mail networks," explained Geoff Michael, Commander's national manager, enterprise. "The combination of Sophos' protection with HP's ProLiant servers dishes up an ideal appliance solution that can be rapidly deployed across any environment, automatically updated, and is easily managed." www.commander.com

E-learning group takes finance focus

South Australian e-learning services provider Archer College has merged with the Australian College of Financial Services to provide online training for professionals wanting to update their qualifications. The merged operation will trade in Australia as Archer College and in Asia as The Australian College.

Archer intends to use its scalable e-learning delivery platform to chase new business in Malaysia, China, Canada, the US, the UK, Ireland, and NZ, a spokesman said. www.archercollege.com

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QM TECHNOLOGIES

DEAL MAKERS

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Lateral focus alters after acquisition

Western Australian microelectronics design company Lateral Sands has given itself a new focus that includes its home territory by acquiring its Perth-based competitor SMR Electronics.

"This is an important strategic step for the Lateral Sands Group, which until now has had a North American focus," explained Scott Goodheart, CEO of Lateral Sands. With a broadening of its previous concentration on Silicon Valley, which is home to 90 per cent of its clients, inclusion of SMR's operations will allow Lateral Sands to operate in Australia as well as in the additional markets of Singapore and New Zealand, Goodheart added. www.lateralsands.com

AIIA picks holes in Feds' figures

Federal Government claims that Australian small and medium-sized enterprises (SMEs) are receiving up to 30 per cent of government ICT contracts and that their share is growing have been questioned by the Australian Information Industry Association.

Rob Durie, CEO of the AIIA, said that the government figures were flawed because they resulted from an analysis of the Gazette Publishing System (GaPS), which lists contracts rather than expenditure. "As a result, many of the figures listed in the report vastly understate agency spend," Durie claimed.

"In addition, agencies often do not list all contracts, or leave a significant lag time between the letting of the contract and its listing on GaPS. The incomplete nature of the data means that the figures in the report significantly understate the actual expenditure on ICT, both for individual agencies and the total government spend." Durie said that AIIA considers statistics derived from the Financial Management Information System will provide more accurate views of SME participation. www.aiia.com.au

Telstra sale is the Battle of the Bush

The Federal Government's plan to sell the remainder of Telstra is turning into a somewhat hysterical war of words as it becomes apparent that many of the government's sums are not going to add up.

John Anderson, deputy prime minister and leader of the National Party, expressed his concerns this week about the extent of competition after the sale, and ultimate levels of service bush dwellers can expect. That sent Communications Minister Helen Coonan and Telstra into a press release frenzy. Among other things, Coonan promised that she will soon be making announcements "relating to future-proofing telecommunications services" for the bush.

The simultaneous flood of announcements from Telstra failed to shed further light on the T3 sale, which is beginning to look decidedly unbusinesslike.

— Comms business briefs —

- ★ South Australian ISP Internode has launched ADSL2 broadband services that offer speeds of up to 12M-bits/sec, eight times as fast as Telstra's top ADSL service.
- ★ Telstra has moved to buy a slice of Wi-Fi market share by announcing it will extend its wireless hotspots to provide Internet coverage across the Melbourne and Sydney CBDs.

A CEO told me

Bill Baker, CEO of The Resonance Group, explains how he sells niche products from an Australian base (www.resonancegroup.com)

RUST: Tell us about your company.

BAKER: The Resonance Group was established in 2001 and our aim is be Australia's market leader in IT strategic asset and fleet management for mid-to-large enterprise-sized organisations. We provide scalable, automated software solutions and associated services, including financing, hosting, planning, procurement, and professional services.

Our unified asset management solutions enable organisations to track and manage hardware as well as "soft" asset information, such as licences and leases. These solutions have been further enhanced by the success of Resonance's business partner Opware and its leadership in lifecycle management of servers.

RUST: How is asset management different from asset tracking?

BAKER: Asset management is a high-level process that integrates people, processes, and technologies to maximise end-user productivity, contain costs, and maintain compliance. A successful asset management program, one that delivers detailed reports, helps you maintain existing assets and new assets, and cross-references your financial and contractual documents. It is a decision-making tool that can have an enormous impact on your company in terms of time and money.

For asset management to work, however, you need an asset tracking solution. Only when you have information about your hardware and software assets can you develop a meaningful plan for managing those assets in other ways.

RUST: Describe your core products.

BAKER: We provide full asset management capabilities across all IT environments. Our products include Asset Insight, which automatically discovers very broad and deep information about the IT infrastructure, including hardware, software, configuration files, and network devices. It also monitors software usage, which is critical part of any IT management program.

For example, if companies want to fully examine whether they are paying the right amount in software licensing, it is not enough to know that the licences exist. They need to know what software is actually being used on each desktop versus what is licensed. With this information, companies can avoid overpaying for licences and maintenance on software that's not being used.

Additionally, we have partnered with Isogon and developed an interface to their repository of mainframe software assets. Accordingly, we are able to provide a combined software asset management solution from the mainframe to the PDA.

All products work successfully across all major technology platforms including Unix, Linux and PDAs.

RUST: Who is your typical customer?

BAKER: Depending on the solution, the number of assets under management varies. Worldwide, the smallest customer has about 200 IT assets and the largest customer has more than 200,000 managed assets. These assets include desktops, servers, SNMP-enabled devices, PDAs, printers, or anything else connected to the network.

Rust e-Research Roundup

Call to action for government agility

Australian Governments at all levels are facing societal changes that will put pressure on their abilities to demonstrate leadership and deliver services to voters demanding customer-centred behaviour, according to analysts from Gartner.

"Now's the time to look toward 2020. It's the time to be making the changes required to effectively provide services to the Australian public, which is becoming acutely aware of the growing service delivery gap between government and industry," explained John Kost, Gartner's government managing vice president.

Gartner believes that increasing demands on governments' abilities to respond to unique problems and needs requires real time agility of government processes and leadership.

"Just as customers vote with their wallets, voters cast ballots to show their opinion of the effectiveness of the services they are getting," said Kost.

"Government is an industry where management is selected by its customers, based on performance. The reality is that there is a large disconnect between public and private organisation service responsiveness.

"The world is getting smaller and the disconnect will only become more pronounced as governments are openly scrutinised and the results broadcast on the evening news, Kost said.

Anti-spam market growing worldwide

According to a recent IDC report, worldwide revenue for anti-spam solutions will exceed \$US1.7 billion in 2008, a rapid rise from its \$US300 million in 2003. IDC analysts explained that the evolution of spam from a mere nuisance to an increasingly serious problem is a key driver not only for anti-spam market revenues, but also for innovation and investment in the anti-spam market.

"The spam problem is being brought under control as a direct result of investments in commercial anti-spam solutions during the past two years," said Mark Levitt, research vice president, collaborative computing.

Brian Burke, research manager, security products, added: "Whether the next several years will show continued improvements in the effectiveness, accuracy, and reducing the costs of spam will depend on how quickly and well anti-spam solutions keep up

with the latest spam innovations and are deployed and managed with antivirus as core elements of broader network security solutions." IDC believes anti-spam will continue to converge with overall e-mail content security and estimated that two out of three executives view anti-spam as part of a larger network security solution.

Will malware kill computing culture?

While IDC examined the market opportunities being produced by the rapid increase in spam, a far gloomier view has been adopted by British researcher mi2g. The company's digital risk data indicates that within the coming two years homes and SMEs may be unable to protect themselves from the relentless rise in spam, sophisticated viruses and worms, spyware, manual and automated digital attacks, complex phishing scams, denial of service incidents, and zombie harvesting techniques deployed to create elaborate botnets.

"The standard compendium of anti-virus tool kit, firewall, and patch regime is unlikely to prove adequate, especially for those SME organisations and individuals that can ill afford specialist security expertise for their 24/7 broadband online and wireless connection," a spokesman explained.

"Large corporations and government departments will not be able to stand away from this rising threat as their customers and suppliers come under sustained digital attack, curtail their online transactions, and are unable to meet their obligations."

The Achilles heel for the entire system is the low-end of the market, the analyst said. "The home and SME user base is the weakness being exploited by organised criminals, radicals, and spies."

Mi2g has calculated that the global economic damage from all types of digital risk, including overt and covert digital attacks, malware incidence, phishing scams, distributed denial of service attacks, and spam lay between \$US470 billion and \$US578 billion in 2004.

Data warehouses prone to failure

Data warehouses play a crucial role in the success of business intelligence (BI) programs. However, by 2008 more than 50 per cent of data warehouse projects will have limited acceptance, or will be outright failures, as a result of a lack of attention to data quality issues, according to Gartner.

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RUST e-RESEARCH

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“Many enterprises fail to recognise that they have an issue with data quality. They focus only on identifying, extracting and loading data to the data warehouse, but do not take the time to assess quality,” said Ted Friedman, principal analyst at Gartner. “Consistency and accuracy of data is critical to success with BI, and data quality must be viewed as a business issue and responsibility, not just an IT problem.”

“New federal regulations and corporate governance requirements have greatly increased the pressure for improved data quality. Enterprises must eliminate multiple data silos, assign stewardship to critical data, and implement a process for continuous monitoring and measurement of data quality.”

CIOs interviewed in a recent Gartner survey said that BI implementation will be a significant factor in delivering IT's contribution to business growth. However, most businesses are failing to use BI strategically. Gartner analysts said integration of business and IT requirements is critical to any successful BI strategy.

“India is not the only place to obtain IT talent and it may not be the cheapest, with China emerging as a close competitor”

Frost & Sullivan analyst Jarad Carleton

BI software health in A/P region

Healthy growth for business intelligence (BI) software markets through 2008 across the Asia/Pacific region (excluding Japan) has been forecast by IDC analyst Daphne Chung. BI market opportunities including SMBs and horizontal functional segments, such as end-user query, reporting and analysis (EUQRA). The IDC BI market analysis covers Australia, Hong Kong, India, Korea, Malaysia, the People's Republic of China, Singapore and Taiwan.

Hampered by a lack of awareness, cost and a prolonged uncertain economic climate, the BI market has been experiencing limited growth in recent times. However, as IT infrastructure matures, IDC expects organisations to look to BI to help them respond more efficiently to business changes and needs. Demand for BI software will increase as decision makers in these organisations manage and mine increasingly large amounts of data held within the organisation to support and drive business decisions in order to retain competitive and operational advantage.

IT jobs exported via offshoring

the value of IT jobs exported from the US in 2004 totalled \$US51.6 billion, according to a Frost & Sullivan analysis of the global offshore outsourcing and offshoring of IT jobs. According to the firm, its study is the first to provide hard numbers regarding IT job flows from high-cost countries such as the US, the UK, France, Germany, Japan, and Hong Kong to lower-cost nations, such as Brazil, Mexico, Romania, Poland, Russia, India, Malaysia, and China.

“Our study proves that India is not the only place to obtain IT talent and it may not be the cheapest, with China emerging as a close competitor,” said Frost & Sullivan IT Consulting Analyst Jarad Carleton.

China has created very specific incentives to attract IT jobs from developed countries. A new incentive program called *Five Exception and Five Reduction* will allow companies to get tax breaks as well as free first year rent.

Chinese governmental bodies are also actively promoting specific regions, devoting financial resources to increase the size of the IT labour pool and creating offices that assist foreign businesses in finding qualified IT staff.

Moderate telco growth expected

The global telecommunications industry showed modest growth in 2004, and the growth of its revenue is expected to continue into 2005, according to Insight Research. Worldwide telecommunications services revenue is expected to grow at a compounded annual rate of 5.9 per cent between 2005 and the end of 2010, which reflects the level of sustainable growth enjoyed by the telecom segment prior to the technology bubble of the late 1990s.

While the past few years were brutal for the telecommunications industry, *The 2005 Telecom Industry Review: An Anthology of Market Facts and Forecasts* predicted that worldwide telecommunications industry services revenue will grow from \$US1100 billion in 2005 to \$US1500 billion in 2010, bringing an end to the industry slump. The study noted that telecommunications revenue will be uneven, with North America showing the lowest and Asia-Pacific the highest rate of revenue growth. The study highlighted rapidly growing industry segments such as VoIP, Wi-Fi and streaming media, technological innovations in fibre optics, DWDM and WDM. The market report also looked at changes in telecommunications buying patterns among enterprises that purchase 800 number services, IP PBXs, and private lines.

Aussie IT priorities become clear

The most pressing IT priorities of Australian businesses with between 50 and 400 employees are application upgrades; new business projects; and the backup, recovery, and archiving of data, according to a study conducted by ACA Research for EMC.

In addition, organisations' problems with managing their information are being driven by the need to perform backup and archiving (22 per cent); to handle growing amounts of e-mail (15 per cent); to manage enterprise resource planning (nine per cent); and to store multi-media files and human resources and payroll data (seven per cent each).

Activities including e-commerce, business and Web services, CAD and engineering, database management, supply chain management and logistics, and purchasing and procurement are also driving demand.

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REVOLVING DOORS

Changes at HarvestRoad

Grame Barty is to change roles at Australian e-learning systems developer Harvest Road by relinquishing the title of executive chairman but becoming managing director. In his new role he intends to focus on the company's growing international business.

John McConnell will become non-executive chairman, while Stephen Young has been appointed a non-executive director. Mike Malbourne has resigned from the board after being appointed a director and CEO of Hong Kong company Xcellink International.

Harrison to quit Cellnet

Stephen Harrison has announced that he intends to step down as managing director and director of Cellnet, an ASX-listed provider of distribution and fulfilment services to the telecommunications industry. He had been with the company since its inception in 1992 and will now pursue other business interests, although he will remain associated with Cellnet for a year as a consultant.

Oriel imports COO

Oriel Communications has appointed Yang Lei chief operations officer. He was previously director of product management at Legra Systems in the US, and has also worked for AT&T, Nortel Networks, Enterasys, and Alcatel in the US and Canada. He also worked with the Chinese Ministry of Information Industry as a project engineer on large telecommunications projects in the 1980s.

StorageTek's NZ head

David Tse has been appointed StorageTek's country manager for New Zealand. He will be based in Auckland and will report to Philip Belcher, A/NZ managing director.

Tse was previously managing director of sales and marketing consultancy Voltage, and he has also worked for network integration company Logical, for IBM, and for Eagle Technology.

F5 recruits Cisco man

F5 Networks has recruited Mark Verbloot from Cisco Systems to become systems engineer. He has also worked for Xylan and Arrow Point Communications.

Mel Slater to leave NICTA

Dr Mel Slater plans to leave the National ICT Australia laboratory at the end of May. He was founding CEO of NICTA, which was formed almost two years ago, and said he is leaving for personal reasons. He will return to the US.

Dr David Skellern has been appointed deputy CEO and after May 31 will become interim CEO until a permanent CEO is appointed.

Fujitsu boosts consulting

Martin North has been appointed general manager of Fujitsu Consulting, which was formed by the merging of Fujitsu's strategic consulting unit and management consulting groups. The new structure will open for business on April 1.

North was previously Fujitsu's general manager of strategic consulting, and has also worked for Booz Allen, Andersen Consulting, and CSC Index.

✦ After 18 years with NCR, Michael Inge has joined Fujitsu Australia as general manager for Victoria.

Deloitte boosts consulting

Peter Bars and Stephen Armytage have been appointed partners in Deloitte's consulting division.

Bars, who will join the CIO services team, was previously with Gartner Australasia and has also worked for KPMG and Coopers & Lybrand.

Armytage has been promoted to the position of partner in the firm's Canberra office. He has been with Deloitte since 2002.

— Around the traps —

⇔ **San Fernando** has joined **EMC** as national product manager for Australia and NZ. He was previously a strategic consultant for EMC and had previously worked for **Veritas**, **ANZ**, **TenFour Systems**, and **Control Data**.

⇔ **Keith Flanagan** has been appointed southern region sales manager of **Verint Systems**, a supplier of software solutions for communications interception. He has previously worked with **Touchbase**, **Sirius** and **Lucent**.

⇔ **Stephen Rorie** has been appointed CFO of **Volante Group**. He has worked for **Mirvac**, **Parbury**, and **Pacific Dunlop**.