

A Hard Act to Follow

The Human Side of the ERP Market in 2008

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Every year The Economist magazine produces a guide to the year ahead, which includes predictions on the movement of key economies, developments in the international political scene and innovations in technology. Given the daunting scope of the task and the capacity of fate to wrong-foot even the most seasoned and intelligent futurologist, it's amazing just how often their predictions become fact. So, inspired by their example we have decided to follow in their footsteps in 2008 and try to provide a guide to the human resource aspect of ERP in the year ahead.

The aim of this guide is to identify what will be the 'hot' areas of ERP in some of the key markets around the world and what opportunities these will create for Oracle specialists and their employers in the coming months. We'll also look at what skill-sets are likely to be most in demand and how this will impact on pay and benefits. Whether our predictions will turn out to be quite as accurate as those of The Economist remains to be seen, but with more years of ERP recruitment experience between us than we'd like to admit to, we think we've very likely got a better chance than most of getting it right.

However there's an old adage which says that you can't tell where you are going until you know where you are, so let's begin with a quick look through the rear view mirror at 2007.

Across continental Europe, the market for Oracle specialists in 2007 was generally

more healthy than it had been in 2006 as a raft of business wins led to new projects and contracts. In Western Europe both contractors and permanent staff benefited from this upturn, particularly in such mature markets as France, Italy, Switzerland and the Netherlands. However it was in Eastern Europe that a really visible 'boom' came about as the environment moved from its early hesitancy to an enthusiastic embrace of ERP technology in both the private and public sectors.

Unfortunately here in the UK the overall picture was somewhat less rosy. The surge of implementations and roll-outs in the public arena which had kept many ERP contractors in well-paid work for several years finally slowed and the emphasis shifted from new projects to maintenance and support. As a result the employment market moved in emphasis from contract to permanent roles as organisations

sought the (possibly illusory) security and financial savings of payroll-based staff. There was a definite feeling throughout the year that organisations considering new projects had adopted a 'wait and see' approach, gathering information on developments and products and services but showing a marked reluctance to take the plunge and actually commission them. The lack of clarity as to exactly what Oracle was planning for PeopleSoft and JD Edwards obviously didn't help resolve this and neither did the sub-prime fiasco which put paid to any plans that large investment banks might have had for large scale projects.

2007 was also a year when the UK government ramped up its long-standing commitment to making life for self-employed contractors ever more difficult and unpleasant. Many of those who had taken refuge in 'umbrella' companies in the wake of IR35 found themselves under fire in the first half of the year as HMRC launched an overhaul of these vehicles, whilst husband and wife companies which had been sharing dividends for maximum tax benefit had an uncomfortable wait for final victory in the seemingly endless Arctic Systems case.

So where do we go from here? The good news for everyone involved in the Oracle arena is that there are signs that the 'wait and see' period discussed earlier is coming to an end. There are, for example, continuing reports of new licence purchases and consultancy wins which will translate into more project work as 2008 develops. Consequently, whilst the current concentration on permanent positions is likely to dominate up until the mid point of the year, expect the number of contract positions at all levels to rise steadily in the second half. In continental Europe we expect a steady flow of work within the public sector as several European governments become more Oracle focused. In the UK, however this is most unlikely to be mirrored as major projects in areas such as the MOD and the NHS grind to a halt and the whole of the ERP industry will consequently need to come to terms with the fact that it's now definitely time to find new, if decidedly more challenging markets. This acceptance that the private sector may hold the key to the future seems to have now been expected by all





the major players. Therefore expect an increasing focus on this area and intensive competition for new work throughout 2008 and into 2009.

2008 is also likely to be the year when emerging markets take on ever growing importance to both contractors and permanent employees. The new economic powerhouses of China and India are obvious examples, but also expect to see more activity in Russia, Turkey and several of the states of the Middle East, particularly the UAE.

ERP specialists with an eye to the future will already have spotted the accelerating trend towards service oriented architecture in a wide range of organisations. No longer content to simply buy a whole package from one supplier, customers are now more interested in cherry-picking the best features from competing providers, resulting in initiatives such as Oracle's Integration Architecture for SAP, launched at last autumn's OpenWorld Conference. Look out for a whole new generation of contractors as a result of such initiatives as businesses and public bodies look for individuals with experience of successfully bolting these bespoke systems together and increasing charge-out rates to match this demand.

Forward thinking ERP professionals will also be taking a strategic approach to skills development and, in 2008 will start to think seriously about an event that is still likely to be several years away – the launch of Oracle Fusion. When this is actually going to happen is still up for debate and, given the roll-back of the dates for closure on JD Edwards and PeopleSoft is likely to remain so for some time to come. At the same time there are plenty of doom-sayers about forecasting that the whole thing could end up being a damp squib. However, our own sources tend to suggest that Fusion could be very big indeed and those ERP specialists who have already

managed to gain access to its development have been extremely impressed. The lesson seems to be a simple one – if you can find some way to get experience of Fusion, even in its most embryonic form, then grab the opportunity with both hands.

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So will 2008 really be much different to 2007 for the average Oracle specialist? If your skill set is light or you have specialised narrowly in a sector, such as investment banking that is more exposed than others to the effects of the ‘credit crunch’ than, yes, 2008 could be more challenging than its predecessor. Or for that matter if the whole UK economy falls off a cliff – as one of our clients, Paul Gillott of HRMS consultancy, Symatrix neatly puts it, “It’s all down to the confidence of the man and woman in the street.” But otherwise, for the majority of professionals within the arena the answer is very likely no. The whole ERP sector will continue to feature in the much touted ‘war for talent’ and good people with a consistent record of delivery will continue to be in demand, both in the UK and across all other key markets. In the UK itself, the pressure engendered by staff shortages may be alleviated slightly by the new points system for non-EU migrants, but it is unlikely to produce queues of unemployed Oracle specialists at Jobcentres anytime soon. What will continue to change in 2008, however, is the way that they find and remain in work.

The ability to sell yourself, to network, both in person and virtually, and to build ongoing relationships with past and potential clients and recruitment consultants will grow in importance. And, perhaps most important of all, savvy ERP specialists will get the message that technical knowledge is only one part of their toolbag. What clients will increasingly look for in coming years will be individuals who can communicate effectively with non-IT managers and professionals and who instinctively understand the context in which systems and packages operate and how they can make an organisation more profitable or more cost effective.

About the Author



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The firm works with individuals and organisations on permanent and contract assignments, both across UK and in key markets around the globe such as the Middle East and continental Europe.

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