



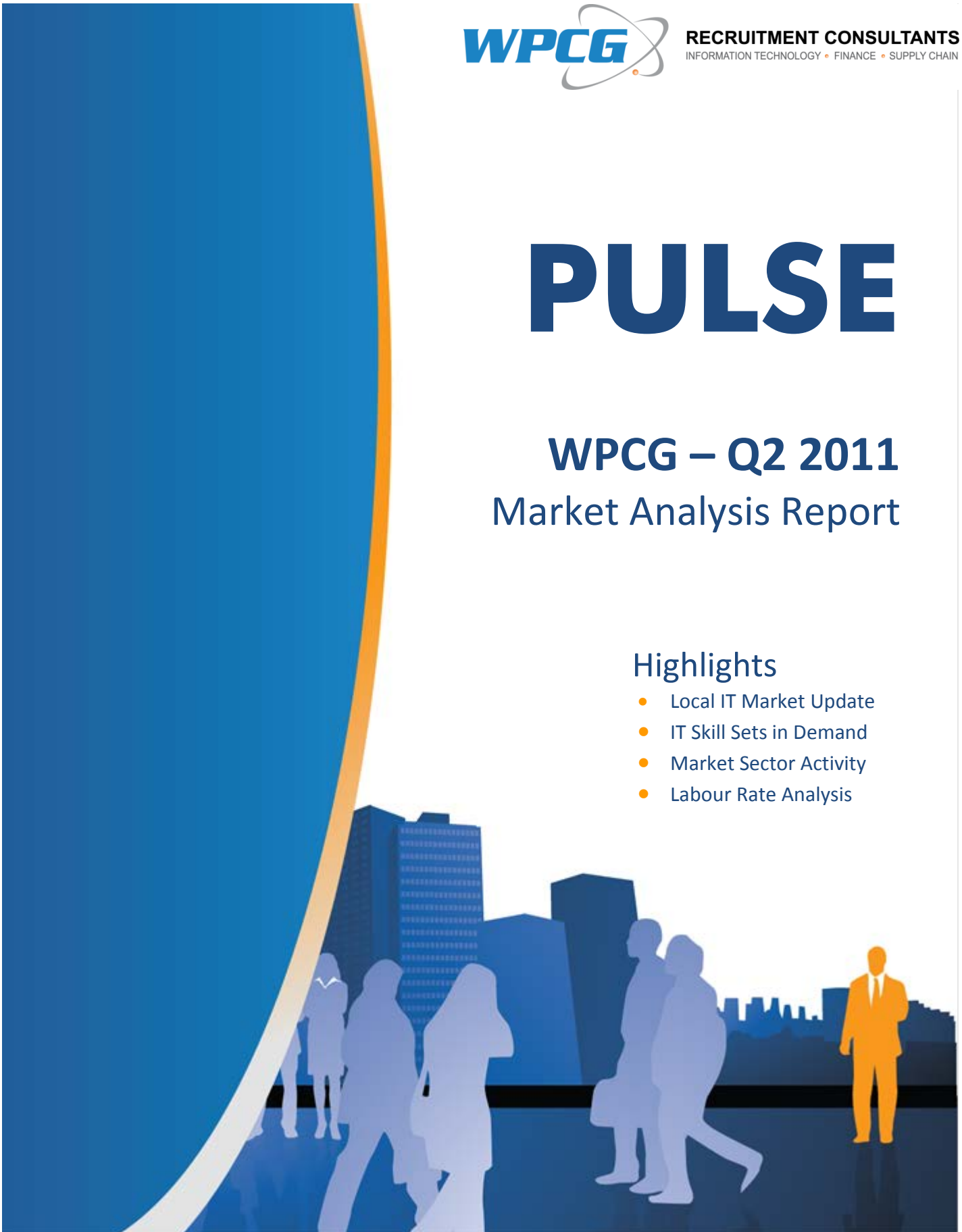
RECRUITMENT CONSULTANTS
INFORMATION TECHNOLOGY • FINANCE • SUPPLY CHAIN

PULSE

WPCG – Q2 2011 Market Analysis Report

Highlights

- Local IT Market Update
- IT Skill Sets in Demand
- Market Sector Activity
- Labour Rate Analysis

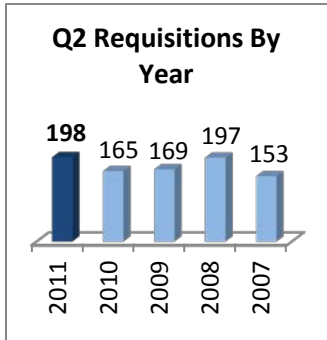


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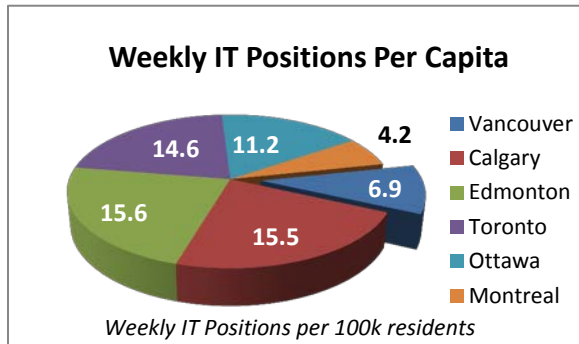
Market Update

As we move forward into the third quarter of 2011, WPCG has taken the time to analyze the local IT labour market performance over the past three months. As we reported in Q1, there was a notable increase in activity in Q2 2011 as compared to recent years. Market activity was recorded at 12% higher than the past five years' average.



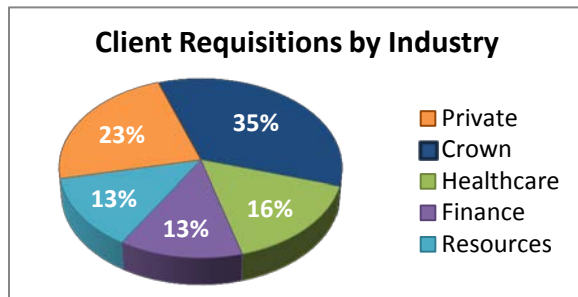
We have also experienced an overall decline of 8.2% in market activity in Q2 over Q1. This decline is typical of the summer months, so it is important to note that by all measures, the local IT market has been steadily improving since 2009.

While Vancouver led the nation's rebound from the recession of 2009, the local market is now lagging behind the national average for new IT placements. Despite Vancouver's strong head start, Calgary, Edmonton, Toronto and Ottawa have all surpassed our growth. When comparing new job creation per capita among the 6 largest Canadian cities, Vancouver is



ranked fifth, producing an average of just 174 IT positions per week, only surpassing Montreal.

When comparing employment activity across various sectors in the local market, we have identified a steady decline in activity among Crown Corporations and Agencies, as predicted over the past two quarters. The healthcare sector has ramped up substantially over recent quarters, and is responsible for 16% of the market activity in Q2.



While Q1 saw the launch of many new projects and initiatives—driving much of the demand for IT professionals—Q2 was largely driven by the sustainment and maintenance of existing projects. We have noted some exceptions, including new software implementations and integrations, but even among this group many of the new projects are for upgrading existing systems.

Although we have monitored many trends, there are several that have stood out this past quarter. Vancouver IT employers tend to move in similar circles, with several organizations launching parallel initiatives simultaneously.

A certain amount of commonality in hiring practices can be expected, particularly as organizations start to recognize the value of a



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particular tool, technology, or methodology. While the benefits are clear (E.g. easier access to planning resources, potential volume discounts, etc.) there is an inherent risk of inflating demand for trending skill sets, creating upward pressure on consultant rates.

As an example, in recent weeks we have noted a demand in a number of organizations for PeopleSoft professionals, after having gone for several months without any demand at all. Where previously organizations may have had easy access to top talent, today they face an increased risk of losing the best people for their projects to other teams. Similarly, we have seen a steady increase in rates for top SharePoint professionals as project demand outstrips availability of qualified candidates. Based on WPCG polls, we anticipate that the demand for cloud computing and virtualization professionals will follow a similar pattern.

Forecasted Trends and Initiatives

By all accounts, the pace we recognized last quarter will likely carry forward through Q3 as well. We anticipate the growth within the private sector to increase sharply over the upcoming months due to several factors:

- Increasing commodity prices are driving revenues for organizations in the resource sector, where employers will be investing in IT to support their top-line growth.
- As mobile and tablet-based applications become ubiquitous for the major financial institutions, credit unions and other organizations providing financial services will launch similar projects to keep pace.
- Across the board, we anticipate an increase in demand for permanent hires, as contract

rates respond to the increased demand for strong consultants.

- Crown Corporations have reported increased budget restraint that is affecting in-flight project timelines, and delaying several new projects.
- Public sector budgets may be affected by the upcoming Provincial election, which is typically marked by reallocation of funds to high-visibility projects; primarily in emergency services, healthcare and education.

Impact on our Clients

Vancouver maintains a notoriously high cost of living, regularly competing as one of the most expensive cities in Canada, and has the dubious honour of the [most expensive real estate in North America](#).

Local consultant fees and annual salaries further exacerbate this situation, as consultants and employees in other Canadian cities consistently enjoy higher fees.

The ever-increasing availability of higher-paying positions in less expensive cities all across Canada is now having a significant impact on the local market. As a result, fewer out-of-town candidates are willing to consider opportunities in Vancouver, and top local talent are being drawn to opportunities outside the province. This extra-provincial pressure is, in turn, increasing the competition among local organizations for the best hires.

Considering that attrition typically costs an organization 18 months' salary for each professional who leaves, we are encouraging local businesses to promote their differentiating

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factors effectively to attract potential new hires, but also to develop and maintain retention strategies to reduce attrition.

Retention Strategies

Typically, there are a number of common factors that can affect your rate of attrition, particularly in times of high market activity, as we're currently experiencing. Knowing where to start can be a daunting task, but here are some suggestions to counter the most common reasons we hear for departure:



Career Opportunity and Growth



Typically, the first reason people cite for leaving a position is a lack of advancement or challenges. In order to attract and retain top talent, companies need to provide room for growth, opportunity and improvement. It is the same traits that motivate your top team members to excel in their work that will drive them to seek out growth opportunities in other jobs.

We advise each of our clients to actively encourage growth from within, and provide training and mentorship to those seeking advancement on a career path, but who may currently lack the required skills. Clearly define the opportunities that the employee may pursue, and similarly define the requisite skills that they must attain in order to rise to the challenge.

Clear Communication

It is important to clearly communicate goals, roles and responsibilities to team members. Ambiguity results in confusion, dissatisfaction, and disengagement. Instead, set expectations, provide constructive feedback. Praise a job well done. Demonstrate a team member's value by listening to their concerns, ideas and other feedback. If you encourage an honest and respectful exchange of ideas, you should expect engagement to follow.



Flexibility and Work/Life Balance



Work/Life balance isn't just a catchphrase, and organizations need to recognize its importance. People don't necessarily expect the in-office perks that so many dot-com companies flaunted before the bubble burst, but offering some extra flexibility will pay dividends in employee engagement. Some examples might include:

- Permitting flexible work hours, as long as core hours are maintained
- Telecommuting as schedules will allow, while identifying a reasonable time split and clearly setting policy for meetings and other onsite requirements
- Allowing and encouraging your employees to have fun at work as appropriate
- Facilitating (or sponsoring) out-of-work events to celebrate milestones and special dates
- Coordinating community involvement with a local charity or non-profit organization

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The Elephant in the Room: Rates



In typical situations, salary or contract rate is not the leading contributing factor in someone's decision to leave a company, but the bottom line carries much more weight in the current market. Throughout the downturn of 2009 and the gradual rebound of 2010, employees and consultants have recognized the need to lower their hourly rate or salary expectations, sacrifice benefits, or shoulder additional responsibilities and provide greater value to justify higher rates.

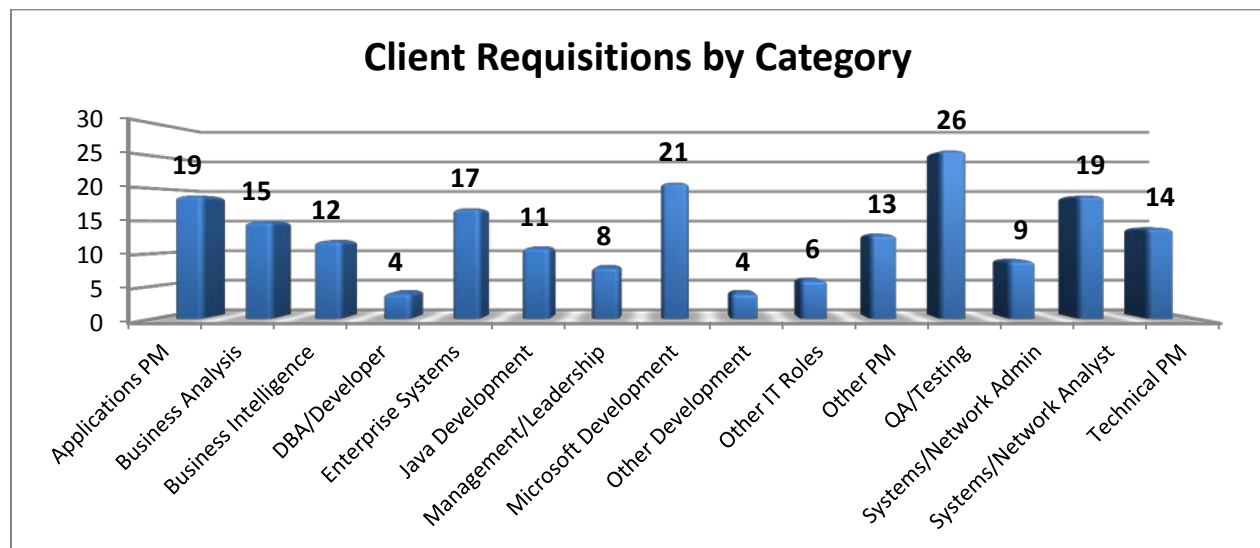
Now that the market has rebounded so dramatically, it is important for employers to match the market growth with increased rates. Organizations where increased salaries and

hourly rates are not possible will need to consider offering additional benefits in order to stay competitive as the market continues to surge. In order to provide financial incentives without the upfront costs associated with increased salaries, employers could consider implementing uncapped bonus structures that are tied to both company and personal performance, alongside an attractive and competitive benefits package.

As demand increases for top talent, we're encouraging local employers to review and assess current retention strategies. Recognizing and showing appreciation for employee loyalty through new retention strategies may give pause to team members who may be considering other opportunities.

Q2 Demand Metrics

Organizations from every sector have engaged with WPCOG to help provide candidates for a total of 198 positions. This represents a 20% increase in activity over this time last year. These roles are broken down by job categories and are based on core deliverables:





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Q2 Supply Metrics

In order to aid our clients in project budget preparation, we have included the following chart outlining permanent annual salary information that we have tracked for this quarter. Please note that this information represents the aggregate data from WPCG’s successful placements.

Category	Lowest Salary	Highest Salary	Average Salary	Average Level of Experience
Architecture	\$90,000	\$90,000	\$90,000	16 years
Business Analysis/Consulting	\$60,000	\$83,000	\$73,000	10 years
Business Intelligence	\$73,000	\$73,000	\$73,000	15 years
Applications Development	\$60,000	\$82,500	\$71,400	12 years
Enterprise Systems (ERP/CRM)	-	-	-	18 years
Network/Systems	\$48,000	\$80,000	\$59,500	9 years
Project Management	-	-	-	15 years
QA/Testing	\$60,000	\$60,000	\$60,000	10 years

About WPCG Pulse

As always, our goal is to provide you with the most relevant information possible to help you make informed placement decisions. Data used in the preparation of this document has been collected through extensive research and analysis of local market trends and activity. We collect data on WPCG requisitions, projects, competing opportunities, and other relevant market research. While we will often compare our results with national studies, our mission is to gather data here in the Lower Mainland.

Please speak with any of our recruitment consultants to learn more, or to provide any feedback that would help us to strengthen this market analysis and provide additional value.

For more information about WPCG, or to see the roles we are currently recruiting for, please visit our website at www.wpcg.ca or simply scan this code with any QR reader equipped smartphone.



Engage with us online through your favourite Social Media site. We welcome the conversation!



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