



ScotlandIS

Scottish Technology Industry Survey 2008

Market reflections on the
Scottish Technology Industry

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Acknowledgements

ScotlandIS would like to extend sincere thanks to everyone who took part in this year's Scottish Technology Industry Survey, providing a measure of the industry's health at the beginning of 2008.

The Scottish ICT industry is an important element of the Scottish economy. Extremely valuable in its own right, it underpins innovation, competitiveness and service throughout the Scottish economy, and is one of the keys to improving productivity.

Software, telecomms and ICT services employ more than 105,000 people in Scotland; approximately 60,000 are employed directly in the supply side of the industry, with the balance undertaking expert ICT functions within other industries.

There are more than one thousand Scottish based businesses supplying software, telecomms and IT products and services, at home and abroad, from world class solutions for major corporations to specialist products enabling smaller businesses to improve productivity and reach global markets.

In addition the in-house development of expert solutions (or "own account" software) by many leading companies, for example in the Financial Services industry, helps to maintain their international competitiveness, and to deepen the skills base available to the wider industry.

This year's survey reflects a degree of quiet optimism across the industry, with steady growth anticipated.

This report analyses the survey data by industry characteristics, business dynamics, market forecasts, and employment and skills factors.

The survey analysis was undertaken by ScotlandIS, with statistical expertise provided by 9-20 recruitment. We are particularly grateful to 9-20 recruitment for their continued support for the Survey.

I very much hope you find the report useful. Please do contact us if you have any questions or would like further information.

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Table of Contents

Executive Summary	02
Our Sample	04
Reflections On the Past Year	07
Approaching 2008	09
Challenges for 2008	13
Market Insight	20
Reflections & Outlook	21
Technology Market Viewpoint	22
Employment Market Viewpoint	23
About This Survey	24

Executive Summary

After a buoyant 2007 we look at the challenges and future plans for 2008 through the third Scottish Technology report carried out by ScotlandIS in January/February 2008.

The Technology Industry Survey is undertaken to gauge the health of the industry, identify areas of strength and key markets, and understand the constraints businesses face. Respondents represent a broad cross sample of the industry, in terms of size, speciality and markets.

The report examines a number of industry characteristics, and analyses anticipated performance during the year ahead. Whilst the predictions for 2008 vary from company to company, overall the outlook for the industry in Scotland remains optimistic, and there are a number of common trends.

The survey is circulated widely within the industry and to policy makers and IT directors.

Business Trends

The last two years have seen significant growth for many businesses. We asked respondents to comment on their actual performance against last year's forecasts, and to provide their predictions for 2008.

This year's forecasts indicate continuing growth, although at a slower pace, with financial services, professional services, and the public sector all expected to continue to invest substantially in ICT solutions. This matches market reports from leading analysts.

Constraints

We asked respondents to identify those factors which they anticipated would constrain growth in 2008. Once again access to people is the main constraint; key roles continue to be in short supply and salary levels continue to rise. Respondents also highlighted the need for more office space, with 40% indicating they are likely to consider larger premises.

Impact on Employment

Respondents were asked for their predictions regarding employee numbers. Not surprisingly bearing in mind the forecast growth in sales, most companies also predict growth in employee numbers.

86% of respondent companies expect to increase their total number of employees, up 6% on 2007.

Looking at the UK as a whole in 2007, permanent jobs were up 17% on 2006, and were higher than in any year since 2001. Similarly contract jobs rose over the year by around the same amount (15%). Scotland followed this trend and in places almost doubled the UK results.*

*Source: Computer Weekly.

Skills

Skills continue to be a challenge with good sales skills in particularly short supply. The technical skill sets in most demand for 2008 remain much the same as 2007 with C#, .net and web development skills still hot property; however the need for new business development skills is once again evident, mirroring the demand noted in 2006.

Growth Approach

This year's forecasts indicate continuing growth, although at a slower pace, with 85% of respondents predicting sales growth and 86% predicting growth in staff numbers. The most optimistic proved again to be Small to Medium sized (SME) companies.

Summary

Overall the survey results reflect quiet confidence in the Scottish Technology Market this year. This is supported by market analysts predictions of steady growth across many markets, although less dramatic than in previous years.

The results of the last three years, reflected in the Scottish Technology Industry surveys 2006-2008 provide a strong foundation from which to tackle the challenges facing the industry and to support the development of new business.

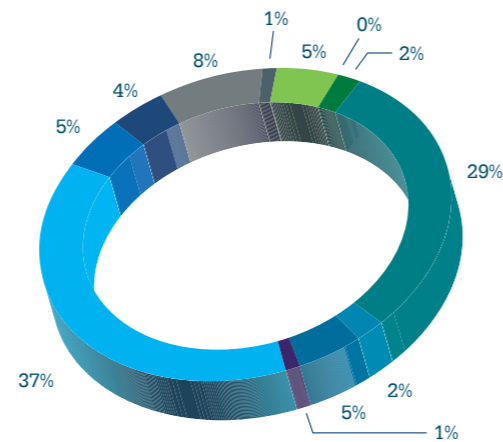
Our Sample

Respondents provided information about themselves including the location of their company headquarters, company size, year of formation, source of capital, and areas of expertise.

Location of Company Headquarters

82% of our 2008 respondents have their headquarters in Scotland, with 70% located in the Central Belt, which corresponds broadly with wider data we hold for the industry. A full breakdown of our respondents' company headquarters location is shown opposite:

% Breakdown of Respondents' Location

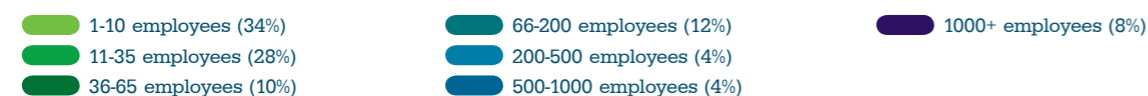
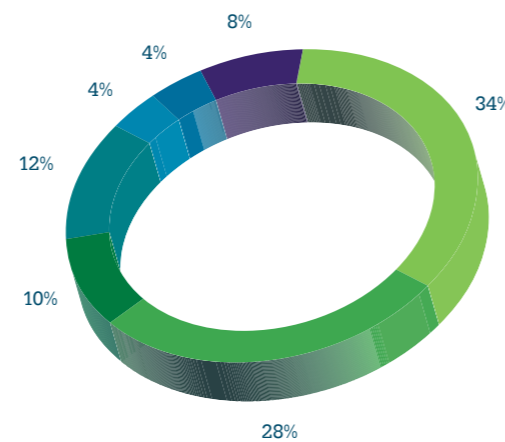


Company Size

Our sample is broadly representative of the wider industry and reflects its shape and the distribution of employment. Small and medium sized companies (SME's) form the vast majority (84%). Of these, three quarters have less than 35 employees.

Large and very large companies made up a significant 16% of respondents. A number of recent acquisitions across the industry have led to some of the bigger SME's who responded in previous years now forming part of much larger companies, and this is reflected in their responses.

% Breakdown of Company Size

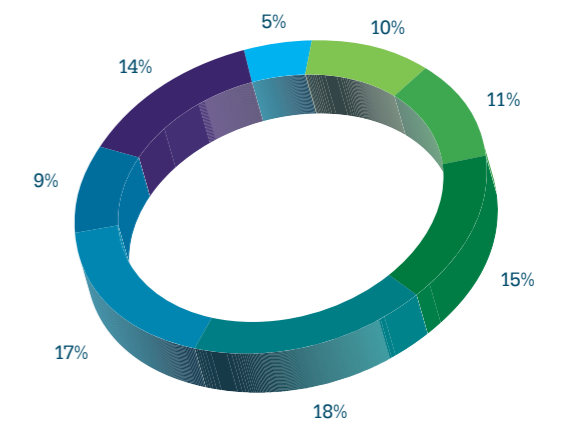


Year Company Was Formed

This relatively "young" industry was mirrored in the range of responses, reflecting both recent start ups with 5% formed in 2006 & 2007, and well established companies with 10% formed before 1983. 45% of respondent companies have been formed since 2000, which suggests a continuing healthy start up rate.

(Prior to 2000, year on year start up rates averaged 30%+ reflecting the low barriers to market entry and the increasing demand for technology solutions and services.)

% Breakdown of Company Age

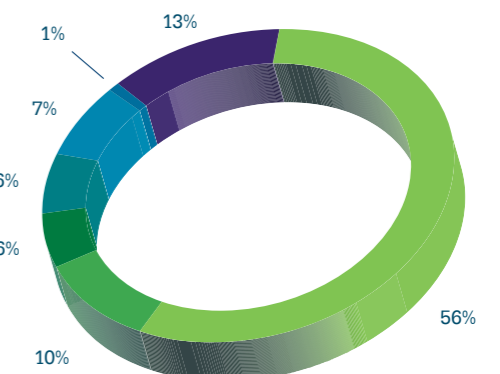


Company Funding

The sources of capital identified by the survey respondents are typical of the industry as a whole. Most services companies are funded through a combination of founders' capital and retained profits. Product companies generally need external funding and those companies going for significant growth e.g. through opening up international markets, may need external finance to fund the step change in working capital levels this requires.

Capital for the majority (56%) of respondents companies is privately financed. A mix of Business Angel/Bank/Loan Funding was reported by 13% of respondents.

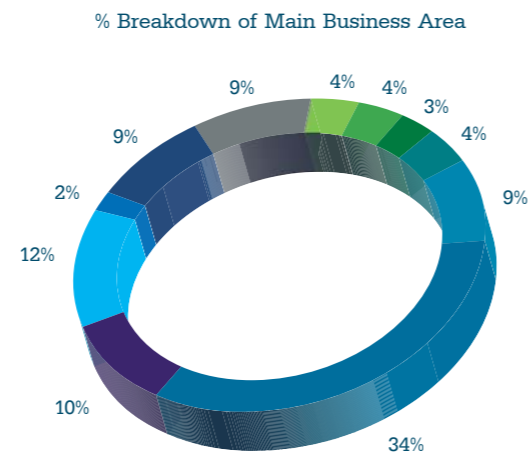
Sources of Capital



Primary Business Areas

Sub dividing the industry into categories by Primary Business Area is relatively difficult, as many businesses undertake a range of activities. Respondents were therefore asked to choose their primary area of business, from a broadly based range of categories. The four leading categories by size are:

- Software Solutions & Services (34%),
- IT Business consultancy (12%),
- E-Commerce & Web Development (10%), and
- Application Development (9%)



Reflections on The Past Year

The 2007 Technology Industry Survey reflected a buoyant industry, forecasting a positive outlook for the year ahead. 90% of respondents predicted growth in Scotland and across the UK, with particular increases in energy and utilities, financial services, professional services and the public sector.

For 2008, respondents provided feedback on how accurate these predictions were in terms of the actual growth in sales and profitability they had achieved, the geographical location of this growth and their main operational sectors.

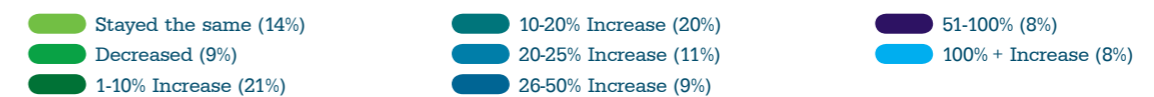
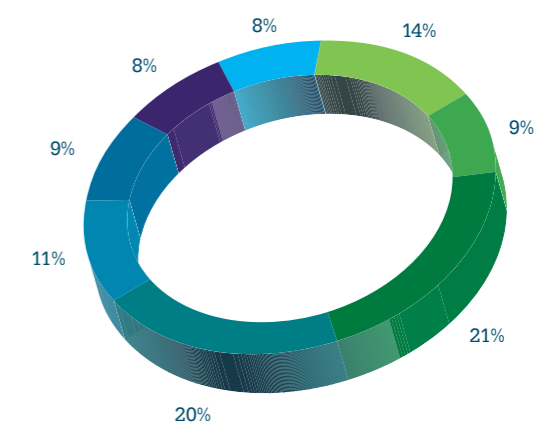
Actual Results Compared to 2007 Forecasts

Respondents appear generally to have been very accurate in their forecasting. Two thirds of those surveyed reported results within 10% of their original forecasts, although one fifth advised that they had not achieved their forecast figures.

Seventy seven per cent of respondents reported increased sales in 2007 compared to 2006, with thirty six per cent reporting sales growth in excess of 20% compared to the previous year.

This increase in sales is reflected across the whole spectrum of company size.

Sales Performance 2007



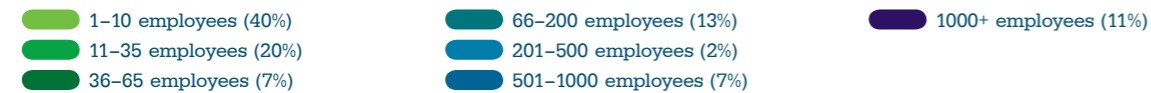
(continued overleaf)

Profitability

Within these results, 50% of respondents reported improved profit ratios, whilst 37% maintained profit levels achieved in 2007. Only 13% of the sample reported reduced profit levels.

Closer examination suggests these increases are independent of company size.

However, companies in the size range 11 to 35 employees were most likely to have reported profitability staying much the same or decreasing.



Geographic Markets

The survey demonstrates the spread of export markets enjoyed by the industry. 43% of respondents reported European sales, with a further 25% generating sales in America. Sales to Asia were reported by eleven per cent of respondents and sales to the rest of the world by 20%.

(This compares with 45% predicting sales to Europe, and 25% predicting sales in the US at the beginning of 2007).



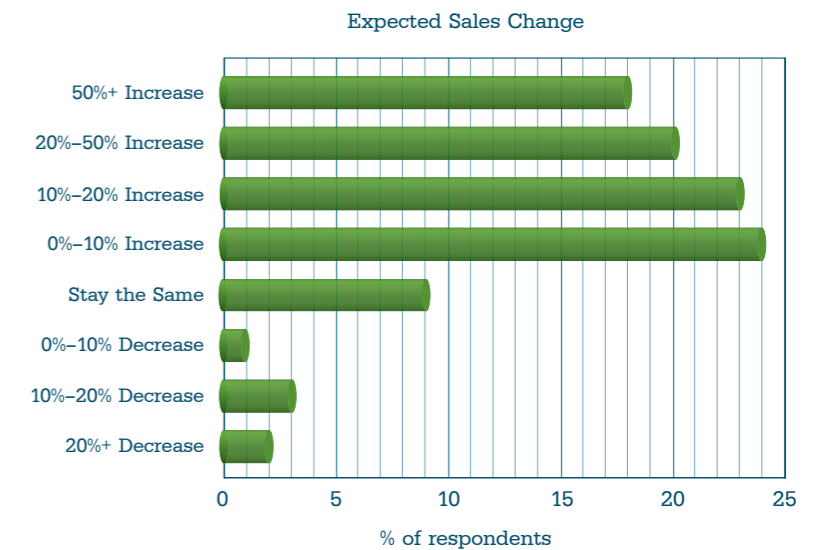
Approaching 2008

Business news in the last quarter of 2007 was dominated by the crises at Northern Rock and Swiss Bank UBS, and the consequent decision by the Bank of England to cut interest rates.

However this does not appear to have impacted business in the Technology Sector, and respondents to our survey reflect a positive outlook and are projecting continued growth for 2008.

Growth Predictions

With 38% of respondents predicting an increase in sales in excess of 20%, there is clearly ambition for substantial growth this year. The full breakdown of sales predictions is detailed opposite:



“It’s an exciting time to be a small business in Scotland just now. The technology sector in Scotland is really starting to gain traction over the last few months and a number of new innovative business ideas have started to emerge. The co investment funds have also stimulated interest again in the technology sector.

The key technology sectors I predict will be a real focus for new and fast growing businesses during 2008 include Renewable Energy, Mobile Marketing, Mobile Enterprise solutions and Digital Media.

**Tom Ogilvie, CEO,
Innovation Centres Scotland Ltd**

Main Markets

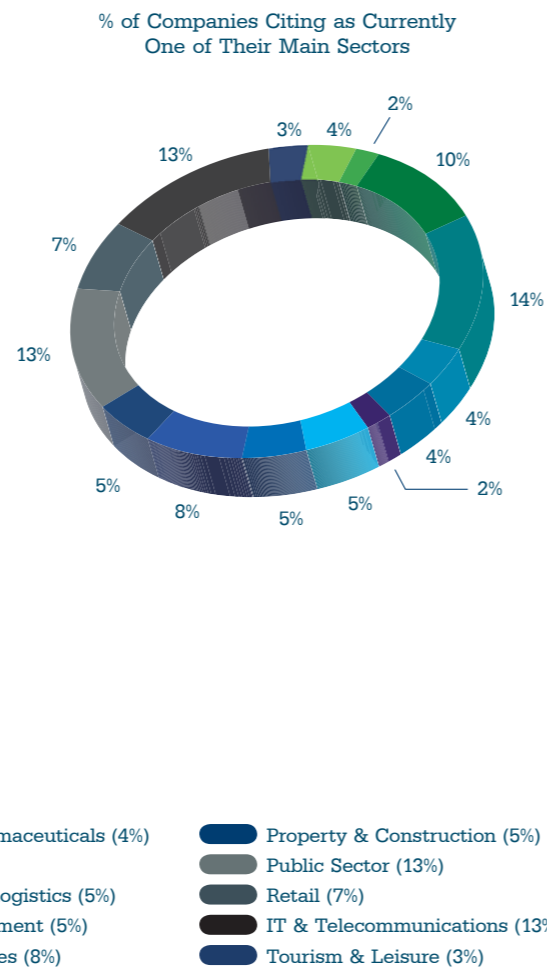
The breadth of market sectors serviced by the industry is extensive and suggests considerable diversification and a balanced portfolio approach, which may help to provide some protection from underperforming markets.

The sectors most likely to grow during 2008 are expected to be:

- Energy & Utilities
- Financial Services
- Public Sector
- IT & Telecommunications

These were nominated by approximately three quarters of all respondents.

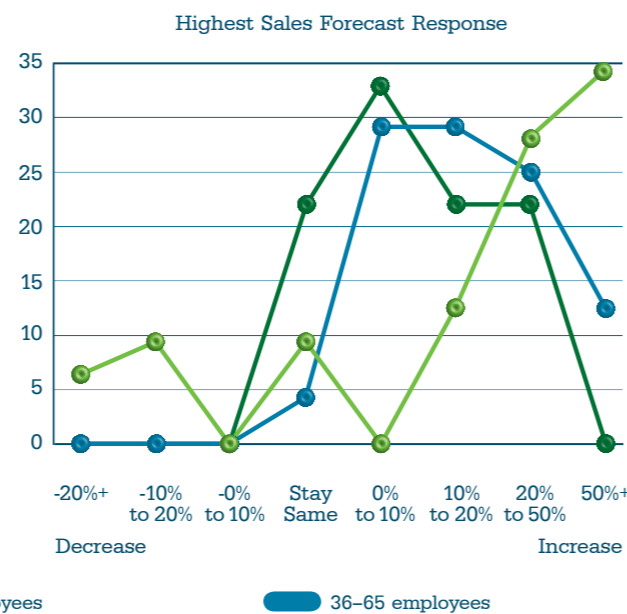
The greatest air of caution is focused on Media & Entertainment and Property & Construction, with one in six respondents predicting a decrease in business within these sectors for 2008.



- Defence (4%)
- Electronics (2%)
- Energy & Utilities (10%)
- Financial Services (14%)
- Food & Drink (4%)
- Healthcare & Pharmaceuticals (4%)
- Life Sciences (2%)
- Manufacturing & Logistics (5%)
- Media & Entertainment (5%)
- Professional Services (8%)
- Property & Construction (5%)
- Public Sector (13%)
- Retail (7%)
- IT & Telecommunications (13%)
- Tourism & Leisure (3%)

Smaller Companies Outlook

Smaller companies demonstrate the greatest buoyancy in their 2008 projections, with 62.5% expecting to grow sales by more than a fifth, whilst the larger companies, particularly those with over 500 employees, err more on the side of caution with more modest predictions.



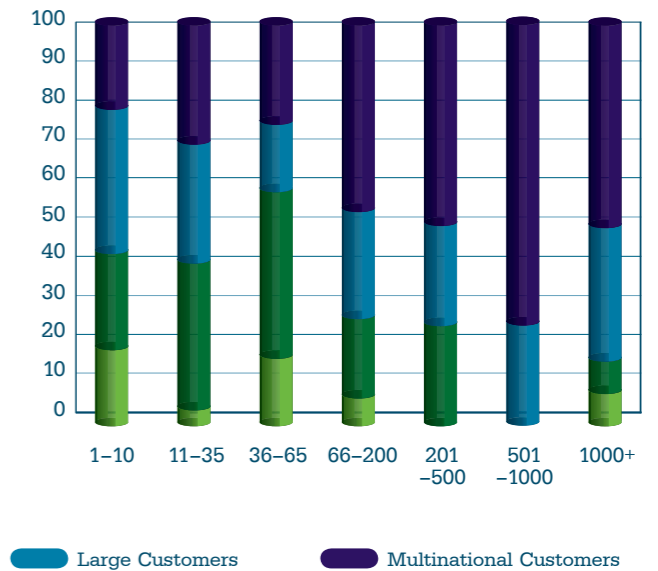
- 1-10 employees
- 11-35 employees
- 36-65 employees

Market Characteristics by Company Size

Most technology companies in Scotland supply enterprise solutions. The corporate (or enterprise) market is still the key area of business, with very small SME's (less than 50 employees) accounting for only 14% of overall business.

Asked to predict where 2008's business would come from by customer size, the survey responses shown opposite underline this dependence on the corporate market and highlight the relatively low rates of business with the SME market.

% Breakdown of Core Business by Company Size



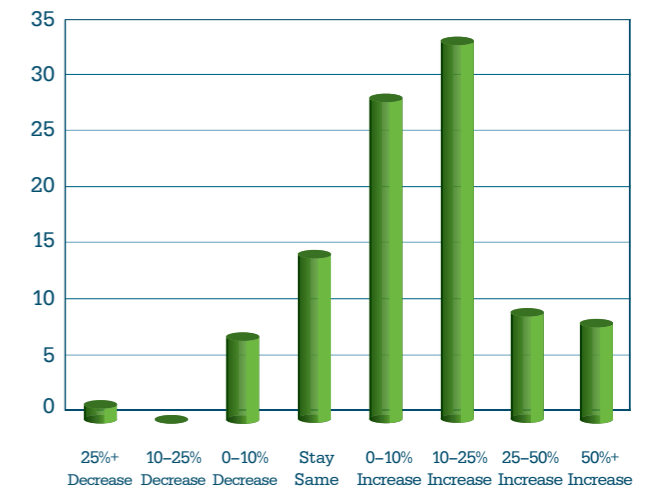
- Small Customers
- Medium Customers
- Large Customers
- Multinational Customers

Impact on Employment

Respondents were asked for their predictions regarding employee numbers. Not surprisingly, bearing in mind the forecast growth in sales, most companies also predict growth in employee numbers.

86% of respondent companies expect to increase their total number of employees, up 6% on 2007; within this, a third of respondents anticipate growing their workforce by between 10 and 25% and a further 7% forecast they will increase their staff by between 25% and 50%.

Expected Increase in Staff Numbers



Looking at the UK as a whole in 2007, permanent jobs increased 17% on 2006, and were higher than in any year since 2001. Similarly contract jobs rose over the year by around the same amount (15%). Scotland followed this trend and in places almost doubled the UK results.*

*Source: Computer Weekly

Resourcing Solutions

Recognising the choice in the different type of resource, permanent or contractors, respondents on the whole reported a preference for employing permanent staff (86%) over using contractors (19%). There was a strong commitment to the more junior graduate positions and senior executive management positions on a permanent basis. However the option of using flexible contract resources was recognised in the more task based areas of Software & Web Development (36%) and Project Business Consultancy (31%).

Demand for Skills

Amongst business skills in demand good sales skills were the most sought after, closely followed by project management and analysis expertise.

Technical skills in particular demand include c#, .Net and web development skills (linux, java, mySQL).

Open source technologies such as PHP and Linux are increasing in popularity, compared to last year's Scottish Technology Survey. This is in line with UK trends reported by Computer Weekly in February this year: 'Open source is continuing to make headway in the Unix market as well. Linux has risen to its highest ever position for the second quarter in a row.'

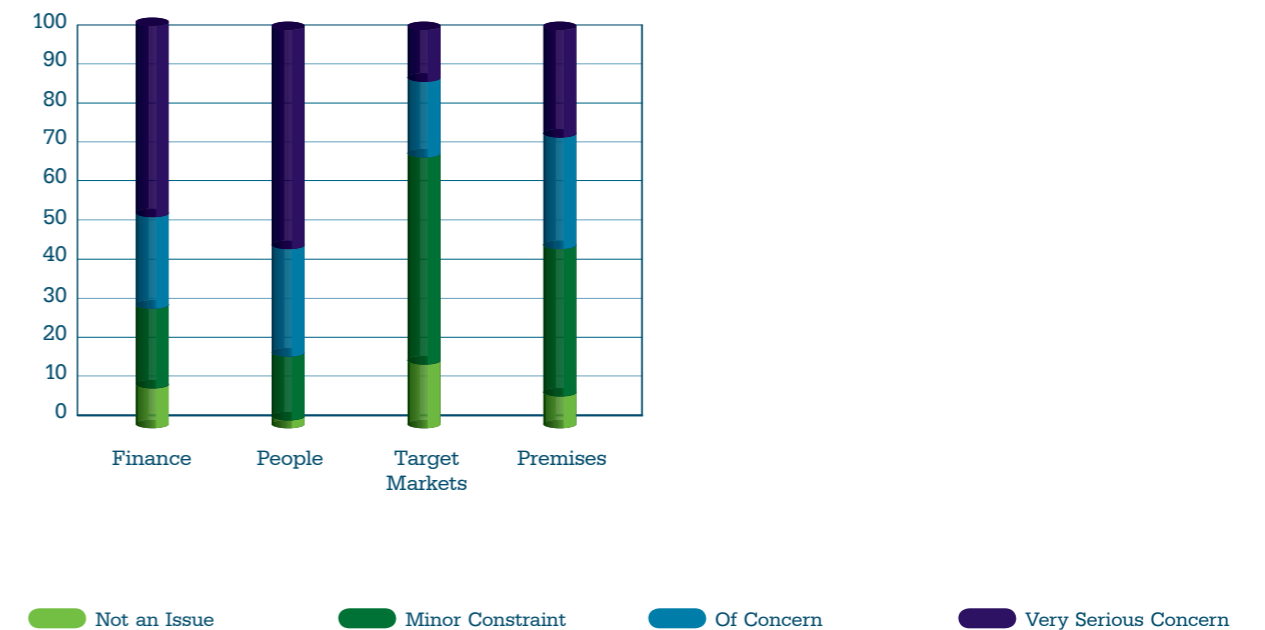
CW Top Ten Moves

Skill	%change (Q406 to Q407)	Q407 Position
.net	47%	5
C#	46%	4
SQL Server	40%	6
ASP	40%	8
Exchange	38%	19
XML	30%	11
C++	26%	9
SQL	23%	1
Linux	23%	13
Javascript	23%	18

Challenges for 2008

In the light of positive forecasts in relation to sales and profitability growth, respondents were asked what if anything, they thought might constrain their growth this year. The biggest constraint cited for 2008 is once again access to suitably qualified people; 68% reported this as either "of concern" or a "very serious constraint". This was followed by access to target markets (45%) and access to finance (30%). Access to premises was generally not seen to be a problem, with 82% stating this to be "not an issue" or a "minor constraint".

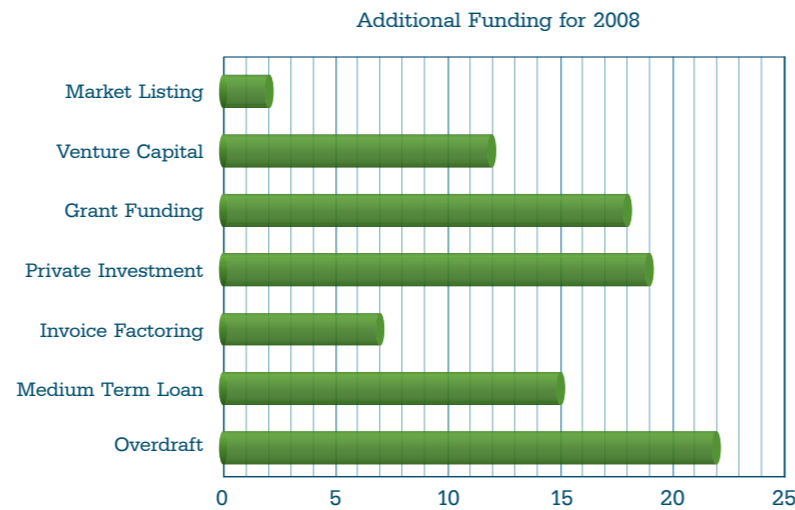
Level of Constraint % Breakdown



Financing Growth

Respondents were asked to indicate the sources of finance they were likely to use if they needed additional funding during 2008.

Overall external funding is not seen as a major issue, with 42% reporting additional finance as 'not applicable', reinforcing the cash positive position of many ICT companies.



For those contemplating using external funding, the most cited finance options were:

- Overdraft – 22%
- Private Investment – 19%
- Grant Funding – 18%
- Medium Term Loan – 15%

Grant funding continues to be a valuable source of funding for smaller companies.

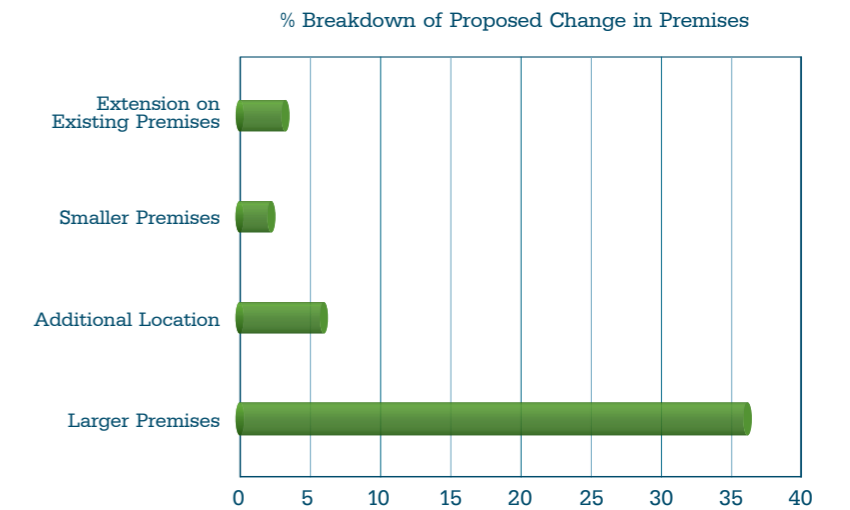
'Market listing' received the lowest response, reflecting general caution regarding public offerings.

“ RBS welcomes the continuing profitable growth in the Scottish technology sector. We provide a range of lending solutions for technology businesses, including invoice financing, which is a great way to raise working capital against a firm's debtor book to finance future growth. ”

Robin Carson,
Royal Bank of Scotland,
Regional Director of Commercial
Banking, Edinburgh

Premises Options

Respondents were asked whether they would be considering any change of premises during 2008. Whilst many companies are unlikely to move (47%), significantly 40% indicated that they are likely to move to larger premises or extend their current premises, with a further 6% considering an additional location – this appears to correlate with the 38% of companies expecting to expand sales by more than 20%.



“ Confidence in the Scottish office market remains relatively high for 2008 despite the current economic climate.

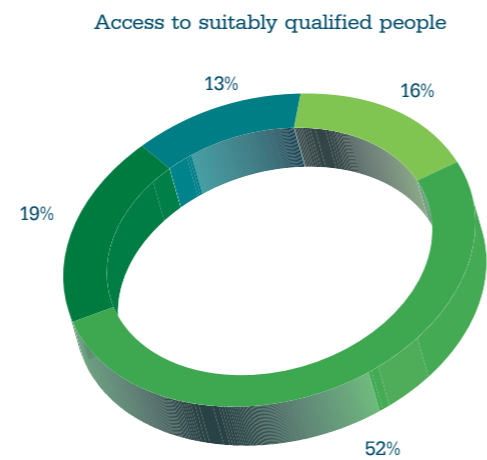
On the occupational side there remains a demand for good quality space and this, combined with the reduction in speculative development, has enabled rental levels to remain strong.

We are however experiencing a real drop in activity within the investment market as the twin impact of the credit crunch and lower economic growth begins to bite. Of course the silver lining in this particular cloud is that it presents cash rich companies with good opportunities for acquisition.

Paul Jennings,
Partner, Bell & Scott

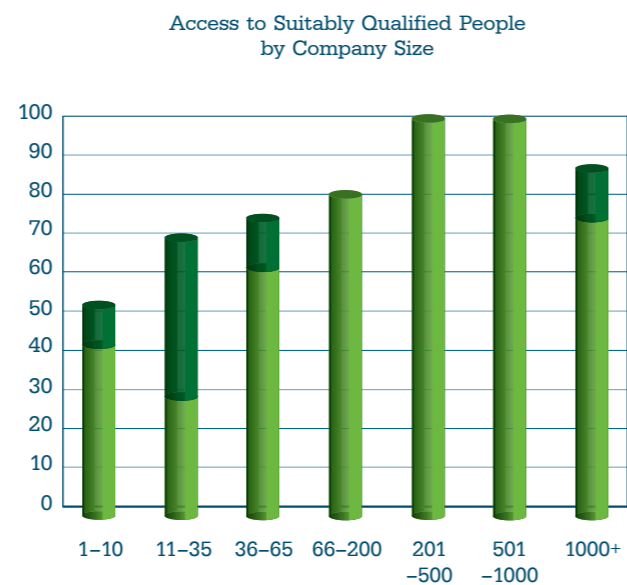
Staffing Challenges

As highlighted above and in the earlier section, access to highly suitably skilled and experienced staff is once again the main constraint to growth, with 71% of all respondents reporting this to be either of concern or very serious concern.



Very Serious Concern (16%) Of Concern (52%) Minor Constraint (19%) Not an Issue (13%)

More detailed analysis by company size (see opposite) reveals that this constraint is a particular issue for companies with 11 to 35 staff, suggesting that the small high growth companies are experiencing particular difficulty in attracting the staff they need to support business growth. The very smallest companies are least concerned overall and it may be that these companies are least likely to expand employment in the coming year. Companies in the size range 201 – 1000 employees universally reported the supply of staff as being of “concern”.



Of Concern Very Serious Concern

With the biggest constraint facing technology businesses this year cited as being access to suitably qualified people, particular issues around recruitment were highlighted when respondents were asked to identify the key factors influencing staff retention and growth.

81% of total respondents found access to suitably qualified local candidates difficult or very difficult.

Access to good entry level graduates is another constraint. Of the 70% of respondents aiming to recruit graduates, three fifths report this as difficult or very difficult.

The outlook for skills for 2008

Employment in the IT industry is predicted to grow at five times the UK average. Detailed analysis of changes across IT occupations in Scotland over the last six years shows that there has been a significant shift into higher level roles with this trend set to continue. Technological change and globalisation are both contributing to these dynamics, with large volumes of traditional entry level work now being sourced from other countries. For Scotland to maintain a position of leadership in the newly emerging world order we need a vibrant, highly skilled workforce – the experts who create, implement and operate the systems, services and communications backbone on which everyone depends.

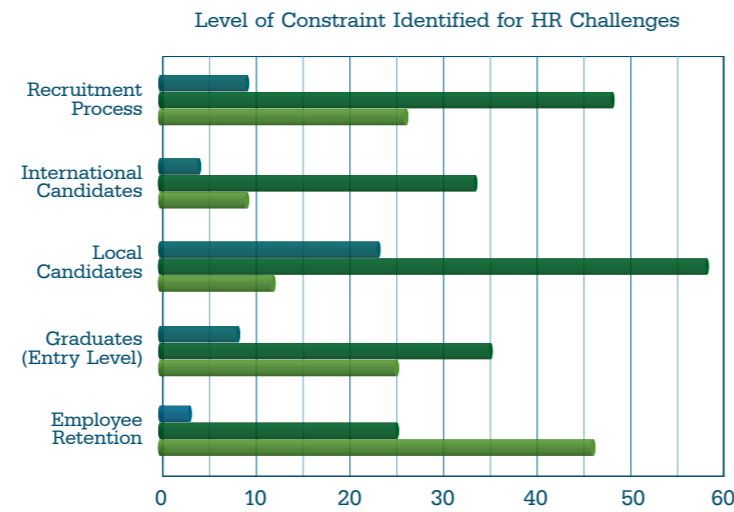
It is clear from the research and evidence base that coherent strategic action is required to ensure that Scotland retains its role in our high technology world. e-skills UK looks forward to working with ScotlandIS and its membership, educators and government to address the top priorities for the sector.

Michael Kowbell, eskills UK

Whilst reported as not relevant by many companies access to suitable candidates is a major issue for those seeking international staff, with 4 out of 5 in this sub-sample finding this difficult or very difficult.

Staff retention is predominantly not seen as being an issue; however, one in four respondents report this as “difficult”.

56% of respondents found the recruitment process “difficult” or “very difficult”. This increases to around 65% for mid sized companies (35 – 200 employees).



For those identifying staff retention as an issue, “leaving for higher remuneration” was highlighted as the key factor.

In a tight labour market this is not altogether surprising but may be being exacerbated by the high salaries being offered by the technology departments of large financial services companies, who have recently located in Scotland.

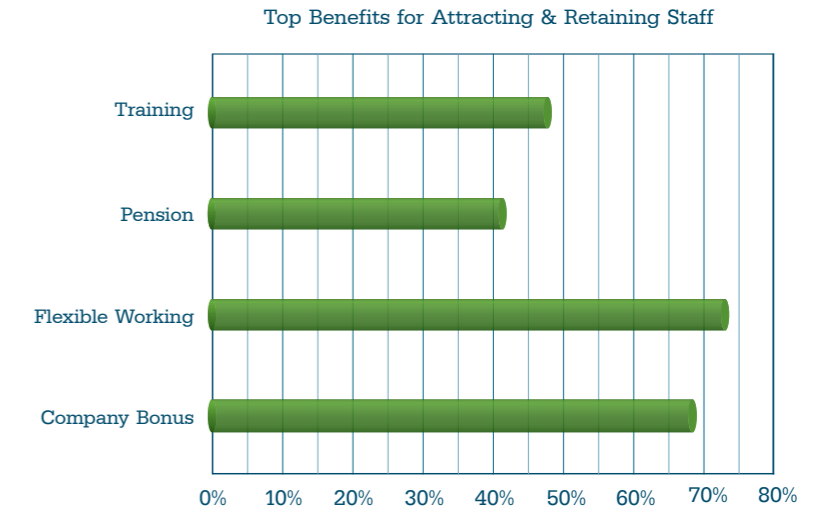


“Barclays’ decision to bring these jobs to Glasgow further strengthens Scotland’s position as one of Europe’s top financial centers. Since the turn of the decade, the financial services sector in Scotland has grown by 36 per cent, significantly faster than the UK financial services industry as a whole.”

Scottish Development International

With people constraints being the key constraint to growth highlighted over the last two years, respondents were asked which non-salary benefits they use to attract and retain staff.

Most respondents use a mix of benefits, with the two clear favourites identified as flexible working (74%) and company bonuses (69%). These were followed by company pensions and training.



With skill shortages evident across the market, the emphasis on training is encouraging. It is interesting to note that company pensions were only cited by 41% of respondents.

Market Insight

This report provides a measure of the Scottish Technology industry. With markets throughout Scotland, the rest of the UK and internationally, it is useful to place the industry within a wider context.

Most respondents report having achieved their initial forecasts during 2007 in a relatively buoyant UK market place; it is interesting to note the increased international sales reported by respondents, in both the European and US markets. This has been achieved against a background of very limited overall growth in Europe (up by only 0.3%) and a slight downturn in the US market (decreasing by 0.4% from 2006 to 2008).

[Source: EITO 2007 in co-operation with IDC]

The increasing shortage of well qualified, skilled personnel reported by many respondents to this year's survey is echoed in the wider economy; permanent staffing availability is down across Scotland for the 47th month running [Bank of Scotland Labour Market Report February 2008]* and across the UK 70% of companies report skill gaps due to a lack of technical skills [eskills UK - Technology Counts - IT & Telecoms Insights 2008].

Reflections & Outlook

The survey reflects the wide range of vertical market respondents operate in. Whilst financial services, the public sector and energy are seen as offering the greatest growth, most other sectors are expected to provide opportunities, with only property & construction, and media, likely to shrink slightly. These tie in with forecasts from a number of analysts including Ovum and the Bank of Scotland Economics Office. Realistically some of these markets are extremely difficult to penetrate for small technology companies, and pressure must be maintained on the public sector, for one, to improve its procurement methods to enable small and medium sized companies to tender.

eskills UK, the skills council for the ICT industry, highlight the increasing world wide demand for ICT skills. This is already impacting the Scottish marketplace, with the current salary differential in the Southeast of England acting as a magnet for mobile talent.

eskills UK further note that "Employment in IT & Telecoms professional occupations has almost doubled since the early 1990s. 40% are now employed as 'ICT Managers' or 'IT Strategy and Planning Professionals'. A further 30% are employed as Software Professionals." They anticipate this trend will continue, with demand for software and IT strategy & planning professionals set to rise by around 25% between now and 2016.

These increases in demand are set against a marked downturn in the supply of traditional new entrants to the industry (a 50% reduction in applicants to computing degree courses between 2001 and 2006 [Source: UCAS]).

Combining market demographics and demand with the changing business expectations of ICT, means technology companies in Scotland will be required to deliver more, at a higher level, with less available talent.

It is encouraging to note that 47% of the survey respondents reported training as a non salary benefit - the industry will need to continue to invest heavily in training as part of the solution to retaining and developing skilled staff.

Many respondents indicated the need for larger premises over the next twelve months. Bearing in mind the softness in the commercial property market this might provide an opportunity for those thinking of moving.

“Talented employees are already in short supply and this situation will intensify as skills needs change and IT & Telecoms employees require increased expertise in business related skills such as project management and business analysis.”

**“The means to compete: Benchmarking IT industry competitiveness”,
Economist Intelligence Unit 2007**

Technology Market Viewpoint

“Quiet confidence” is The Essence of This Year’s Technology Industry Survey

In an uncertain economic outlook, forecasts for 2008 must be viewed with a note of caution. Despite today’s highly complex market, the Survey reports quiet confidence in the industry continuing to grow this year, albeit at a slower rate than the last two years. Encouragingly, many of the smaller companies responding to the Survey plan to expand their businesses substantially.

The Survey highlights a number of very positive factors. Firstly, the wide spread of markets which technology companies serve; this should protect against over dependence on any one sector, and also suggests that businesses have responded to the increasing barriers to entry in some more traditional markets by widening their customer base.

Secondly more companies appear to be breaking into export markets, with the importance of the European market in particular, growing for the second year running.

Thirdly, the vast majority of technology businesses predominantly supply the larger company or ‘enterprise’ sector, with 86% of survey respondents reporting mid to large companies as their customer base. These customers are most likely to value the real benefits investment in ICT can provide.

Access to suitably qualified personnel remains the biggest barrier to growth this year, and we must continue to seek ways to address the need for a continuing supply of talented people for the industry. All the indications are that this requirement is unlikely to change in the foreseeable future with eskills UK¹ highlighting continuing and growing demand for skilled staff.

Members also indicate the need for more accommodation with nearly half considering larger or additional premises this year.

Looking Forward

Specialist industry analysts Ovum identify factors such as Web 2.0 applications (e.g. social networking) moving from the consumer to the enterprise market, and the interest in SaaS models as contributing to growth.

A recent software industry report by McKinsey & Co and Sandhill² highlighted innovation as a top priority and an essential source of value creation for software companies. Software customers they had surveyed ranked innovation and new product areas as the most important (30%), followed by ease of use (24%) and customer service (23%) as areas for software industry improvement. Their research also identified a strong correlation between innovation and revenue & margin performance.

Of course, it is important not to be complacent. To compete effectively the Scottish industry continually needs to raise its game, investing in skills, customer service and quality, and carving out a reputation for excellence delivered through top quality products and services.

With analysts³ highlighting productivity improvements, cost reduction and innovation as some of the main demand drivers, this provides a wealth of opportunity in 2008 for the expertise contained within Scotland’s software, telecoms and IT services companies.

Polly Purvis, Executive Director, ScotlandIS

¹ eskills UK – Technology Counts January 2008

² State of the Software Industry 2007 McKinsey&Co/Sandhill Group

³ Ovum, January 2008

Employment Market Viewpoint

Continual Investment; Skills Highlighted as Strategic for Growth in 2008

With the end of Quarter one full of doom and gloom in the press it is pleasing to see the Scottish technology survey still portraying an optimistic and confident view of the market.

In contradiction to a number of UK sources, as the survey reports, Scotland’s companies are still growing and actively recruiting, with head count plans alone growing on average by 15%.

In the last year we have seen substantial commitment from a number of large, multi-national, financial organisations such as Barclay’s Wealth, Morgan Stanley and JP Morgan who have reported their intention to hire hundreds of qualified, skilled IT professionals throughout the central belt. With the larger companies now seeing the benefits of centralising their IT operations within Scotland rather than London, the outlook for the future is a bright one, and smaller companies should take reassurance from this confidence.

This investment should also prove beneficial for the SME technology sector as a whole, providing opportunities for local suppliers in the specialised areas and in turn creating various new employment openings.

An area where we have seen a significant increase in demand has been that of web skills, which has been attributed by many to the growth in the digital media area. With the growth in Web 2.0 particularly, companies who were once focused on traditional advertising are now transferring their skills to the web, hence the strong demand in the area of web development and design which is looking to continue in growth.

Addressing the Reduction in Available Skills

The Industry’s 2008 approach, from responses, has indicated an increasing realisation of the need for training to meet demand, with 50.2% of additional demand said to be filled by candidates through career changes⁴; this approach should prove to be a profitable strategic move by the industry.

A further measure addressing the reduction in available skills can be seen in the identified increase in demand for contract workers, supported by the latest labour report from the Bank of Scotland⁵ showing IT and computing contract staff being second highest in demand in Scotland; whilst IT and computing permanent staff are placed fourth in demand.

One other point worth mentioning is the recent increase we have seen in the variety and levels of seniority in the types of opportunities available throughout Scotland. These opportunities are now beginning to provide a solid proposition for skilled IT professionals to stay in the country as well as providing an incentive to those other candidates who had previously left to seek employment elsewhere to return home and enjoy a full career in their area of choice, on their very own doorstep.

So, as opposed to what is being said in the media, it is actually business as usual in the IT employment and recruitment market so far in Scotland. If anything, we can see that the demand for skills is actually stronger than it was this time last year, showing the robustness, ambition and confidence that Scotland will progress from strength to strength.

Wendy McDougall, Managing Director, 9-20 recruitment

⁴ eskills UK – Technology Counts; IT & Telecoms Insights 2008

⁵ Bank of Scotland Labour Market Report; February 2008

About This Survey

For the third consecutive year we explore the technology sector in Scotland, looking at factors such as predictions for growth, skills in demand, types of customers, dominant markets, recruitment and retention, and constraints for growth.

The 2008 Scottish technology survey, commissioned by ScotlandIS, sponsored by 9-20 recruitment, was sent to senior representatives, mainly CEOs or Managing Directors of technology companies in Scotland. It ran for a period of three weeks in January 08.



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