

White Paper:

Seasoned Technology Pros - Bridge or Blockade to the Future?



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When demand exceeds supply, disequilibrium develops and gives rise to upward pricing pressure. Consider the impact of new compliance and governance requirements. They make change not just a nice to have, but a 'have to have' and the scarcity of legacy talent can develop into a stampede for resources. When change is accelerated by new competitive pressures; it super charges the level of disequilibrium to the point of becoming a matter of who survives and who does not! So, when scarcity turns to extinction, some companies, institutions and governments will find themselves getting the proverbial 'short end of the stick.'

Many expected mainframe Armageddon back on January 1, 2000, but it didn't happen. A major bullet was dodged for many businesses that relied then, as they do today, on their mainframes to compute to the next day. Now, ten years later, little has changed in the world of mainframe computers. These once green screened behemoths are still the technology foundation for the vast majority of Fortune 2000 companies' daily IT requirements. The mainframes of yesteryear are still here today and are now referred to as Legacy Systems. The term 'Legacy Systems' itself places the mainframe in the rearview mirror along our collective 'pathways to the future.'

Back in the day, 'the mainframe', was not exclusively an IBM reference. There were a 'bunch' of other companies whose names were also well known when the term 'mainframe' was used. In fact, Burroughs, Univac, NCR, Control Data and Honeywell were actually known as the 'BUNCH'. It was a world where IBM and the BUNCH gladiated every day. Early casualties including GE Computers, RCA and even Amdahl fell at the hands of young, agile and up and coming minicomputer gun slingers like Digital, General Automation, Data General, Wang and others. Even more joined the party later as micro - there was SUN, HP and Silicon Graphics as well as a host of others.

The caretakers of these marvels of the 70s, 80s and even 90s have long since grayed out; some passing on to the big computer room in the sky. Although the torch waits to be passed to the next generation of caretakers, the Millennials

are nowhere to be found. North American youth no longer flock to the best of the best IT schools in the numbers of their parents for fear of being 'outsourced' offshore.

It is not a good idea to look outside of the U.S. to fill our shortage of mainframe skills as young 'techs' from emerging economies around the world are primarily savvy in the latest, and sometimes cutting edge, systems technologies, and rightly so as the future is ahead not behind them. Most young technical gurus have little or no interest in caring for mainframe dinosaurs. Doing so only limits their skill base and their careers.

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To put it bluntly, it's not perceived to be fun to be a caretaker of 'legacy systems' that may soon become heaps of rusted iron and decaying silicon.

Couple this with a growing backlash toward foreign workers both in Europe and here in North America, and it is enough to scare off young, foreign technology talent. Visas will also likely dwindle in number with the growing political pressure and pending legislation to hire U.S. workers. Finally, both India and China are now fueling their own tech-economies and they too are facing tough times in finding and retaining qualified and skilled technology talent to meet their own needs.

On the home front, 'back to the future' is not an option that many Millennials who live for today and themselves are likely to buy into for very long, despite the amount of money and promises that are thrown their way. Remember, these are the children of new technologies. Newer, faster and better is all they have ever known for their entire lives. Working on their grandparent's form of IT won't hold their interest or imagination for very long. The issue at hand is: Who will care for these saviors of business of yesteryear until they ride off into the sunset? It's really about 'back to the past'.

Countless layoffs over the last 15 years have 'surplused' the very talent that lived with, cared for and maintained the 'legacy systems' that huge number of enterprises still count on day in and day out to stay alive. This is the story of the tech talented baby boomers and older Americans.

Today, 28% of employers in the U.S. say they have a strategy to retain the talent needed¹ to keep these relics operative for the next 5 to 10 years before the applications are fully migrated onto new secure platforms. Looking at this from another direction, 72% of employers have NO plan at all to transition old technology platforms and the critical data housed inside of them onto newer technologies. The U.S. faces the prospect of 12 million to 24 million vacant jobs from 2010 thru 2020. The acute mainframe talent shortage will hit mid-sized companies the most as the larger business predators gobble up the limited talent as the crisis tightens its hold on businesses.

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The new governance and compliance issues are potentially huge and being faced by all sizes and shapes of businesses. Some verticals will be hit earlier and harder than others. The transportation vertical (travel included), insurance, medical and banking verticals are amongst those who will see the impact of the shortage. While all of this is happening, our society is battenning down the IT hatches, anticipating cyber terrorism and looking at the 'greening' of IT operations.

The potential of growing costs are being fueled by a diminishing supply and increasing demand for mainframe technology resources. Wages could rise rapidly with less resources available than the demand. Then again, what if there were not enough resources to go around; what would happen to our collective economy? What are the immediate impacts on the GDP and/or GNP of the U.S. if we woke up and the mainframes hummed with no one vested in their care? Remember, these mainframe goliaths still run MRP, ERP, WMS, cash management, CRM, ATMs, POS and countless numbers of transaction processes like reservations and medical records. All of this data is used each and every day to keep our GNP afloat. We could be facing a major crisis if new plans are not put in place now, today, this minute. Do you feel the urgency? Good, now read the next few paragraphs carefully please.

The time is now to take the corrective steps to remain competitive. Continuing to push off the legacy mainframe

'situation' is only going to make the dwindling number of trained and proven resources even scarcer. The current supply of mainframe technicians, analysts, programmers and specialists are getting older every day. Today, 80% of the people who work to support mainframes are 55 years of age or older². The fastest growing occupations from the mid-nineties thru 2005 were systems analysts and computer engineers. This talent pool was fully engaged in supporting both the mainframe and satellite systems.

78 million baby boomers make up 45% of today's workforce and some have already started to retire. In only a few short months, the cutting edge of the baby boomers, the generation born between 1946 and 1964, will turn 65³. 330 Baby boomers retire every hour⁴ and many of these graying Americans are the very IT gurus of yesteryear that will be needed to divert a major technology meltdown. In addition, 20% of those retiring have no interest in working in the 'rat race' of today's workplace. But, there might be hope for enough resources. 80% of boomers are going to have to work past the traditional retirement age due to the economic meltdown that has adversely affected them. However, a third of that talent pool could be shortly facing another inhibitor; their own failing health or the health of a spouse or parent of whom they will become caretakers. So, the mainframe talent pool will continue to get smaller and smaller until there might not be enough to do the job necessary to keep the country's aging mainframes operative.

But how can you identify, locate, manage and retain this specific talent pool when a shortage looms? The solution might be in using an outsourcing company that has a vested interest in employing these IT Legends. Outsourcing companies can provide technology workers with the benefits that are hard to obtain at senior ages such as life insurance, primary or supplementary health care coverage and possibly even flex schedules or job sharing opportunities. These are normally not costs that today's companies wish to incur. Remember, work can be done virtually today by merely using the internet or a VPN. Imagine a group of seasoned pros getting together and working again. The euphoria of being 'needed' again would be huge and the stimulation of dormant brain cells could potentially extend their life and reduce overall medical costs, not to mention that it could save many companies and keep our GNP healthy.

Over the next 50 years, the labor force is projected to grow at slightly over .05% as older Americans cause an erosion to the American workforce as a result of the retiring Baby Boomers. This will affect the IT workforce with fewer and fewer IT graduates emerging from our institutes of higher learning⁵. Bringing back or retaining the senior IT talent is a 'have to do' in order to avoid a total IT meltdown.

More than 70 percent of the world's digital information still resides on mainframes⁶. Outsourcing the maintaining and keeping of the mainframes operative and healthy is a smart way to solve the legacy issue while focusing on the future. Look at requirements centered on patching, fixing, documenting, migrating, testing and supporting user communities. Ensure your outsource partner is vested in cutting costs, migrating and retraining by incenting them on performance improvement and cost aversion.

Remember, the IT dinosaurs (mainframes) are still very much needed. Pushing off the inevitable is not a wise approach if you plan on staying in business to see the year 2020. There is still time, but each company must decide if they are going the distance solo or if it is time to call in professional assistance. Either way, there is no question that finding or retaining Seasoned Technology Pros can be the bridge to the future for many enterprises!

About the Author

Jim Patrick

Jim Patrick recently joined CDI IT Solutions. He specializes in change management and business process improvement. He is a social scientist and former senior executive with over 35 years of business experience.

Patrick produced and was featured in over 1,600 radio commentaries under the title '90 Seconds for the 90s' which aired on select CBS and CNN affiliates (KRLD in Dallas / Fort Worth) and discussed changes in business and trends.

Patrick was also a news correspondent, covering major news and business stories such as the World Economic Summit, terrorism in the first Gulf War and business change and economics. He has interviewed many CEOs and has traveled to over 36 countries and 120 cities.

Other past experience includes Vice President level positions with several Fortune 100 corporations including GE. During his 10 years at GE, he was part of the Jack Welch era change team and he created GE's BPO business in the Southwest.

In the mid-eighties, Patrick founded American Airlines' "think tanks" under the infamous Bob Crandall that examined and predicted trending for a twenty-year period. He also managed several AMR subsidiaries.

In addition, Patrick is also well regarded as a tactical and strategic business consultant.

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Footnotes:

- 1 Managing Global Benefits: Challenges and Opportunities – Metropolitan Life Insurance Company – 2008
2. It's Now Cool to Master the Mainframe – Technology for Change - Smarter Technology 2010
3. Finding Common Ground – AON 2010
4. Portraits of Retirement – EzineArtile.com 2010
5. Population Bulletin - June 2008
6. Find Partners for Your Modernization Project - Microsoft Corporation 2010