

Get in the fast lane

The two-speed economy and the two-speed IT industry

In his annual post-Budget address in mid May, secretary of the federal treasury Martin Parkinson swung the spotlight onto the difficulties of predicting the effects on the Australian economy on the forces at play in the global economy. “But, as you would expect, translating the impact of these broad structural forces into precise central case forecasts is particularly challenging,” he said.

These forces include the resources boom, US and European economic challenges, swings in exchange rates and shifting consumer spending patterns, to name but a few.

This is analogous to the forces at play in the Australian IT ecosystem, so it’s worthwhile to explore some parallels between the IT industry and two-speed economy in Australia.

The fast and slow lanes

Those associated with the resources economy are often perceived as the ‘lucky ones’ in the so-called ‘Lucky Country’. The effect of the resource boom on the Australian economy has its equivalent in the IT marketplace. Parts of the IT market are experiencing explosive growth, and others are not faring that well.

In the fast lane, we have those who are benefitting from direct investments in IT products and services associated with the resources sector, being tailgated by certain aspects of the Cloud ecosystem. Analysts predict that the Cloud market will grow at around four to five times the rate of conventional IT products and services, with Australia’s total

ICT spend to increase from around \$75 million to approximately \$90 million in the next few years, fuelled in part by the Cloud phenomenon.

In the slow lane, and travelling well below the speed limit, we have those that are trying to service government and those private sectors where austerity and budget cuts are the norm. There are a range of industries feeling the pinch, such as retail and financial services.

But what does this really mean for those whose livelihoods depend on the IT ecosystem?

Careers in the lanes

For those enjoying the challenges and fruits of being in the fast lane, enjoy it while it lasts. To state the obvious, an individual’s IT career prospects as an employee are largely dependent on the market, which is becoming increasingly fragmented and global. Those with the ‘hot’ commercial, managerial and technical skills will still be able to keep up in a changing environment. The challenge for these individuals is to constantly fine tune, adapt and be able to align their skills to exploit these new opportunities in the market as they appear in the short term.

Those who are caught up in the slow lane need to fit a turbocharger in order to be able to

keep up with the fast lane traffic (or get a faster vehicle) and thrive in this volatile environment.

But in most cases this is easier said than done. Broadly speaking, recognise that making the required transformation can be externally imposed or come from within. In the former, your organisation or its customers are mandating that you, as an ICT leader or professional, deliver a different type of service. You decide whether you’re able to make this change. In the latter instance, the need to take a different angle comes from within you. You’ve read the environment and are anticipating changes, and are willing to make these before they hit.

Lady Luck

Luck also plays a part. If you happen to be in an organisation or one of the expanding market segments that is servicing one of the growth industries, you’re a lot luckier than those who are not.

It is, however, possible to counter the adverse effects when Lady Luck turns her back on you by really thinking of your options, and putting plans in place to manage the transition to the fast lane. Your vehicle of choice should be your personal business plan. 



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