

BLOGGED DOWN

THE CANADIAN IT MANAGER'S BLOG

"One of the major gaps is people believe that the wire coming into their home is different than the street that runs by their home. The wire offers far more dangers than the street."

— Gordon Ross
Founder, Net Nanny
President,
Virtual Perceptions Systems Inc.

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Bigger and bigger Blue

IBM has made a number of acquisitions lately, but the vendor still hasn't revealed what it will look like once the purchases are integrated. Palmisano remains tight-lipped

Sam Palmisano is the one running IBM, but you'd never know it.

After a month in which the company made four major acquisitions, Big Blue's chief executive has stayed resolutely behind the scenes, leaving it to assorted deputies to explain how each purchase will fit within a given business unit. In many cases, the explanations are obvious. What customers and partners may be wondering is what the assembled pieces are going to look like — how the massive outlay of cash will reshape IBM, and the business software market as a whole.

IBM, remember, was not the company that appointed itself the industry consolidator. That was Larry Ellison, who is almost always on a conference call with shareholders if Oracle picks up a company worth US\$1 billion or more. Although it may not have taken on something as large as a PeopleSoft (or even a Siebel), IBM's acquisitions represent long-term investments that could make it even more com-



Shane Schick

petitive than Oracle in a number of areas.

Oracle's services organization, for example, is nowhere as significant as IBM Global Services, and Oracle's channel is also much smaller. Apart from its decision to buy Webify, which bolsters its middleware portfolio, IBM has also tended to make purchases in areas that Oracle has ignored. Its acquisition of Internet Security Systems is one example, and despite what Oracle would tell you about the modules in its E-Business Suite, IBM's purchase of FileNet gives it a major force in the enterprise content management arena. IBM Global Services could still probably

bring a lot to Oracle customers in terms of expertise and additional products, but could Oracle offer much to IBM customers? Not likely.

Of course, Oracle is only one competitor. IBM is also arming itself against companies such as Bell Canada, which has quietly been making point purchases of regional resellers that have beefed up its security practice, for example, as well as its business solutions unit. Though they may lack the scope of Big Blue's worldwide operation, these service providers will prove formidable rivals, because they enjoy a local reputation and relationships with an installed base that few vendors can match. IBM's advantage is that it has a better history of working with local channel partners, bringing them in as though they were sub-contractors.

As for disadvantages? The result of IBM's shopping spree may be a firm that cements its position among the Fortune 500, but which starts to look too expensive for the mid-market and small businesses.

IBM's biggest decision at this point is not what to buy next but whether it should try to fill in the last piece of its stack, which is business applications. It has everything else: the database (DB2), the middleware (Websphere) and the management tools (Tivoli). Unlike Oracle, SAP or Microsoft, though, it doesn't offer an enterprise resource planning system or customer relationship management tools.

These are both mature markets where it would be difficult to generate new growth.

The choice, ultimately, is Palmisano's, and if one thing is clear it's that he is not willing to broadcast his vision. But then maybe he doesn't have to. For several years, IBM has been accused of a turning itself into a services company that offers products.

LETTERS TO THE EDITOR

ONUS LIES ON INDIVIDUALS

Re. "Action needed on skills shortage," (CC, Aug. 4, pg. 10). As an IT professional, it is your responsibility to keep your skills up to date. Traditional strategies of reading and seeking training, mentoring and education all work well, although may not always be possible due to time and funding constraints. Regardless, I suggest that people go beyond these strategies and take a page out of the agile playbook: the best way to improve your skills is to work on new activities outside of your current skill sets and do so by closely collaborating with people who have those skills. Agile

techniques such as pair programming and modeling with others not only get the job done, they also enable you to learn from your teammates.

Scott W. Ambler
Practice Leader, Agile Development
Rational Software

AGE DISCRIMINATION PLAYS A ROLE

Re. "Action needed on skills shortage," (CC, Aug. 4, pg. 10). One of the reasons for the so-called IT shortage is not addressed very often. Many companies have taken the view that to be useful in IT one must be young. Recently

I was refused employment with one very successful IT company in Canada. The reason was given in an e-mail they sent to me in error "I have a feeling that _____ may be getting near the last five years or so of his career."

When challenged, their response was: "Please accept my sincere apologies for the mix-up. I would be happy to meet with you. Looking at your resume, your 20 years in management as well as 10 years indicated that you might be considering winding your career down. I can assure you that we do receive many resumes of just such talented and experienced people. Unfortunately, in a key position like _____, we hope to acquire and keep our staff for a long period of time. Our business is complex and the learning curve quite steep as well as requiring long hours on the part of our employees."

Loosely translated: "Old people are stupid and lazy."

While there certainly is a reasonable argument for hiring those with recently acquired technical skills, companies are short-changing themselves in the life-experience end.

With many IT workers switching employers approximately every two years, expecting a new employee to stay for the long-term is not appropriate. If the companies would recognize that experience in life is not a course that is taught at university, then they will find that there are many workers out their capable of filling their needs.

Name withheld

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