SINGAPORE, MALAYSIA & INDONESIA 2015/2016

CIO VIEWPOINT

INSIGHTS OF THE CIOs INTO THE TECHNOLOGY SECTOR

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KEY FINDINGS

INTRODUCTION

The 2015 Southeast Asia CIO Viewpoint report provides valuable insight into the perspectives of CIOs in Singapore, Malaysia and Indonesia and some of the key considerations they face over the coming 12 months. The report covers the role of a CIO in the region and where their focus lies, as well as the impact of changing technological innovations, key strategies within their organisations, their IT budget allocation and resourcing trends.

HEADCOUNT ON THE RISE

An overwhelming 63% of CIOs state that their headcount will grow in the next 12 months, bolstering job prospects for IT professionals throughout South East Asia

OPTIMISM IN THE MARKET

Over a third (37%) of CIOs predict the technology job market will improve over the next 12months, with a further 49% forecasting stability, with rising demand in IT security risk and governance possibly fuelling this demand

MOBILITY IS THE TOP PRIORITY

When asked what the most important priority was over the next 12 months, over a third (39%) of CIOs selected mobility and a further 37% said cloud services, as they look to keep pace with a constantly changing marketplace and try to keep a competitive advantage

PROJECT MANAGEMENT SKILLS IN DEMAND

The top skill being prioritised by South East Asian CIOs is project management, followed by cloud services, mobility development and big data development, but these same senior IT leaders stated that these skills could be in short supply in the local marketplace

BUDGETS ON THE RISE

Over a third of CIOs (37%) state that between 1-2% of their organisation's revenue is being reinvested into IT and a further 29% put the figure between 2-3%. Almost a third of surveyed CIOs (29%) say the reinvestment in IT is as high as 5% or above

Almost half (46%) of CIOs surveyed state that their budgets have increased from the previous year, with 39% stating they have stayed the same

These findings reveal that companies are starting to realise how technology can support their bottom line through improved productivity, efficiency and cost savings

METHODOLOGY

The 2015 CIO Viewpoint report, produced by Michael Page Technology, is based on the survey findings of more than 40 of the most highly-regarded Chief Information Officers (CIOs) working across a range of industry sectors in Singapore, Malaysia and Indonesia.

THE CIO ROLE AND FOCUS

According to the survey results, a significant number of CIOs (40%) report to the Chief Executive Officer (CEO), and 25% report to the Chief Financial Officer (CFO). 91% of survey respondents are making decisions throughout Asia, which suggests that most companies are concentrating their IT efforts with a regional focus, rather than globally. This is also reflective in their current team size where highest proportion of respondents work within teams of 50.

68% of CIOs are not currently a board member of the organisation they work for, which might change in the future as regional CIOs become more instrumental in influencing local strategies and sit on the board.

Over two-thirds of CIOs in the region operate with a local data centre (66%). Almost half (46%) of CIOs outsource 50% of their support to external partners such as infrastructure maintenance, specialised IT operation tasks, SAP implementation and Cloud support. 32% of CIOs outsource a quarter of their operations, which includes IT development, data centres and helpdesks, as well as Cloud support.
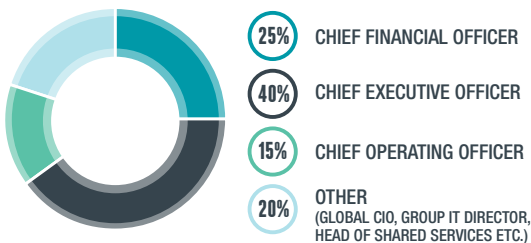
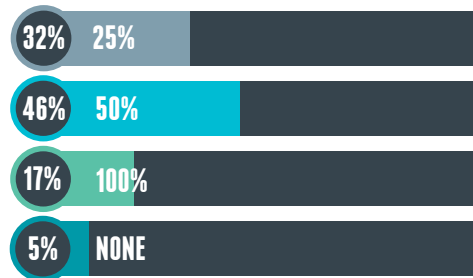## ARE YOU CURRENTLY A BOARD MEMBER OF THE ORGANISATION THAT YOU WORK FOR?

32% YES — NO **68%**

DO YOU HAVE A LOCAL DATACENTRE LOCALLY?

66% YES — NO **34%**

WHO DO YOU REPORT INTO?

- **25%** CHIEF FINANCIAL OFFICER
- **40%** CHIEF EXECUTIVE OFFICER
- **15%** CHIEF OPERATING OFFICER
- **20%** OTHER (GLOBAL CIO, GROUP IT DIRECTOR, HEAD OF SHARED SERVICES ETC.)

WHAT PERCENTAGE OF YOUR SUPPORT COMES FROM EXTERNAL PARTNERS (VENDORS)?

- **32%** 25%
- **46%** 50%
- **17%** 100%
- **5%** NONE

WHICH REGION ARE YOU CURRENTLY MAKING DECISIONS FOR?

- **91%** ASIA
- **7%** EMEA
- **2%** NORTH AMERICA
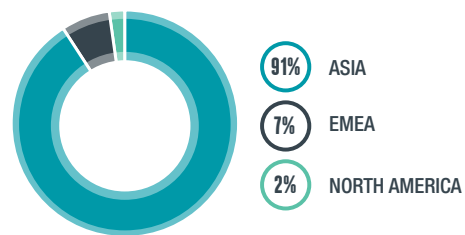
HOW BIG IS YOUR CURRENT TEAM?

- **29%** 1-20
- **39%** 21-50
- **15%** 51-100
- **17%** 100 AND ABOVE
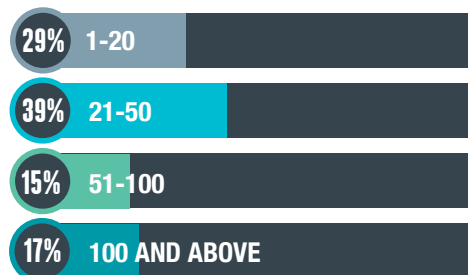
IT INNOVATION AND STRATEGIES

CIOs throughout Singapore, Malaysia and Indonesia appear to be trying to keep pace and stay competitive in a rapidly changing technological landscape by focusing on mobility services as their main priority. Other improvements to business operations that CIOs are focusing on include process improvement initiatives to improve efficiencies, implementing SAP applications and big data projects.

39% of CIOs will prioritise mobility in their operations over the next 12 months, which is closely followed by 37% who will focus instead on Cloud services. 24% will be concentrating on digital and big data services.
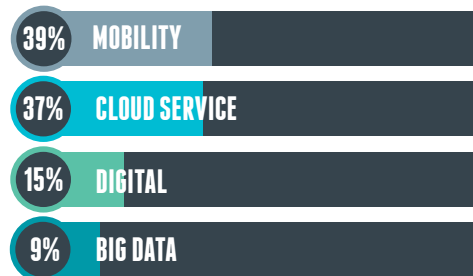
BUDGET PLANNING

Results from the survey indicate that CIOs in Singapore, Malaysia and Indonesia are working with growing budgets. A high proportion of survey respondents (37%) state that 1-2% of their organisation's revenue is reinvested into their IT budget. A further 29% of CIOs state that 2-3% of company revenue is allocated to their budget. Whilst it could be argued that the rapid growth in technological requirements has not been met with adequate investment in talent and resources, for many organisations, technology is still a growing department. Companies are deciding to support more functions with new technology and this constant growth can often create a gap between the need and availability of resources.

Investment in IT budgets across South East Asia could well be improving, as 46% of survey respondents state that their budget has increased from the previous year. This can be attributed to companies realising how technology can drive bottom line through improved productivity, efficiency and cost savings. Only 15% of CIOs have had their budget decreased.
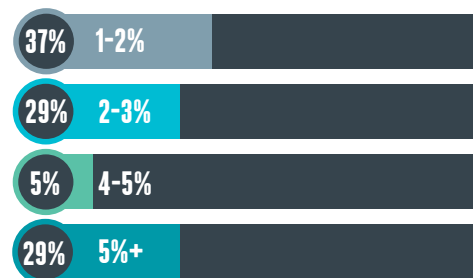
WHAT IS THE MAIN BUSINESS IMPROVEMENT PROJECT FOR 2015/2016?

INCREASE EFFICIENCY

TECHNOLOGY SECURITY

BIG DATA   CRM   MOBILITY

DATA CENTRE   CLOUD SERVICES
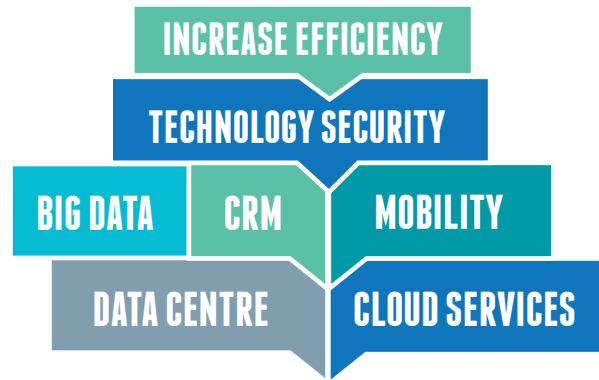
WHAT ARE THE MOST IMPORTANT PRIORITIES OVER THE NEXT 12 MONTHS?

- 39% MOBILITY
- 37% CLOUD SERVICE
- 15% DIGITAL
- 9% BIG DATA

HOW MUCH OF YOUR ORGANISATION'S REVENUE IS REINVESTED INTO THE IT BUDGET?

- 37% 1-2%
- 29% 2-3%
- 5% 4-5%
- 29% 5%+

COMPARED TO THE PREVIOUS YEAR, HAS YOUR IT BUDGET:

- 46% INCREASED
- 15% DECREASED
- 39% REMAINED THE SAME
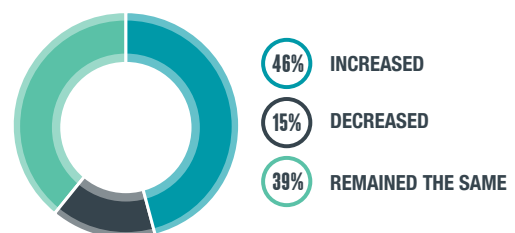
TALENT AND SKILLS IN DEMAND

There is optimism in the IT sector among our surveyed CIOs, as over a third of respondents predict that the job market will improve over the next 12 months (37%). Rising demand in IT Security Risk and Governance could well be fuelling this positive outlook. Almost half (49%) predict the job market will remain steady for IT professionals, indicating solid performances from the sector across Singapore, Malaysia and Indonesia.

Additionally, an overwhelming 63% of CIOs state that their staff headcount will increase in the next 12 months, further bolstering job prospects for IT professionals throughout South East Asia and supported by strong hiring activity at present. 32% of survey respondents believe headcount within their IT team will remain the same, while only 5% of respondents predict that numbers within their team will decrease.

In line with increased and steady headcount, 73% of CIOs state that additional headcount within their IT teams will be permanent staff. This increase could well be down to two factors; the general increase in the use of technology to drive and support business - investment in new technology will also mean new resources are needed to implement and work on it - and more organisations are moving roles to their offices in this region to better cost savings.

HOW DO YOU THINK THE TECHNOLOGY JOB MARKET WILL CHANGE IN THE NEXT 12 MONTHS?

- **7%** SIGNIFICANTLY IMPROVE
- **37%** IMPROVE
- **49%** REMAIN STABLE
- **7%** BE WORSE

COMPARED WITH 2014, HOW WILL THE NUMBER OF TECHNOLOGY STAFF IN YOUR ORGANISATION CHANGE IN THE NEXT 12 MONTHS?

- **63%** INCREASE
- **5%** DECREASE
- **32%** REMAINED THE SAME
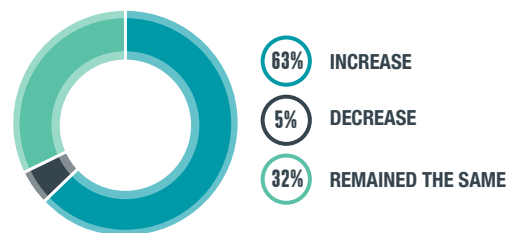
IN WHICH AREAS WILL YOU LOOK TO HIRE IN 2015/2016?*

- **73%** PERMANENT
- **44%** CONTRACT
- **17%** FIXED TERM
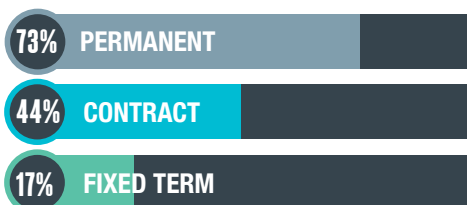
*More than one option can be chosen.

TALENT AND SKILLS IN DEMAND

IT professionals with project management skills are the top talent acquisition priority for CIOs in 2015, closely followed by those with experience in cloud services and mobility development. IT professionals who are skilled in big data development, data security and business analytics will also be highly sought after.

CIOs throughout the region are wary of skills shortages and skills gaps in the IT sector, with IT professionals falling short in advanced and new technologies. As companies move roles to their offices in this region, there is a challenge that IT professionals may not be adequately experienced or trained in these technologies. Required skills to drive cloud technology, big data projects, as well as mobility

advancements and project management are lacking at the moment with the existing talent pool. While the local talent pool is being trained and developed in these advanced and new technologies, there might be a need to source professionals from overseas with a more developed skill set. 68% of CIOs stated that they would consider this solution.

To offset turnover within their companies, 78% of CIOs are focusing on career progression as their key retention tool in 2015. This is closely followed by 54% of CIOs offering learning and development, which includes further training, upskilling and mentoring, and 44% are implementing recognition and reward programmes.

WOULD YOU CONSIDER RECRUITING INTERNATIONAL TALENT IF YOU ARE UNABLE TO FIND SKILLS LOCALLY?

68% YES · NO 32%

WHERE DO YOU THINK THE SKILLS SHORTAGE/GAPS EXIST IN THE MARKET AMONG TECHNOLOGY PROFESSIONALS IN SOUTH EAST ASIA?

CLOUD SERVICES

MOBILITY

DIGITAL

SOFT SKILLS

BIG DATA

PROJECT MANAGEMENT

WHAT ARE THE TOP THREE SKILLS PRIORITIES REQUIRED IN YOUR TEAM FOR 2015/2016?

1ST PROJECT MANAGEMENT SKILLS

2ND EXPERIENCE IN CLOUD SERVICES AND MOBILITY DEVELOPMENT

3RD SKILLED IN BIG DATA DEVELOPMENT, DATA SECURITY AND BUSINESS ANALYTICS

WHAT STRATEGIES WILL YOU IMPLEMENT TO RETAIN TECHNOLOGY TALENT TALENT IN THE NEXT 12 MONTHS?*

- 78% CAREER PROGRESSION
- 54% LEARNING & DEVELOPMENT INCLUDING TRAINING AND MENTORING
- 44% RECOGNITION AND REWARDS
- 20% INTERNATIONAL OPPORTUNITIES
- 20% WORK/LIFE BALANCE INITIATIVES INCLUDING FLEXIBLE WORKING ARRANGEMENTS
- 14% STRONG COMPANY CULTURE

*More than one option can be chosen.

CONCLUSION

The outlook for the technology sector across Singapore, Malaysia and Indonesia is expected to be positive as CIOs look to grow their teams over the next 12 months, buoyed by bigger investment and a focus on keeping pace with fast-moving technologies and trying to gain a competitive edge.

This business development approach for most CIOs surveyed will fuel demand for technology professionals skilled in project management, mobility and cloud services, but there's a note of caution from senior IT leaders that these skills may have to initially be sought from overseas.

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