



The ~~COS~~ Technology Network

Quarterly Survey: 2010 - Quarter 4

Summary

Reports are mixed on the general state of the economic recovery, but the regional IT industry is showing some positive signs with 4th results. Previously, trends in many of the measures had been moving downward for the past several quarters, but this quarter shows a reversal of some of those trends. One data point does not a trend make, but we're hopeful of a sustained, positive trend with first quarter results in a few months.

Performance reports for the current quarter show an improving trend for those companies reporting *Very Good* results, from 15% at Q2 to 30% at Q4. In fact, that 30% report is the highest we've seen since the second quarter of 2008. Additionally, we've seen a nice, declining trend in companies reporting *Bad* results for the current quarter, from 21% at the 4th quarter of 2009 to 8% at the 4th quarter of 2010.

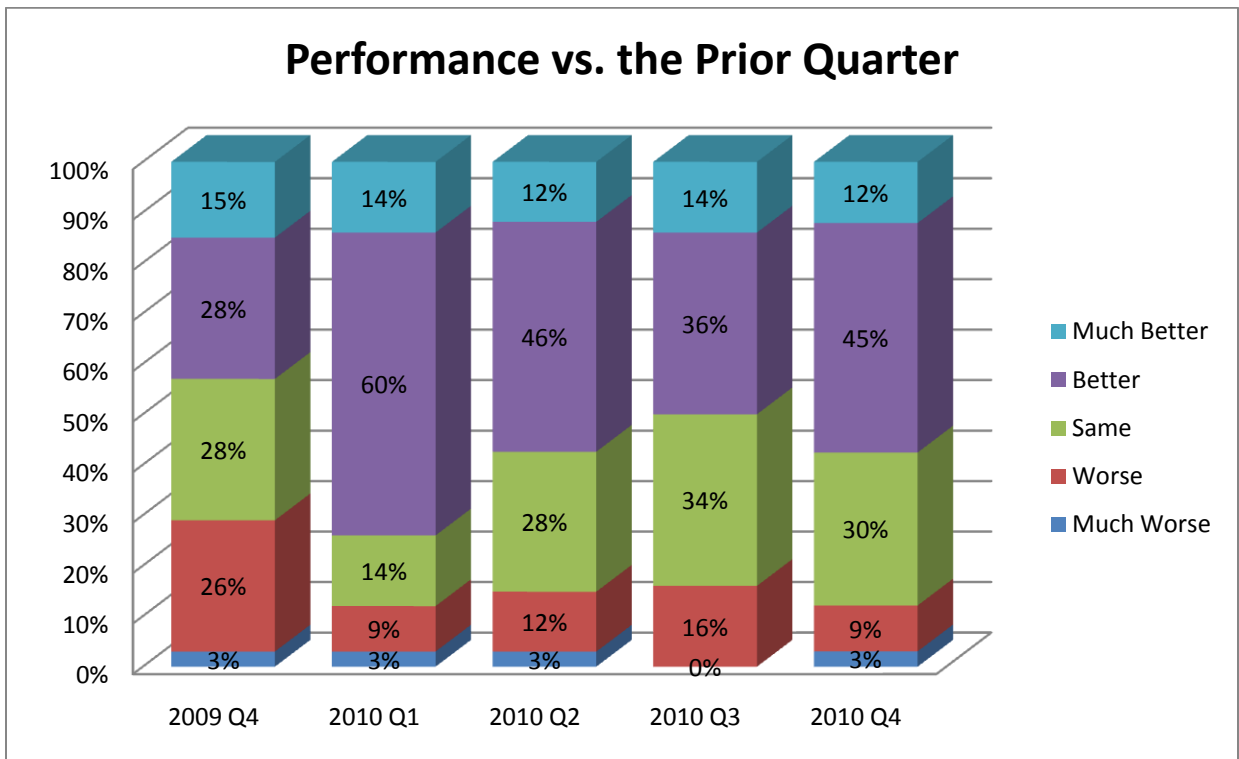
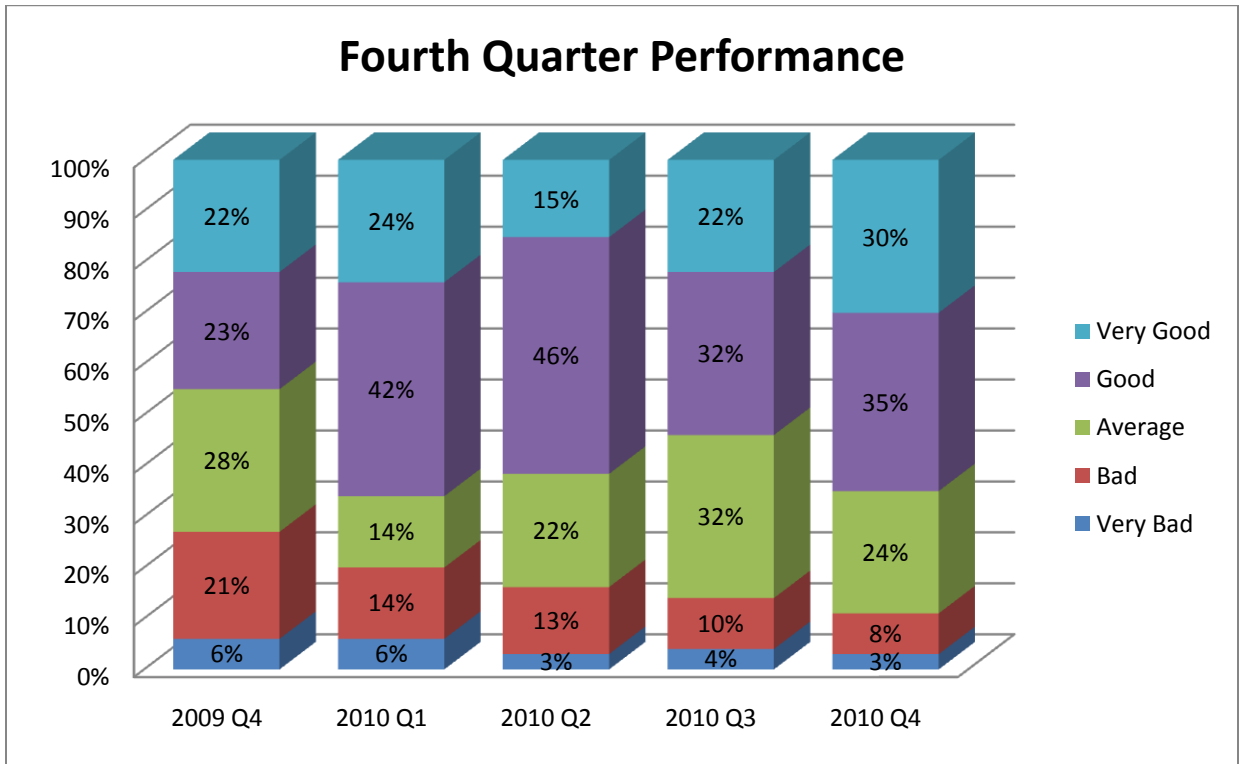
Reported performance compared to the prior quarter had been showing a troubling trend throughout 2010 causing us to question whether or not the industry was entering a downturn in our [last report](#). Companies reporting in the 4th quarter that business was *Better/Much Better* than the prior quarter rose to 57%, an increase of 7 points over 3rd quarter results. While this may be a trend reversal, those results remain significantly lower than 1st quarter results of 74% reporting *Better/Much Better* performance, suggesting that the 1st quarter was a high water mark for the year.

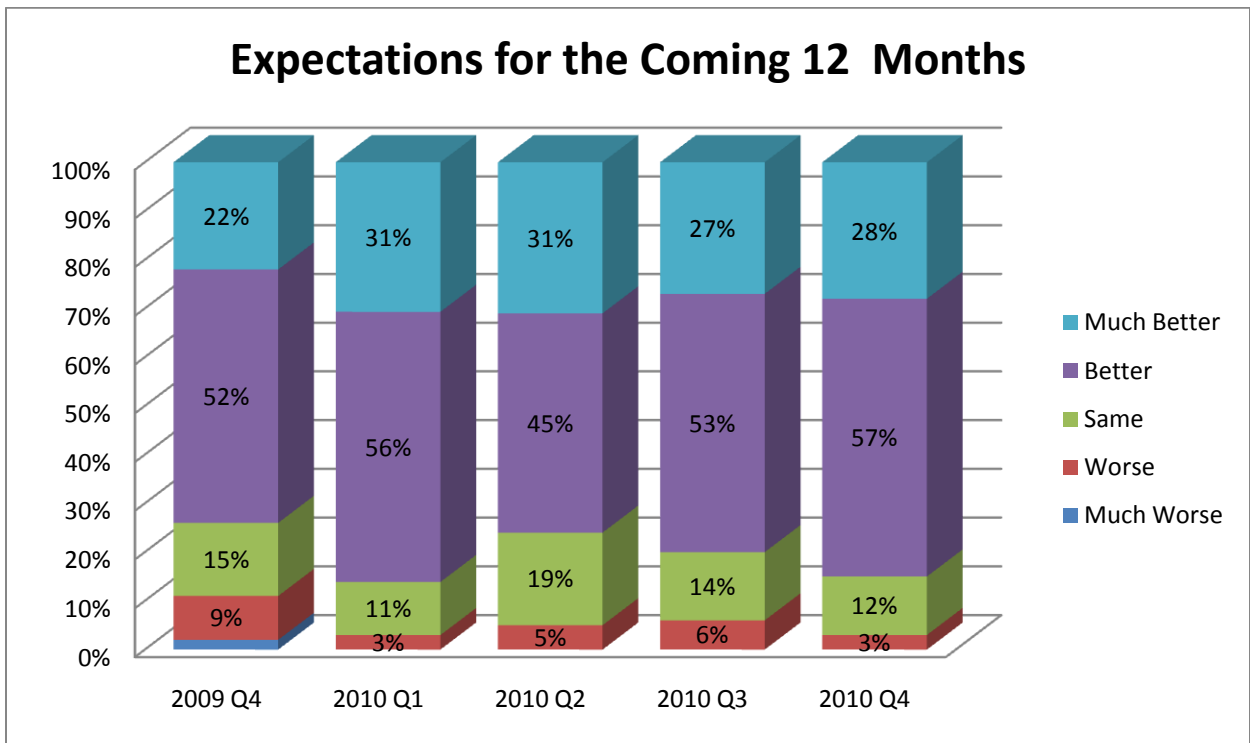
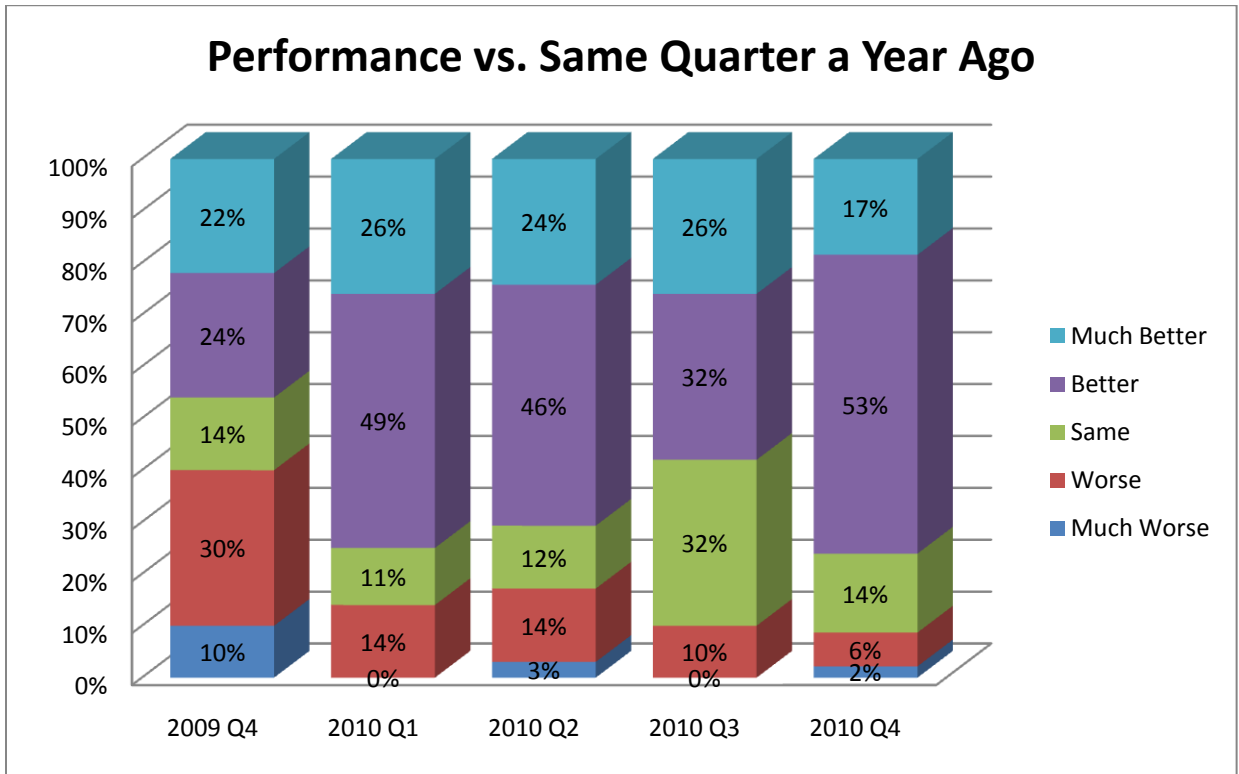
A clear bright spot of optimism is appearing with 4th quarter results as indicated by respondent's expectations for the coming year as well as current and future hiring plans. Eighty-five percent of companies think the next year will be *Better/Much Better* than the prior year, showing gradual improvement throughout the year.

Additionally, 58% of respondents indicated that they expect to add staff in the next year, an increase of 5 points over the 3rd quarter and 16 points higher than the 4th quarter of 2009. Finally, 74% of companies report that they are currently hiring, a 14 point increase over last quarter. However, this situation is leading to an increase in companies reporting some level of difficulty in hiring top talent. Assuming this trend remains consistent, the region may soon be at a talent shortage like that experienced several years ago, pre-recession.

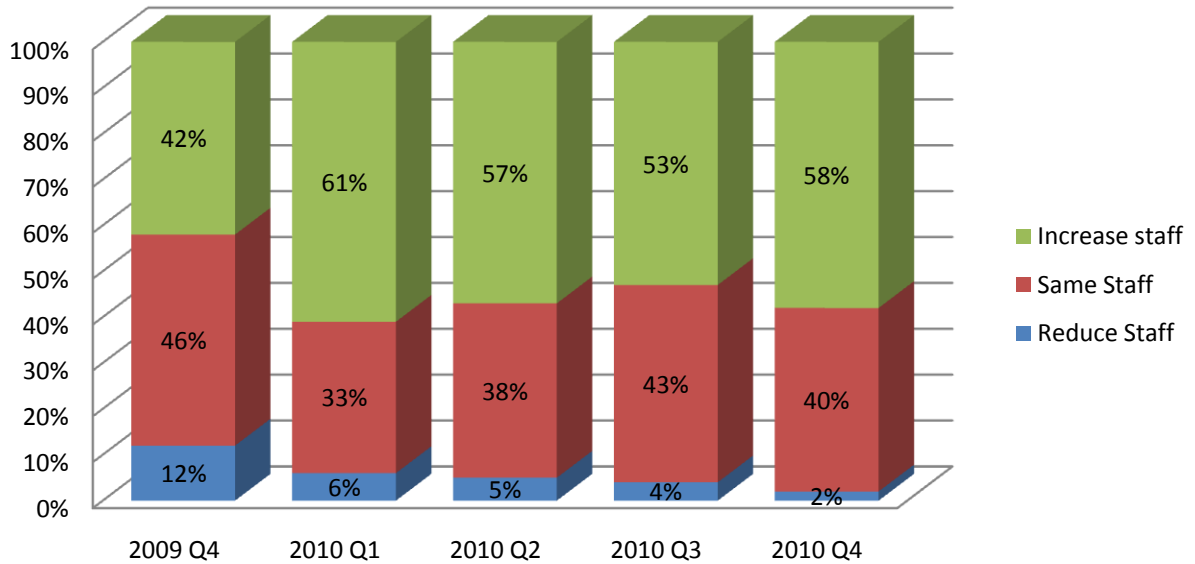
Key Quarterly Results

- 65% of respondents reported 4th quarter business performance was good or very good
- 57% reported results were better or much better than the 3rd quarter of 2010
- 70% reported performance was better or much better than the 4th quarter of 2009
- 85% believe the next 12 months will be better than the last 12 months
- 58% are planning to increase staff in the next 12 months





Staffing Expectations for the Next 12 Months



Hiring Challenges for Top Tech Talent

