

The innovative firms will lure the talent

By Emily Mathieu

Coveo Solutions Inc. took an innovative step in tackling the looming talent shortage in Canada's technology sector. The private Quebec-based firm, which develops secure search engine applications, turned to Taleo Corp., a global search systems firm with offices in Canada, to create an automated hiring service. Founded just two years ago, Coveo now has more than 200 clients worldwide, 50 staff.

The hiring system helps Coveo's human resources department hone in on top talent in a fraction of the time it normally takes. "We are growing very quickly we don't have six months to implement a system that would provide us access to the best people," says Laurent Simoneau, chief executive of Coveo.

In a sector on the verge of unprecedented growth, finding innovative ways to locate talent is a tactic Canadian firms will need to employ, according to a new study from Deloitte Inc.

The study, *Coming of Age: 2007 Tech Talent Pulse Survey Report*, which is scheduled for release later this month, shows 54% of the Canadian technology and telecommunications firms surveyed expect their workforces to grow by about 6% a year, while about 25% expect double-digit growth. Nearly 75% of respondents expect that the mass retirement of Baby Boomers will seriously affect their labour force. As well, 60% expect a high or moderate shortage of creative talent and 90% expect to be challenged to find technically skilled talent in the next three to five years.

"This is a bit of a call to action," says Richard Lee a technology, media and telecom expert with Deloitte. "Although telecom and technology are doing well in Canada, as we look forward we can see there could be an issue." He says the study, produced in partnership with the Information Technology Association of



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CEO Laurent Simoneau says Coveo's rapid growth sent him looking for a way to locate talent in a fraction of the time.

Canada, reveals a "false sense of security"

Companies "are on the verge of a serious talent shortage and moreover most companies don't seem to be prepared for it," he says.

Coveo's challenge was to find a program that would allow them to fill their hiring needs across the country and in Europe, without excessive costs. "Most startups in the tech sector want to grow at least 100% a year," Mr. Simoneau says.

Companies need to shift their focus to survive, he says. "It's not about manufacturing anymore it's about the people."

Firms are still burned from the meltdown of the tech market, says Karen Carruthers, director of marketing with technology recruitment firm Rostie & Associates Inc. That means a lot of privately held companies are waiting longer to go public. Intellectual capital

doesn't carry the same dollar value it did during the tech boom so the tactic of throwing vast sums of money around to build a sustainable business isn't a feasible option, she says.

Small to mid-sized firms can ensure their base salaries are in line with the market and offer uncapped incentives for people involved in sales and put aside an unrestricted pool for potential bonuses, Ms. Carruthers says.

Not all Canadian companies are satisfied tapping talent pools on Canadian soil. Ms. Carruthers cites a mid-sized and a Tier 1 firm that are clients of Rostie & Associates, which are looking overseas to bring foreign companies to Canada to fill their talent gaps. It seems extreme, she says, but in the technology sector simple positions take up to four weeks to fill, with the help of a recruitment firm. Once

you get into top-level positions you are looking at a wait time of several months. "You can almost double your time if you are not working with a recruitment firm."

Regardless of how it is managed, Canada's existing talent pool isn't enough, says Sharif Khan, vice-president of human resources at Microsoft Canada. "What we've found in general with the immigration coming into the country and Generation Y coming into the workforce we still fall significantly short of our needs." He says women are a seriously untapped resource, representing only 30% of the IT workforce.

Mr. Khan says one way for organizations to build a diverse pipeline is to allocate a percentage of attrition toward hiring graduates. "In the absence of that you're recycling the same talent," he says.

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Business-aware tech roles could be key for SMEs

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Smaller companies will find it easier to invest in technology because of managed software services run by third parties, he claims. These eliminate the requirement for capital-intensive investments in hardware and software, and regulate payments across a period of years. Third-party firms include Salesforce.com, Netsuite, and now software giant SAP, which is releasing hosted software systems for smaller businesses.

"It's becoming easier for SMEs to invest in ICT, but they'll still need someone in the company to help them make it happen," Mr. Ticol says. They can't just focus on cool new technologies. Companies have made those mistakes before, and the result has been shelfware — expensive implementations that deliver a fraction of the intended benefit or are never used.

"You can't just focus on physical capital — even high-tech capital. You need a properly trained workforce to use that capital productively," warns Ken McKenzie, an economics professor at the University of Calgary and fellow in residence at the C.D. Howe Institute.

Mr. Ticol hopes a gradual rise in investment will mirror the development of skilled, business-aware technology roles. These people will stay on Canadian soil and contribute to the growth of a nearshoring economy providing technology-based services to customers across the border and overseas.

"There's a place for Canada in ICT, and anyone who things otherwise is missing the boat," he concludes. "That main message needs to go out to the people who are afraid of getting into this industry."

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