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Creative IT Retention Strategies Found in New Study

New Canaan, CT, October 25, 2005 – A new study from Foote Partners involving 164 employers reveals that employers are once again becoming creative with retention strategies for keeping critical IT talent on board in the escalating talent wars.

“New-generation professions programs have been extraordinarily effective for companies interested in a long-term retention solution. But they’re especially timely given that IT workers right now are looking for career advancement and development,” notes David Foote, the firm’s president and chief research officer who also directed the study that involved more than 500 hours of interviews with top executives and managers in Europe, UK, and North America.

“Professions programs have been around in one form or another for some time, in particular at IT professional services firms and other companies that place a high asset value on labor as a revenue source. They are terrific at neutralizing the influence that a good executive recruiter can have in convincing talented IT professionals to considering looking elsewhere. Well-run professions programs help lock in those who are ambitious about their career direction and professional development---exactly the kind of workers that recruiters target most.”

Continues Mr. Foote, “As part of this study we compared retention strategies and practices today with those popular during the last dynamic labor market, the Internet bubble years from 1997 to 2000. It is clear that we’re in a different place today not only in what workers want, but in what employers are expecting from them. Retention concerns are being given a very high priority right now by many executives, partly driven by heightened demand for IT workers with more specialized skill sets focused not just on technology but on industry, customer, and solutions knowledge and experience. They are going after a smaller pool of candidates in many cases.”

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“It’s no secret that IT organizations have been instrumental in helping companies sell more products, promote brands, and deliver better business value to their customers,” remarks Mr. Foote. “What may be new information for many is that there are now more IT professionals than ever who are capable of making a difference in their companies’ fortunes. I’m not referring to just the ones at or near the top but to those farther down the chain of command making \$60K to \$80K annual salaries. Keeping them happily employed and moving forward in their careers is paramount. That is precisely what the new-generation of professions programs are doing and why we are projecting their resurgence.”

The Foote Partners study conducted from January to September 2005 surveyed current and projected (2006) management and technology priorities and IT strategies that are making the most significant contributions to furthering global business strategy. “It is clear that the costs for an employer of losing its best people have increased dramatically, and that this presents a level of risk that many organizations are simply not prepared to take right now,” says Foote. “We’ve heard from several IT consulting firms that competition for talent has intensified as many of their own customers have now entered the outsourcing services business and seek to recruit their workers. All of this has renewed interest in well-conceived, executable retention strategies that are integrated with overall workforce staffing plans and strategies.”

The study revealed the most desirable perks for IT workers in 2005 are: additional time off; work-from-home and flexible scheduling policies; comp time; technical, business, and professional training; and interesting work/last technologies. Companies employing *total reward* strategies and well-executed recognition programs are lowering TO rates, as are those able to build and maintain a stimulating work environment and build professions programs linked externally to business strategies, market development, and customers, and internally to career models, communities of interest, and knowledge management systems.

For more information about professions programs and other best practice retention strategies now being employed, or to obtain Foote Partner’s retention research study, please contact us at the coordinates below.

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ABOUT THIS RESEARCH

The “IT Insider Compensation Benchmarks and Management Trends” research series is compiled from confidential data supplied by IT, business, and HR executives and validated via direct interviewing covering 50,000 North American and European IT workers and 1,800 private and public sector organizations. The size of the participating organizations, measured most appropriately for the type of business, by revenues, assets, total premiums and operating budgets, are as follows:

- 12% of participating organizations have \$3 billion+ in sales/\$15+ billion in total assets
- 26% of participating organizations have \$1 billion or more in annual revenues or \$3 billion or more in total assets
- 42% of participating organizations have \$500+ million in sales/\$3+ billion in total assets/\$500+ million in premiums/\$500+ million operating budget (government, educational, not-for-profit)
- 4% have operating budgets of \$500 million or more, 4% with operating budgets \$100 million to less

ABOUT FOOTE PARTNERS

[Foote Partners LLC](http://www.footepartners.com), founded in 1997, is a New Canaan, Connecticut based management consultancy and IT workforce research firm comprised of former Gartner Inc., META Group, Forrester/Giga and McKinsey & Company consultants and analysts, and former HR, IT, and business executives. The firm employs innovative data collection methods and analytical techniques to correct for mismatched IT job titles (versus actual job content and duties) and produce a highly accurate, constantly updated, consistent and comprehensive view of what tens of thousands of IT workers in the North America and Europe are being paid in total IT compensation. The firm’s senior research team publishes survey-backed analytical trend reports on a variety of management and technology subjects and advises companies on increasing performance and achieving business goals through maximizing collaboration and integration of IT, business, and HR resources.

For more information, please visit the Foote Partners website: [http://www.footepartners.com/](http://www.footepartners.com).

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