

BIV TOP 100 TECH COMPANIES

Annual News Report
May 10-16, 2011; issue 1124

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High-tech surge

Recovery in full swing for IT services, but some sectors struggle as black swans threaten market confidence

By Richard Chu

Employment continues to grow for much of B.C.'s tech sector.

More than half of the companies on this year's list of the Top 100 High Tech Companies in B.C. reported staff increases over the past year.

That compares with just over a third of the companies on last year's list reporting increases.

While a wide range of tech firms reported staff increases, software companies saw some of the largest increases. Richmond's **Sage**, which provides business management software, reported nearly 100 new staff in the past year. **Vivonet**, which produces point-of-sale software, reported an 83 jump in staff. Vancouver's **PNI Digital Media**, which provides transaction processing and order routing services primarily for online photo orders, reported nearly 30 new staff members in the past year, with plans for continued growth this year.

Stacey Cerniuk, president and CEO of **Annex Consulting Group**, said strengthening business prospects has enticed companies to take on various IT projects that may have been put on the back burner during the recession.

"The demand for some of the things companies wanted to do never went away," said Cerniuk. "They just didn't have the money to do it. Now that the economy is picking up, we're seeing a lot of companies of all sizes start being more aggressive in terms of improvements they want to make."



RICHARD LAM

Stacey Cerniuk, president and CEO, **Annex Consulting Group**: spiking demand for business analysts and project managers bodes well for increasing work for technical staff from software developers to hardware specialists

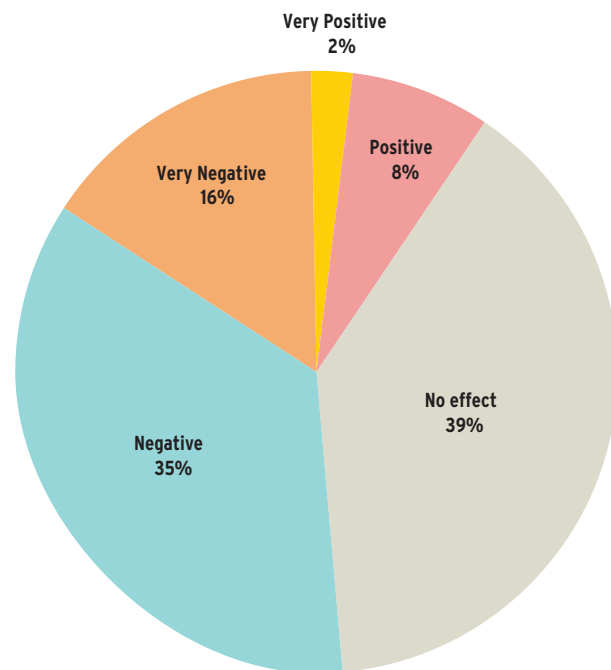
Over the past six to 12 months, there has been a substantial increase in demand for project managers, business analysts and management consultants who help put together business plans for IT projects. Companies Cerniuk have been working with, including **ICBC**, who started their IT projects earlier are now looking for the technical staff like software developers, IT hardware and security specialists.

"The downstream people, who are more technical, those are the folks who are about to become in high demand."

While demand for experienced staff remains high, finding them remains a challenge. **Matt Dion**, vice-president of marketing at e-commerce provider **Elastic Path Software** noted the company has had to look outside of the country for some key mid-level positions. The company recently acquired an office for Java developers in Costa Rica, expanding its international presence and access to talent beyond its Canadian and U.K. operations.

"We've loosened our requirement for a lot of our jobs to be based in Vancouver," said Dion. "The

Strong loonie a negative for B.C. tech companies



SOURCE: BIV RESEARCH

A strong Canadian dollar is a boon for those looking to buy equipment and machinery from the United States, but it has been hard for the majority of B.C.'s largest tech companies.

About 51% of B.C.'s tech companies that responded to *BIV's* Top 100 High Tech survey said the dollar had been a drag on their business over the past year. About a third said it had a negative impact, while 16% said it had a very negative impact.

The impact has mostly been with firms that provide products or services in the U.S., or have their services paid in U.S. dollars. The impact has been felt by many B.C.-based software companies, especially over the past few months since the loonie surpassed parity with the U.S. greenback.

Some companies like **Elastic Path Software** simply "roll with it" rather than pass on any cost increases to their clients.

hardest positions for us are solution architects, senior Java developers and business analysts. It's not a show-stopper for us. The thing is the bottleneck for the level of people we are looking for with certain positions."

Elastic Path's move is one way to mitigate a pending talent shortage in the tech sector. A **BC Technol-**

ogy Industry Association (BCTIA) study released last February suggested the job losses during the recession would likely have recovered by the fall of 2010, recovering to peak employment in 2011 that had been reached in 2008.

Cerniuk suggested B.C.'s tech sector has likely surpassed its peak *see Tech, 15*

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Tech jobs

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employment in 2008 given the level of activity he has seen in his own business, which provides IT consulting and recruiting. The company had a record month in March, with revenues 50% higher than in March last year. "I'm quite optimistic about the industry for the next couple of years."

The challenge in finding qualified, experienced staff, however, will continue to worsen in B.C. and across the country. A report from the **Information and Communications Technology Council** suggests the number of IT jobs in Canada will grow by 106,000 by 2016. ICT spending in B.C. will also continue to grow more rapidly than the national average of 3.6% between 2011 and 2016.

Cerniuk noted the number of Canadian post-secondary graduates in IT-related fields continue to be far below demand. Many, if not most IT jobs in Canada will likely need to be filled by immigrants with the necessary qualifications. "A lot of people who come to Canada with tech skills will be busy." ■

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