Effect of cloud computing on future IT jobs

By Eric P. Bloom
Your IT Career

I had the good fortune this week of speaking with Rick Chapman. Our discussion centered around the use of SaaS within IT and its future effect on IT jobs. This is what he said . . .

Rick Chapman, the Founder of SaaS University, managing editor of Softletter and author of the just released book *SaaS Entrepreneur: The Definitive Guide to Success in Your Cloud Application Business*, and I spoke earlier this week. Our discussion centered around the use of SaaS within IT and its future effect on IT jobs.

Rick’s belief is that the number of jobs within IT will decrease over the next ten to twenty years. This is the case because many of the systems previously developed and/or purchased and supported by IT staff members will eventually be replaced by SaaS (cloud) based applications which do not require internal IT staff. He went on to say that not all applications would be replaced, primarily only those applications which companies do not feel are truly key to their internal process or contain proprietary algorithms. For example, it’s unlikely that a financial trading firm management firm will outsource the software used for stock analysis and trading or that a large retail company processing millions of transactions will outsource its credit card processing systems to a “cloud” outsourcer.

So what does this mean regarding IT related jobs inside and outside of IT? It means a number of things including the following:

- There will be the need for a higher percentage of Business Analysts in IT because user requirements must still be collected, cloud-based vendors must still be selected, and applications must still be integrated into business processes.
- There will be the need for a higher percentage of Project Managers within IT because more systems can be implemented with less internal IT resources.
- Data integration jobs will increase in demand because the use of multiple cloud-based vendors causes data silos that must be integrated into a cohesive data model.
• Technologists with a deep understanding and working knowledge of private and hybrid clouds will be in high demand as large companies try to implement cloud-based technologies inside their data centers.
• Infrastructure specialists will also be in high demand because of the increased need to move data into and out of the data center and the high availability and throughput that are required to reduce the latency inherent in cloud-based applications.
• There will also be a increased need for highly skilled security specialists because increased cloud vendors means more openings through company firewalls and potentially the need for manual procedures to manage user access to cloud-based applications.

Take note that software developers were not mentioned as increasing in demand. The bad news is that ready-to-use cloud-based applications will reduce the number of programmers needed within IT. The good news is that someone is needed to build all of these ready-to-use cloud-based applications and this is where the programmers come in. As a result, there will be a shift in demand for programming professionals from IT organizations to cloud-based software vendors. Also take note that along with demand for programmers within the software vendors will also require the need of additional business analysts, infrastructure specialists, project managers, testers, and other related technical professionals.

The antedotal proof that companies and the industry in general are moving in this direction is that virtually all of the capital investment within the computer technology profession is going toward mobile and SaaS related applications and not toward the creation of software to be traditionally purchased and installed within client data centers.

Rick Chapman can be reached at www.softletter.com and www.saasentrepreneur.com.

Until next time, work hard, work smart, and continue to grow.

A former CIO, today Eric P. Bloom is the President and CTO of Manager Mechanics LLC, a company specializing in Information Technology (IT) leadership development and IT soft skills training. Eric is also a keynote speaker, nationally syndicated columnist, certified professional coach and a weekly columnist/blogger for ITworld.com

Eric can be found on Twitter at @EricPBloom and at www.ManagerMechanics.com.