

HOW COSTLY IS THE CLOUD SKILLS GAP?

Cloud skills are at a premium as more and more companies look to accelerate cloud migration and digital transformation. Over the next few years, the pace of change is going to increase even more, driving up demand for skilled workers who can quickly adapt to the needs of tomorrow.

At the beginning of 2017, there were 7.3 million workers in technology positions across all industries in the United States, according to a [report](#) on the technology industry and workforce from the Computing Technology Industry Association (CompTIA). However, 6.9 million were employed in the technology industry.

Unemployment was just 2.5% in computing and engineering occupations at the end of last year, about half the rate across all occupations in the country. By 2020, it's [estimated](#) there will be more than 1 million computing-related jobs than applicants to fill them. Adding to the imbalance, says CompTIA, are an expected 800,000 IT worker retirements by 2024.

KEY SKILLS IN HIGH DEMAND

Computerworld's 2017 IT salary survey finds overall IT salaries have increased about 3% annually over the past three years, a relatively modest rate considering the imbalance in supply and demand. However, the publication notes, "Application development, security, data and analytics, and cloud computing skills are in particularly high demand this year and are among the best paying specialties in IT."

Computerworld reports that people who work in cloud computing are the best compensated among all IT professionals: "Since cloud

computing began to take off in the enterprise about a decade ago, cloud experts have commanded high pay because demand outstripped available expertise."

DAMPENING DIGITAL TRANSFORMATION GOALS

In the meantime, though, the imbalance is making it difficult for companies to define digital transformation strategies to foster growth and stave off competition.

"The core issue contributing to this inconsistency in vision and reality is that companies don't have enough of the necessary skills and talent available to both imagine the possibilities of a digital world, create a strategy, and then execute on that strategy to bring the ideas to life," argues [David Foote](#), co-founder and CEO of IT analyst firm and independent benchmark research organization Foote Partners, in a *Redmond Magazine* assessment of the IT skills gap.

Few companies can afford to put their cloud strategies on hold, hoping supply and demand of IT skills balance out, particularly when it comes to cloud computing. "As enterprises continue to focus on implementing a cloud infrastructure, many still face roadblocks when it comes to hiring candidates with the right skills," reports [CIO](#).

Those roadblocks can only become more burdensome as more businesses begin to focus on developing cloud-native applications. The technology consulting firm [Capgemini](#) says the shift is driven by "the desire to improve agility and scalability and increase

velocity, thereby reducing time to market.” Currently, 15% of survey respondents’ new applications are built in a cloud-native environment, but that should more than double to 32% over the next three years.

All said, the harsh reality is that many businesses, at least for the next few years, are likely to be priced out of the market for highly skilled employees due to the insatiable growth of hyperscale cloud services providers, led by Amazon Web Services, Microsoft Azure, Google, and a score of challengers. According to [Synergy Research Group](#), 24 companies that meet its definition of hyperscale accounted in aggregate for 68% of the cloud infrastructure services market and 59% of the SaaS market, up from 47% in each of those markets in 2012.

LEADERS AND LAGGARDS

There is a clear delineation between those leading the march to native cloud applications, and those lagging behind, Capgemini contends. The leaders “are developing and deploying applications faster than the others and are further ahead in monetizing their application programming interfaces.”

Those waiting for the IT labor market to stabilize will likely fall further and further behind. “Where typically an application or technology could have been deployed in a business and stayed static for three to five years, we now see cloud technologies continuously changing on a daily basis,” writes [James Cowe](#), director of AWS strategy and architecture at Rackspace.

“Major innovations in cloud happen frequently throughout a year, and as a result, IT professionals, whether they’re architects, developers, or even C-suite leaders, are on a continual learning curve to keep up,” Cowe warns. Those who fail to prepare, plan, and address the skills gap risk “being outpaced, out-innovated, and ultimately to a point of being ousted out of market by competitors who do embrace change and innovation.”

Cowe points out three core options to overcoming the cloud skills gap:

- Develop and train existing staff in new technologies and work to retain them.
- Look to hire professionals with existing skills, but be prepared to pay for them.
- Engage with a third party to leverage its skills and experience.

For companies that are not part of the hyperscale cadre, the prospect of unfilled jobs and escalating compensation in the cloud arena is sobering. The pace of change in technology is intense, and the cost of recruiting, retaining, and retraining key staff must be factored into long-term strategic planning.

What’s more, anyone with in-demand cloud skills is always going to be susceptible to an attractive offer from another company. The best generally want to work on the most exciting projects. So with the temptation of access to the latest technology and innovative

projects, staffing is going to be a never-ending demand. It may well make sense to “purchase” those hard-to-staff skills from a cloud managed services provider, while focusing on building a team that can leverage the company’s core capabilities and create new revenue opportunities.

For more perspectives on grappling with the cloud skills gap, read a summary of a recent [Rackspace #cloudchat](#) on the topic, with Rackspace CTO John Engates, Azure evangelist Kent Kingery, and other cloud experts, including Intermedia’s Nicole Scalese, Cybric’s CTO Mike Kail, Integral Partners’ Kayne McGladrey, and Bluelock’s Diana Nolting.