



PRECISION
SOURCING

SAP Q2

QUARTERLY REPORT

2022



OVERVIEW

The new normal is here! Q2 saw us move out of the lockdown scenario and gradually move to this mixed message society where economists are trying to open up and the health-conscious are encouraging restrictions.

This is impacting company decisions with their staff, and we have seen several different approaches with office returns vs work from home, vaccinations, planning, hiring and retention.

Many major corporates are encouraging their staff to work from home for the foreseeable future while others are encouraging the return to the office to ensure that collaboration is optimal. A large iconic retailer pushed the letter and evoked a 'no jab, no job' policy making their stance firmly clear. 2022 is going to be much of the same with borders opening, other countries going through increased restrictions and uncertainty reigning supreme. We are certainly still very much in the middle as this plot continues.

What is the effect on the SAP Market?

The one thing that is certain is the market is in full throttle. If the word to define Q1 was 'confidence', then Q2's word is 'realisation' as numerous companies are looking to build their inhouse capability with more and more work being approved. Staff have proven that we can adapt and deliver no matter the circumstances. The back log of work coupled with the need to move forward is being realized. The real challenge now is a question of how is all this work going to be done?

What we have seen is companies going to market and struggling to find the relevant talent so as a solution, they are engaging vendors and outsourcing or engaging specialist recruitment

agencies to assist. For companies, the cost of attracting staff is increasing however the lure of lucrative work is in front of them. The companies who secure and retain talent wins!

Look at the market like this:

- The work is here and it will increase
- SAP are not going to support ECC from 2027 therefore most customers must do something soon
- SAP themselves already have a strategy to rely on their partners to allow them to concentrate on licensing and advisory type work
- There is not going to be an influx of new talent arriving in Australia anytime soon
- We have an ageing talent pool who have reaped the rewards for many years and can afford to slow down
- There are so many choices and career paths for graduates and more 'sexier' technologies to choose to work on
- The talent we have now is pretty much all we have

So if you have great staff, do all you can to keep them and if you are looking to build teams and attract staff ask yourself how are you different and what is your value proposition?

But what does this mean?

OVERVIEW CONTINUED

“Treat them all the same by treating them differently.”

This quote comes from *The 7 Habits of Highly Effective People* by Stephen Covey and it is a great starting point and very relevant to the above. All too often companies like to ensure people fit into boxes whether it's title, seniority, remuneration or career path and while some structure is positive, companies do lose and fail to attract talent if they are too rigid. Remember everyone's situation is different so a mix of structure with flexibility is so key.

Double down on marketing

Your brand is paramount and you should be promoting this! Both your company and more importantly your personal brand. We live in a digital age where people are exposed to social media platforms and like it or not people are attracted to brands. Think about the last purchase you made or the last TV show you watched or more relevant the current company you are working for. More than likely you would have had questions before committing and the more questions that can be ticked off online the better – whether it be leadership style, technology the company is working with, or culture and career paths.

The pay dilemma!

The good news is SAP talent is motivated by factors other than remuneration and they really

just want a fair wicket. When talent is in demand the cost tends to go north. The challenge we face in the market is companies that used to pay very well normally, demanded other sacrifices such as travel.

Take the Big 4 as an example. The plus points are career path, exposure, large teams and more remuneration. The downside (for some) was certainly a high risk of a lot of travel. The pandemic has reduced the latter and, in some instances, taken it away all together while the plus points remaining intact. That leaves end customers who stereotypically pay less remuneration than the Big 4 competing for talent on the back foot. Do they change your pay structure? Do you risk upsetting the apple cart? You can see the dilemma and it's all the more reason to soften structure and treat each situation individually.

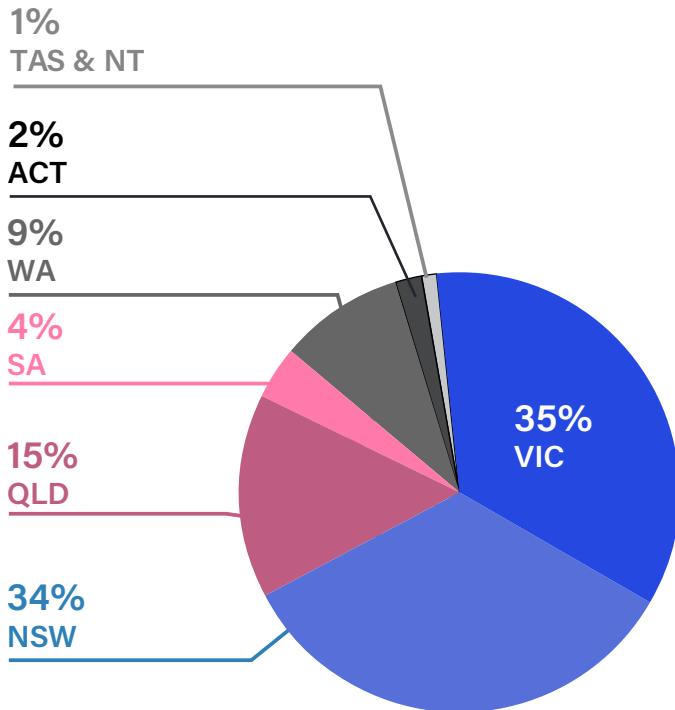
In summary

The “new normal” is here, but with its arrival comes a new set of challenges that face the SAP Market. This quarter is likely to be one of the busiest that the Australian SAP market has seen and it will be operating on a very limited supply of talent. To stay ahead of the curve, think outside of just remuneration and blanket rules for your new and existing staff. Everyone brings their own situation to the table and as a leader, if you take the time to understand each of your staff on a deeper level, the rest will take care of itself.



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