

# **SAP QUARTER 1 MARKET TALENT REPORT 2021/22**



# OVERVIEW

---

If I had to describe Q1 in one word, it would be 'confidence'. There has been so much change throughout 2020 and 2021 with border closures, snap lockdowns, vaccine roll outs and working dynamically. People are being forced to stop, analyse, reflect and review, and now we are looking forward with an underlying confidence to move forward to this so called 'new normal'.

There's light at the end of the tunnel with the government rolling out the statewide lockdown recovery roadmaps and our lives will look different when 70% vaccination rates get hit early in October. It will be interesting to see how businesses react to this news and start introducing employees back to the office. We spoke with one client who have closed their 'traditional' office in NSW and are looking at new leases to create more of a hub café vibe for employees to collaborate 2 days a week. This is very reflective of the new normal while other clients are still advocating a full return to the office. Very interesting times!

## **What is the Effect on the SAP Market?**

Historically the SAP market has always been a project led market therefore the split between contract and perm has been heavy to the

contract side at 65%. Last year, when confidence was low and there was a real sense of the unknown, companies restructured. There were a lot of redundancies and contract engagements were very much the majority.

Fast forward to the present with large amounts of funding being approved, long term and large scale programs going ahead, delayed projects coming back online and confidence at an all-time high, the SAP market has seen a huge shift towards permanent hires. 54% of new hires in Q1 were in a permanent capacity. The forecast for Q2 is already projected to be at 65% permanent as contract opportunities diminish and companies look to build their long-term capability.

# OVERVIEW CONTINUED

---

## **The Talent Pool**

Like contract opportunities, the talent pool is diminishing quickly. With international borders remaining shut and work and hiring increasing, we are still in a war for talent and it is getting harder and harder to attract and retain talent.

## **What can Clients do to Differentiate?**

In the famous words of Warren Buffet – *“fearful when others are greedy, and greedy when others are fearful.”*

The consensus is permanent = long term/ stability and contract = temporary/expertise. I firmly believe a change in this thinking is needed in this market. Don't focus on what you need, focus on what the talent wants.

Here is an example. There are a lot of contractors that have converted to permanent in the last year. In many people's eyes once you are a contractor you tend to be always a contractor so if you are a company that has a long-term program, putting a really good contract opportunity to the market will certainly attract talent. Now, whether they remain a contractor, or get transitioned to permanent is entirely between you and them!

One company has utilised this strategy very well last year. The goal was to secure the best talent on a permanent basis. They knew they had a fantastic culture but the challenge was getting a career contractor to accept a perm role.

The client adapted and brought the person on-board as a contractor for an initial 6 month period and wowed them with the culture so much so that they converted to permanent after the initial contract period.

The main message from this is tap into the candidate's drivers and adapt. Don't just focus on what you need as a company! Adapt your company to the people.

## **What can Candidates do to Differentiate?**

Having technical ability is not enough. We recently sat down with Sehida Frawley from SAP Australia and she quotes technical ability is just a seat at the table. The ability to take the customer on the journey is the real value add – so much so that this is always something she assesses when people in her organisation are up for a review and promotion.

If you are at interview stage, explore the leadership capability not the company. With so many options in the market, I highly recommend choosing a strong leadership team who have the ability to show vulnerability, empathy and have treat their staff as 'people' throughout the last 2 years.

Loyalty goes a very long way. The average tenure in the IT industry is 2 years and all too often we are seeing candidates jump ship too quickly. Short term stints of 3-6 months on your CV isn't the best look – especially if they are permanent vacancies.

# AT A GLANCE

## Job Titles In Demand

Pre-Sales

Junior Consultant

Business Solution Architect

## Skills In Demand

HR/PY

SuccessFactors

Data Migration

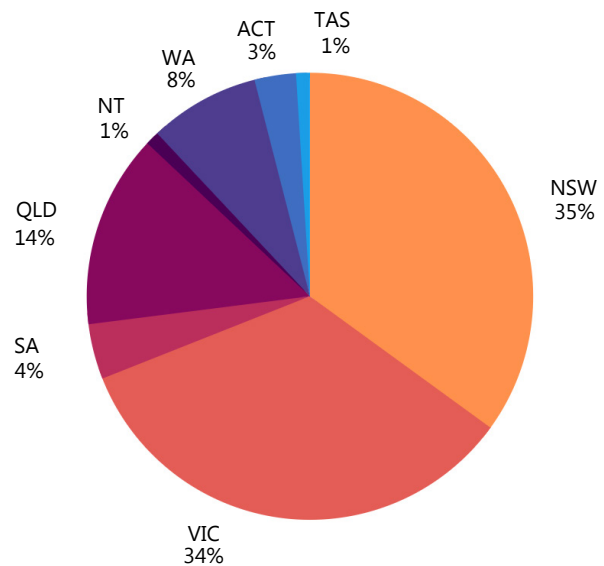
## Active Sectors Hiring

Government

Utilities

Consultancies

## Breakdown Of Hires Per State



## Contract Rates

Contract rates have remained the same as Q4. Still a 4% increase from FY2020.

**2570**

People have changed jobs in Q1

# THE FUTURE

---

## A Message To The Market

- Stay away from the term “market rates” – with there being such a fluctuation with supply and demand for talent in the SAP Market, trying to paint a skillset or a senior title with a “market rate” can be detrimental to your hiring process. Instead, look at the person, the company, and what you can do for each other
- Every touch point counts – don’t consider the hard work done just because you’ve signed a contract. A lot can change in this market in a single day, let alone during a 2 to 4 week notice period. Touch base with new hires and new managers as often as you can and start building that rapport early.
- The office does not always equal collaboration. Not only can this limit your talent pool by sticking to a location, but some people have thrived through a remote setting, and are more creative and collaborative than ever. Accept that the working world has changed!

## Insight For SAP Candidates

- Now is not the time to be greedy! Yes – the market is busy and crazy remuneration is being paid but what happens when the market dips and companies are carrying huge expenses?

- Spend some time to update your social presence as face-to-face contact will still be limited when we are out of lockdown. Social platforms like LinkedIn are like a mini personal website for you and will often be a first impression.
- Ensure your CV is updated even if you are not looking. You have achieved a lot through the lockdown and a little reflection exercise like updating your CV will make you feel good.

## Insight For SAP Clients

- Shorten your interview processes to 1 or 2 stages in a week with all the key relevant stakeholders. Waiting too long in this market exponentially increases the risk of losing the candidate.
- Continue to consider interstate talent for open vacancies. Location constraints will limit your talent pool and you won’t necessarily secure the best talent.
- If you lose a staff member, do not instantly think I will just replace them and compare any interviewing candidate to the previous person. More often than not, the person who has left is one of a kind so have a Plan B and C like internal training or hiring a different skillset.