



Trusted Technology People

# The Perfect Storm – Facing up to Unprecedented Challenges in Tech and Embracing a Brighter Outlook

Find out more



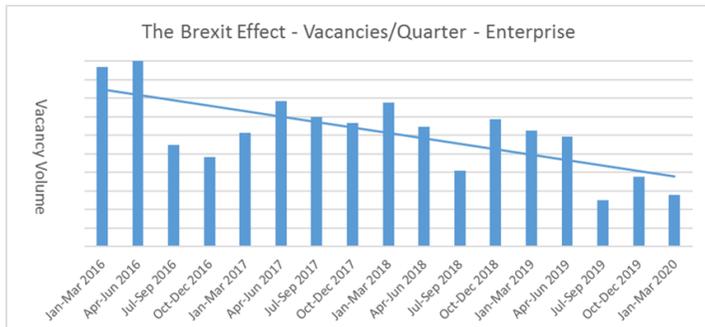
# Unsettled conditions, unprecedented challenges

**What a few years it has been. From Brexit to IR35, COVID and beyond, not to mention the ongoing skills shortage. It's fair to say the technology industry has never seen such disruption or uncertainty.**

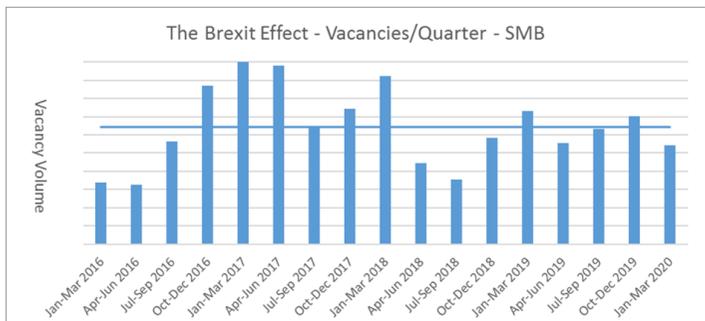
However, while the storm clouds still linger for many, rays of sunlight are beginning to break through. Leveraging Curo's own data and other expert sources, this eBook covers the key challenges faced by the IT sector, as well as Curo's contribution to easing their impact. It also looks forward to the positives on the horizon as we emerge from this perfect storm of unprecedented events.

# Brexit Finally Bites

Brexit was the first storm wave to hit and, arguably, began the downturn we all faced in IT recruitment. The ripples following the referendum warned of disruption to come, and it was this uncertainty that had the most impact. Enterprise organisations, in particular, began to slow down or pause IT projects while they waited for legislative clarity, leading to a gradual decline in vacancy volumes. Curo's research highlights this fact, showing a downward trend in available positions for consultancies and service providers who support the enterprise market.



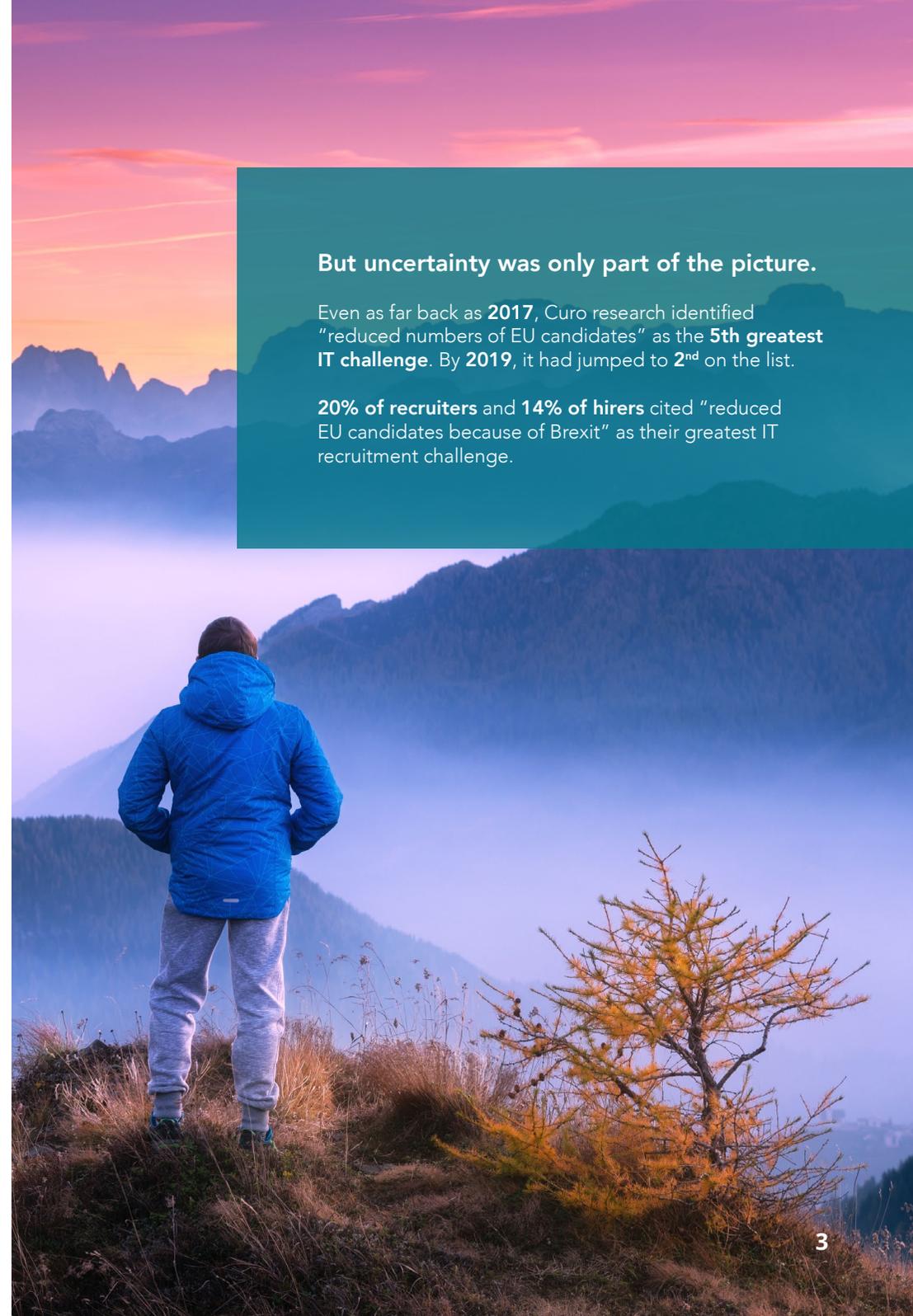
However, while enterprise businesses had the luxury of putting expensive IT projects on hold until the uncertainty passed, SMBs had no choice but to drive them forward despite an unclear path ahead. As this graph shows, consultancies and service providers working with SMBs saw more stable vacancy volumes as a result.



**But uncertainty was only part of the picture.**

Even as far back as **2017**, Curo research identified "reduced numbers of EU candidates" as the **5th greatest IT challenge**. By **2019**, it had jumped to **2nd** on the list.

**20% of recruiters** and **14% of hirers** cited "reduced EU candidates because of Brexit" as their greatest IT recruitment challenge.





## Alternative arrangements

Now the points-based immigration system has been outlined in more detail, the talent pool in the UK has seen a significant reduction, further exacerbating the existing tech skills gap. However, the intervening period saw organisations forced to make radical decisions in order to combat the talent shortfall.

According to a report<sup>1</sup> by The Adecco Group,

**34%** of UK managers considered automating elements of their business in order to tackle skills shortages due to Brexit, with that number rising to **44%** in London.

The same report highlighted that, alongside implementing technology, those organisations were also considering upskilling existing staff (**35%**) and increasing talent retention (**25%**) as methods to overcome Brexit's impact on available resources.

## Finding the right resources

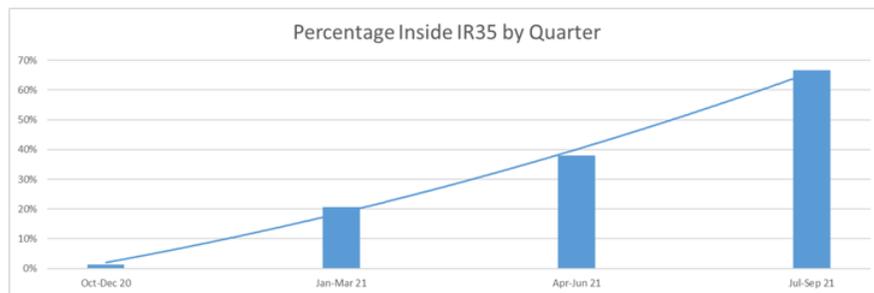
While the market is gradually rebalancing now less confusion around Brexit exists, the skills gap still remains a factor. For those continuing to feel the impact of Brexit, Curo can help ease some of the pressure they face. Managing the UK's largest trusted community of Microsoft experts, we can source UK-based talent for new projects as well as provide resource to complete stalled internal projects. With our own virtual practice teams, Curo can scope and deliver end-to-end Microsoft technology projects for you, helping you to not only find talent but find the right talent for your unique needs.

# The Impact of IR35

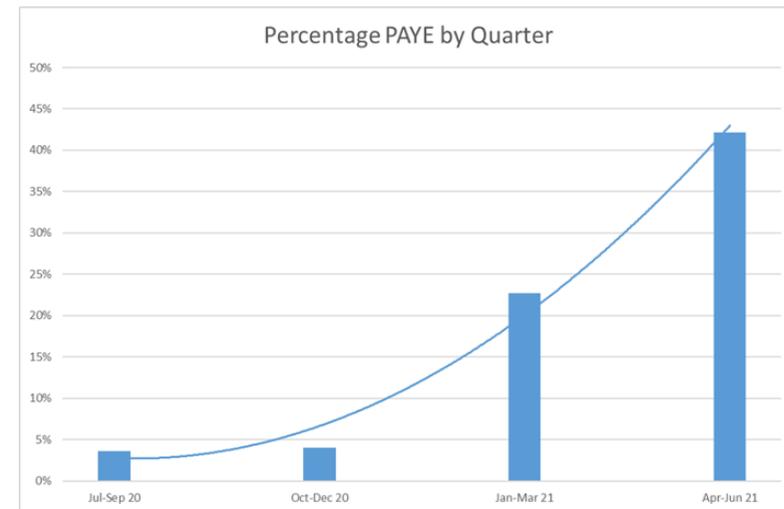
Both those seeking talent and the contractors they hire have been affected by the swell of change brought about by IR35. Businesses including Curo (which preemptively developed an IR35 payroll system for contractors) were wrongfooted by IR35's adjusted timelines initially and are still now seeing significant shifts in activity and behaviour.

Organisations are finding it harder to source niche IT talent for contract roles inside IR35, while contractors have increased their day rates to offset the additional tax burden, creating a less than ideal environment for those looking to hire.

The following graph shows the shift in the number of Curo's vacancies determined to be inside of IR35 in the lead up to and beyond the legislation changes in April 2021.



As a result, between the summers of 2020 and 2021, Curo's PAYE payroll service has seen a more than 40% increase in usage by our network of professionals as an alternative to using their own Ltd companies.



## Making tax less taxing

By discussing and demystifying the implications of IR35 with our contractors, Curo's knowledgeable team helps make sense of the tax complexities. We offer an in-house PAYE payroll service for our contractors and provide full tax illustrations to enable them to understand their take home pay, helping them and the organisations they work for.

# The Cloud Skills Gap Grows

An industry-wide challenge for several years, the speed of new cloud technology releases has meant training and therefore skills are lacking. The broad range and diversity of cloud technologies also mean several niche areas have emerged that can no longer be delivered by cloud generalists. The battle to obtain such specialists is fierce, with both Brexit and IR35 meaning fewer talented candidates are available to work within the UK. This smaller pool of talent has the further knock-on effect of driving up salaries. As mentioned earlier, organisations unable to obtain the right staff have been investigating automation and artificial intelligence alternatives. However, these technologies also require specific skill sets.



## Dealing with the deficit

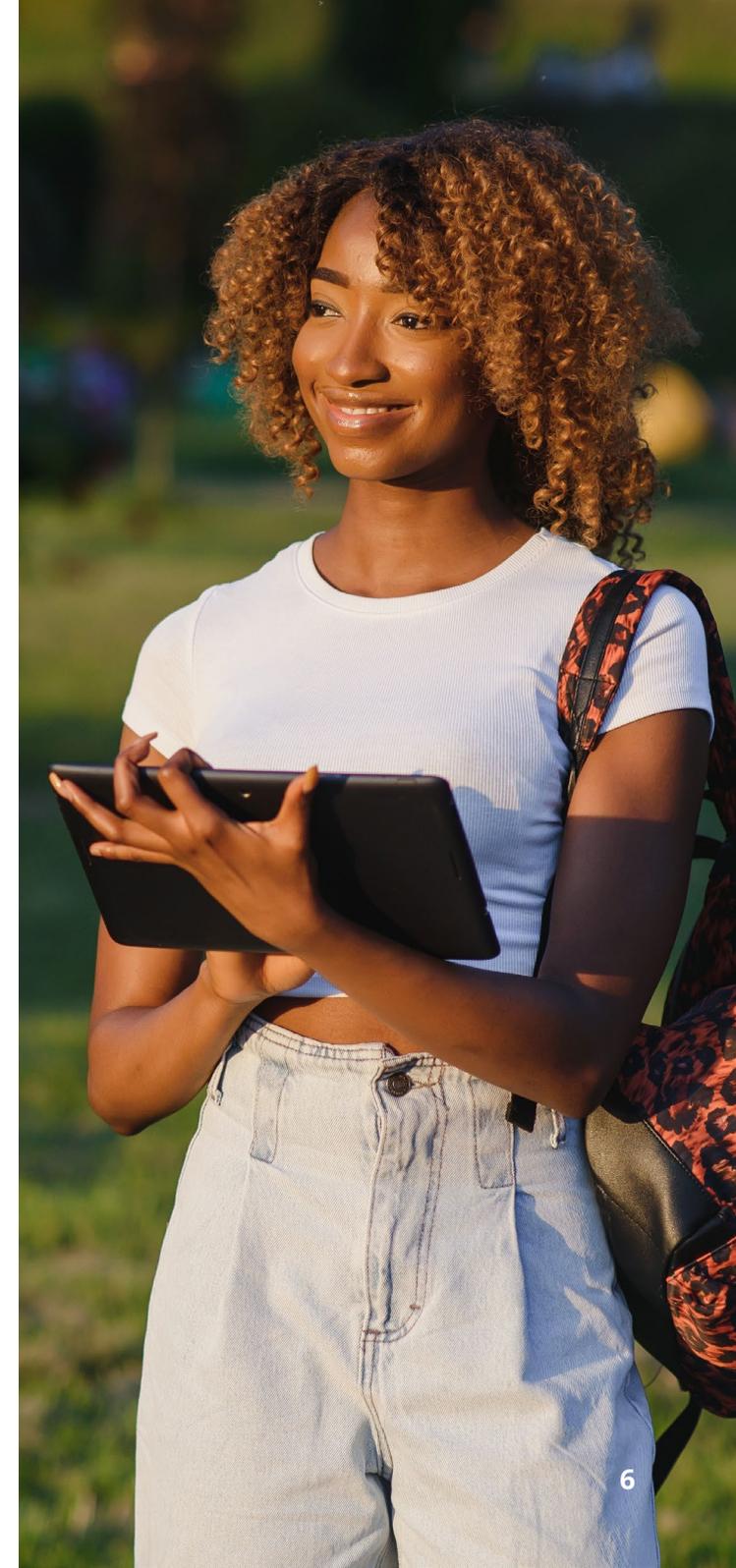
Dr Priyanka Singh PhD, AI evangelist and Co-Author of Artificial Intelligence and Natural Language, believes the fast emergence of new skills requirements alongside traditional skills becoming obsolete is causing a significant challenge. In a blog on Medium<sup>ii</sup>, she claims that “Humans are essential to extract value from data and apply it then in creative ways. The availability and quality of these critical human resources are under stress. And the shortage of skilled workers is only expected to grow.” She goes on to suggest that by 2030 the global talent shortage could reach more than 85 million people.

Currently, the tech industry has seen a deficit in available staff approaching 70,000<sup>iii</sup>, with a lack of STEM graduates and the impact of Brexit seen as key factors. Anthony Walker, Deputy CEO of TechUK believes that access to quality training will help the industry turn a recruiting corner. He suggests companies help employees to upskill by providing short, accessible courses. Further concerns around the skills gap highlight how it could prevent companies from launching new products and services and, as a result, lose their ability to compete globally.



## Expanding expertise

Curo fully supports businesses offering training to upskill their employees and can help source the right talent to further those initiatives. By introducing the right expertise into specific areas of an organisation, the halo effect of these individuals can be significant, with in-house staff learning from the knowledge and best practice of contractors. With cloud skills at the forefront of our service, Curo’s significant network of trusted Microsoft experts can supplement the efforts of internal teams, enabling projects to move forward while upskilling is carried out.



# COVID, Contractors and a Potential Silver Lining

No eBook on challenges in the past few years would be complete without mentioning the pandemic. Yet, while there was temporary disruption to IT projects as organisations scrambled to adapt to nationwide lockdowns, some positives have come from COVID-19.

The sudden requirement for remote work not only accelerated the rate of digital transformation globally but it temporarily eased the skills shortages businesses were facing. Many were able to access the talent they required remotely from a far larger global pool, while others sought out permanent hires rather than contractors to bolster in-house resources.

The need to move to a remote way of working has, in some cases, sped up the shift to a modern workplace. Some companies have taken digital transformation projects that would have taken a year or more previously and completed them in record time.

## How long will hybrid last?

However, the question we now face is, will these positives continue if the hybrid working boom takes hold?



In 2020, a CIPD survey<sup>iv</sup> suggested that employers expect the proportion of people working from home on a regular basis to increase to **37%** compared to **18%** before the pandemic.



Add to that fact that, a year later, nearly three-fifths (**59%**) of UK business leaders believed that a blend of in-office and home working makes companies more profitable<sup>v</sup>, there are strong signs that hybrid is here to stay.

However, there are some IT activities, such as agile development, that are more difficult to perform remotely. It is expected that some roles will be faster to move back to the office than others, at least on a part time basis, meaning the rules and therefore limitations around UK-based working return.

## Remote resources and in-house excellence

As a natively remote business that regularly delivers expertise on projects enabling remote working for other organisations, Curo is extremely well placed to help organisations as COVID persists and employees return to offices. We have access to a huge community of Microsoft experts who can deliver remotely or onsite across the UK, while our permanent team can support Microsoft Partners in hiring full-time talent to enhance their in-house skills. With the largest network of Microsoft talent in the UK, our community ensures we can find the candidates others can't.





*“In recent years you may have felt as though the pool of skilled resources you’re looking for are in the ever-shrinking middle section of a Venn diagram. They have seemed increasingly unavailable through a combination of Brexit’s right to work rules and the IR35 taxation rules compounding the technology skills shortage in the UK. Then the last couple of years has seen COVID turn normal office work completely on its head, complicating things further.*

*However there are a few silver-linings to consider. Firstly, the acceleration of adoption of remote and hybrid working due to COVID has led to the resource pool being far less dependent on location. This may be a temporary change, but at least some change is likely here to stay in the mid-long term. This in turn provides some relief from post-Brexit immigration changes, as the pool can include skilled resources from outside of the UK working remotely where needed.*

*Finally, the IR35 rules have driven many contract workers to consider taking permanent employment with Microsoft Partner businesses in order to put their consulting experience to good use. All these factors mean you have a great opportunity to attract high quality talent while the eye of this perfect, skills-gap defying storm is rumbling. Curo’s role is to help you navigate this larger landscape, securing the best possible talent for your customer engagements.”*

Annie Andrews, Chief Technology Officer at Curo Services.



## Need help with project delivery? Let us help with our people-led partnership approach

Whether it's accessing flexible resource for project delivery, support bidding for new business or finding the right staff to grow your company organically, we know filling talent gaps is only one piece of the puzzle. Organisations need a partner to truly understand their needs. One that works alongside them to help them meet their goals. Curo becomes part of your team to provide trusted technology expertise to deliver projects across the Microsoft technology stack.



### Consultancy

From major technology projects to more tactical engagements, our curated community of experts enables us to provide the support you need to achieve your business goals. Working with you to understand your needs through free scoping calls to dig into the details of your requirement, we provide the ideal consultants from our network of professionals experienced in all facets of the Microsoft technology stack.



### End-to-end project delivery

Offering both time and material and fixed-price solutions, Curo delivers end-to-end management for Microsoft Azure, Microsoft 365 and Microsoft Power Platform projects.

With access to some of the best talent in the industry, we ensure all our projects are delivered by subject matter experts in your chosen technology and make sure we fully understand your requirements before selecting the ideal team.



## Trusted Technology People

Curo helps organisations solve challenges with trusted, people-centric solutions. Born in IT services, we take a partnership-led approach to every engagement, working collaboratively with our clients to help them overcome their business challenges. A trusted provider of permanent technicians and freelance subject matter experts with a culture based on integrity, care and respect, we partner with our clients to not only supply the best people but provide solutions that deliver business outcomes.

**Find out more and get in touch to discuss how our services can help you deliver critical business outcomes for sustained, profitable growth.**

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