

Staffing Practices in Information Security: Industry Consolidation Changes the Talent Landscape

May 3, 2010

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Published at: www.vandcgroup.com/staffing

Summary

The pace of consolidation in the Information Security industry appears to be accelerating due to the strong cash positions of industry leaders, and their willingness to use it to buy market share. This has important implications for the staffing strategies of InfoSec executives and hiring managers. Leading organizations will need to find creative ways to improve their workforces during this period of consolidation.

Analysis

Symantec's acquisition of PGP and GuardianEdge last week continues the trend of industry consolidation. Leading investment advisors predict that the pace of M&A activity will only increase in 2010 due to the clean balance sheets of InfoSec industry leaders who are using cash or debt to buy their smaller peers.*

Most participants in the Information Security industry are aggressively working to insure they can deliver the rapid growth rates required to maintain market share and please investors. Those firms who cannot adapt to this faster pace of business will need to be acquired or take other steps to insure their survival.

This period of intense change presents a challenge to InfoSec managers who need to produce compelling results with leaner teams. It highlights the need to build more competitive workforces that can deliver results during dynamic economic conditions.

Unfortunately many organizations had to reduce their HR resources during the economic downturn, so they are not well positioned to assist line of business management with this business driven challenge.

One strategy employed by business and technology leaders is to augment their diminished HR resources by partnering with professional staffing organizations who can help them retain and recruit the talent they need to survive.

Experience has shown that the most important service provided by leading partners is a fully managed search process. Executives and hiring managers simply do not have the time to engage with contingent recruiters who share poorly qualified candidates. Only those staffing firms who understand best practices and can seamlessly integrate them with a company's HR department are properly positioned to add value.

In a fully managed search process scenario, staffing partners use their unique techniques, resources and contacts to provide the quality of candidate required in the aggressive time frames set by the pace of the industry.

Periods of industry disruption are an excellent time to recruit top talent. The combination of best practices in staffing and engagement with a strong partner will help position Information Security organizations for the challenges that lie ahead.

* Citi: "Global Equity Strategy – Let's Make a Deal", April 21, 2010