

The Changing Face of IT Staffing. *The future ain't what it used to be.*

In the First Quarter of this year, 11 publicly traded IT staffing companies reported a total of \$1.4 Billion in revenues. This was a decline of 7.9% compared to the first quarter of 2002.



Six of the 11 companies reported losses for the first quarter.

We keep hearing that this industry is “bottoming out,” but the anticipated recovery keeps moving farther into the future. Many individual companies report growth, but a look

behind the numbers shows a different picture. For example, Hall, Kinion & Assoc. grew 59.3% in the first quarter, but they achieved this by acquiring OnStaff, a provider of contract and permanent employees in the real estate, finance, and healthcare industries.

At Devon, we can report a similar situation. Total revenues in our first quarter were down slightly from 1Q2002. But over half of our new starts were not in IT but in clinical trials.

Industry figures for IT staffing are weak. But they would look a lot worse if the IT staffing companies weren't replacing IT staffing with other sources of revenues.

At Devon we used to define our marketplace as “IT staffing.” We now define it as “Staffing” and “IT.”

The IT industry has already cut costs by eliminating contractors and laying off employees. That was the easy stuff. Additional cost savings will only come from increased productivity. To increase productivity, IT departments will have to change processes, align systems with business strategy, manage projects more effectively, and execute more efficiently. This is the purview of Devon's Performance Management Division (PMD).

Billions of dollars are wasted annually in software bugs and systems that are poorly designed, poorly developed, over budget, or never implemented. The most money is wasted in software that works but doesn't really address the current business need in an effective or efficient manner. Our clients

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CASE STUDY SPOTLIGHT:

Pharmaceutical Firm Calls on Devon's Performance Management Division for Regulatory Content Management Solution

The R&D department of a mid-sized pharmaceutical firm contacted Devon's Performance Management Division to:

- Assess their R&D content management processes, Standard Operating Procedures (SOP's) and supporting technology with respect to good clinical practices, FDA compliance, and best practices for regulatory content management.
- Design and implement an improved regulatory content management process aligned with the company's future direction.

Background

During Devon's Discovery Phase, a number of issues were identified that needed to be addressed including:

- The firm researched, developed, manufactured, and sold orphan class drugs. Through a merger and additional capabilities they were anticipating new types of drug development projects with totally new implications to regulatory compliance that would need to be managed in the new content management system.
- Information sharing was largely verbal. The organization was anticipating rapid growth and needed a more formal system in place to keep information and knowledge from “walking out the door.”
- The content management process was localized making it difficult to locate regulatory or project information needed by a decision-maker in different departments.
- New standards for documenting the scientific discovery process would have to be met while not detracting from the firm's routine experimentation process.

Objectives

Devon worked with the VP of R&D, the drug project management director, the IT director, and the regulatory director to determine measurable objectives for the new content management system, including:

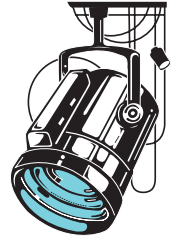
- Improved data accessibility for both regulatory files and departmental files to improve knowledge management and collaboration.
- Reduced time frames for data collection, formatting, and ultimate dissemination and submittal to the FDA.
- Reduced time frames to gather and interpret data used to make cost-containment decisions.

Solution

Through facilitated discussions with the R&D scientific community, Devon determined the current drug development methodology and any future projects that may present varying requirements for regulatory compliance and supporting processes/technology. Next Devon developed a complete future state model of the R&D organization and content processes (Content Architecture); further refined through the use of a proprietary Pharmaceutical Line of Visibility (PLOV™) charting. This information allowed the firm and Devon's team to understand and plan for critical success factors.

Devon's approach resulted in many process improvements, including:

- A centralized document center process that highlighted milestones in the development cycle when certain information was required to be recorded and submitted. The firm's drug development and project management processes did not previously support a centralized document center process.
- A well-defined and simplified centralized content management process that allowed each



Additional cost savings will only come from increased productivity.

CIO TECH CURRENT

Ebb & Flow

Trying to stay current with the latest technology? Then visit www.cio.com/research/current regularly to get the inside story on emerging technologies and processes. Explore the real value, why should you use them and whether or not they will “emerge.” For an example of the technologies highlighted, see the list below.

Programming: Agile Software Development A method of software development that aims for customer satisfaction through early and continuous delivery of useful software components.

KM: Collaborative Tools A set of tools and techniques that facilitate geographically distant collaboration.

Computing: DNA Computing The use of organic DNA to solve complex computational problems.

Security: Intrusion Detection Comprehensive security software that identifies and records all attempts to compromise a network.

Online: Management Service Provider (MSP) Outsourced management and monitoring of enterprise applications and/or network infrastructure.

Communications: Peer-to-Peer Networking A serverless computing method in which computers communicate directly and share resources.

Quality: Six Sigma A corporate quality program that emphasizes identifying and avoiding variation.

Computing: Supercomputing An all-encompassing and flexible term for extremely high-speed computational techniques.

CIOs STRUGGLE TO MEET DEMANDS ON IT

Executives look to external staffing solutions

By Lorraine Cosgrove Ware, CIO.com, 3/01/03

In an effort to keep you informed on where your fellow executives stand on critical business issues, CIO.com has instituted a monthly survey. In January, they focused on IT staffing; here's what respondents had to say.

Executive Summary

CIO Magazine's January 2003 IT Staffing survey shows that layoffs and hiring freezes are making it difficult for CIOs to meet demands on IT. While a small percent of existing IT staff are being retrained for new roles within the department, the majority of CIOs surveyed are using external sourcing options like contractors or outsourcing to fill gaps and complete projects.

The good news is that turnover rates in IT have dropped 20 percent over the past six months from five percent in July 2002 down to four percent in January this year, according to the 290 IT executives surveyed. But many IT departments are running lean, with close to half of companies included in our survey saying they reduced IT staff in the past six months. Close to one third of those positions were eliminated permanently.

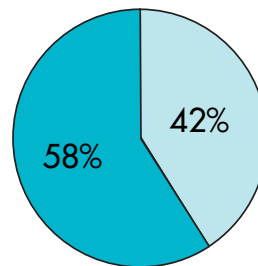
According to the 290 IT executives surveyed, managing workloads and preventing burn-out were their top staffing concerns. In terms of the IT skills most in demand, application development topped the list followed by project management, networking and database expertise.

Key Findings

IT Skills in Demand

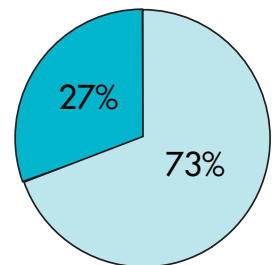
When asked to indicate which IT skills were most in demand, IT executives surveyed listed application development (65%), project management (59%), networking (54%), database management (53%) and security (45%) most frequently.

Application Development	65%
Project Management	59%
Networking	54%
Database Management	53%
Security	45%



42% surveyed will increase outsourcing in the next 12 months.

73% surveyed have increased outsourcing options in the past 12 months.



Outside Sourcing Options Gaining Favor

In the past 12 months, the majority (73%) of IT executives surveyed have increased their use of outside sourcing options. CIOs are most frequently relying on contractors/contingent staff (68%), onshore outsourcing (23%) and part-time staff (21%) to supplement their internal, permanent IT staff.

Close to half (42%) of the survey respondents reported that their organization will increase its use of outside sourcing options in the next 12 months. The sourcing options that will be used most frequently included contractors/contingent staff (47%), offshore outsourcing (18%) and onshore outsourcing (16%).

For an explanation of CIO's methodology and the full story, visit www2.cio.com/research/surveyreport.cfm?id=53.

IN SEARCH OF... AUTHORS

Have something to say and you're looking for a place to say it? Tell us. We're looking for industry professionals to provide insight into the struggles you are facing, what you've done to resolve those struggles or just plain share information.

Please respond to dstrobel@devonconsulting.com.

SOCRA 12TH ANNUAL CONFERENCE ANNOUNCEMENT:

Clinical Trials -- Innovations and Strategies

Clinical research professionals including investigators, research coordinators, research associates, project managers, consultants, educators, and administrators are invited to attend the Society of Clinical Research Associates' (SOCRA) 12th Annual Conference "Clinical Trials – Innovations and Strategies." The conference will take place September 19 to 21, 2003 at the Rancho Las Palmas Marriott Resort and Spa in Rancho Mirage, California.

Upon the completion of the conference, attendees will be able to:

- Explain how CRAs impact clinical research
- Describe how sponsors and CROs can work together successfully
- Discuss regulatory and scientific issues related to implementation of the Informed Consent Process
- Discuss AE Reporting requirements and assessment techniques
- Discuss project management roles of the lead CRA including roles in planning and education
- Describe site, CRO and sponsor obligations and how SOPs assure continuity
- Explain how to implement SOPs in a global environment
- Explain project management techniques related to geographically dispersed and innovative research
- Discuss initiatives in Alzheimer's research, vaccine trials for third trimester infants, mental health, and smoking

For a full list of learning objectives and for more information, visit www.socra.org.



ACRP ANNOUNCES

INTERACTIVE EDUCATIONAL WORKSHOPS FOR CLINICAL RESEARCHERS

The Association of Clinical Research Professionals (ACRP) has introduced new Interactive Educational Workshops for 2003 that are designed to improve clinical trials and careers. These are on-the-job focused workshops that match skills to the challenges faced by today's clinical research professionals and are designed to provide individuals with specialized attention and feedback. Workshops will be held this fall at ACRP Global Headquarters in Alexandria, VA and include:

Standard Operating Procedures for Investigator Sites (9/13/03)

This workshop examines how Good Clinical Practices, FDA regulations and ICH Guidelines must be implemented at an investigational site, providing practical solutions and commonly accepted interpretations for what is not defined in the texts. Topics range from assessing study feasibility through various site-monitoring activities to the archiving of clinical study documentation for GCP compliance.

Negotiation Skills for Clinical Researchers (10/27-28/03)

Clinical research professionals frequently find themselves in tight situations. Not wanting to disappoint or damage relationships with their investigator sites, too often they feel added pressure because of the trialist's failure to comply with protocols. Identifying opportunities to negotiate can be important in helping to establish mutual respect. This workshop is designed to help researchers effectively meet those objectives.

Time Utilization in the Clinical Research Environment (10/29/03)

Recognizing time utilization behaviors and raising self-awareness are important to improving personal development and productivity. This workshop will explore the issues impacting the clinical researcher's own time management and how to appropriately use others' time.

For information visit acrpnnet.org/education/workshops.

CASE STUDY SPOTLIGHT continued from page 1

department within R&D to retain departmental "working files."

- An improved search and retrieval process for project information. This was achieved by devising a new method for describing the attributes of submitted content.

Quantifiable Results

- 80% reduction in the time document center staff needed to store, search, retrieve, and disseminate information to requestors.
- 15% reduction in the time to gather and disseminate completed compound-study information for "go/no go" project decisions, enabling resources to be more quickly allocated to potential revenue-generating projects.

Business Benefits

- Because project-based content was made more readily available, the firm was able to make better decisions earlier in the development process to determine which projects had value and which to cut.
- The new drug development process promoted the application and reporting of quality metrics with associated activities.
- A well-defined and communicated content management process.

Supporting Technology Employed

- Plumtree content management server 4.0
- Microsoft Sharepoint

Devon's Performance Management Division provides senior business and IT competence to companies of all sizes across multiple industries. By employing a proven methodology, seasoned performance management professionals integrate all aspects of people, process, and technology. For information contact jsherry@devonconsulting.com or call (610) 964-2700.

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need the benefits of new software but the CEOs and the CFOs are looking for ways to lower the risks. PMD addresses the root causes of these risks by building the bridge between business needs and technology capabilities. Our experience has been that solving the communication, process, and project management problems not only eliminates the technical problems but can increase the return on investment above our client's original objectives.

REFERRAL MADNESS AT DEVON!

We're growing and on the lookout for talent. If you refer a Clinical or IT professional that is placed with one of our clients for 90 consecutive days, we will give you \$250*. In fact, we will give you \$250* for every 90 consecutive days of hire up to \$1,000*! If you refer a candidate who is placed in a permanent position, you will receive \$500*.

And that's not all! As our way of thanking you for every qualified professional you refer, regardless of whether they are placed or not, your name will be entered in our Quarterly Referral Raffle. Your name will be entered as many times as the referrals you provide.

Each quarter we will have a drawing for wonderful prizes or gift certificates. So let us hear from you! Call 610.964.2700, fax 610.964.2708 or e-mail your resume or your referral clinicalresumes@devonconsulting.com.

**Referral Provisions: Pretax dollar value. Must be a newly referred candidate not currently employed by one of our clients to qualify. Referral rewards paid only on completed assignments of three months or more. If a candidate is offered a permanent position while on assignment, no perm referral fee will be paid.*

Drawing Schedule: Last day of March, June, September, December.



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CONSULTANT CORNER



CONSULTANTS OF THE QUARTER

IT Consultant of the Quarter

Pat McGowan has enjoyed a long history of employment with Devon Consulting. He accepted his first assignment with Devon in 1990. Over the years, Pat moved onto long-term assignments with AT&T and Air Products. Currently he is a member of the Server Engineering Team responsible for supporting Air Product's server environment in addition to other responsibilities. According to Wayne Stuber of Air Products, one of the things that makes Pat an exceptional consultant is his "willingness to go the extra mile to complete the job."

In his spare time, Pat is the Co-Director and coach for a national champion cheerleading team. Maximum Cheer AllStars is ranked among the top five in the nation and has earned several state, national and international championship titles. The team has maintained an undefeated record at local and regional competitions for the past five years. Pat is also a nationally certified coach/safety instructor and judge. He will also be one of the coaches for St. Joseph University's cheerleading team beginning this fall.

Clinical Consultant of the Quarter

Danielle Faragasso works as a consultant at Sanofi-Synthelabo Research to support their data management needs. Danielle has consistently earned high marks for her performance during the past ten months of her assignment, evidenced by the fact that her engagement has been extended twice. Her manager Wanda Hernandez states that "she has integrity, a strong work ethic, and commitment to quality." Wanda also commented on how well Danielle works with others. Lisa Zarkowski of Sanofi added, "Danielle is doing a fantastic job! She is well liked by everyone and has a high degree of motivation and performance. Danielle also accepts responsibility freely and is eager to meet new challenges." Devon chose Danielle to be Clinical Consultant of the Quarter because she is a hard worker, she represents Devon exceedingly well, and she continues to prove to be an asset to all that work with her.

ChipChat!

is published quarterly.

Please submit your news, editorial, comments and suggestions to ChipChat@devonconsulting.com