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Limited Salary Increases Over The Last 12 Months

**PSR Salary Survey Reflects
Economic Realities of 1991**

by Jim Conerly

PSR has recently completed the 1991-1992 compensation survey of MIS professionals and the survey results indicate the dramatic effect of the long running recession in the Southern California job market. The compensation of Chief Information Officers is little different from their compensation three years ago in 1989. While base compensation over the past three years has increased 10%, this statistic hides the fact that on the average CIO base compensation declined 5% just since last year. Even worse hit are bonuses and perks which have declined 11% over the past three years and a shocking 31% over the past year. The combined result is not a pretty picture. CIO total compensation has dropped slightly more than 11% since this time last year.

The survey results for sixteen director and manager level positions within the MIS department are presented graphically in the chart on
(continued on page 2)



Will 1992 beat 1991 ?

1991 was an incredible year and will be tough to beat in 1992. Some of the great events have occurred are:

- ☐ A bloodless revolution in the USSR
- ☐ A world war won with technology in less than 100 hours
- ☐ The Dow Jones broke 3,000 -- *several times !!!*
- ☐ The California real estate market tumbled
- ☐ An alliance was formed between IBM and Apple with Microsoft being the man left out
- ☐ A recession/depression occurred and the government's solution was to increase taxes and cut spending.

1992 is an election year and one that should see the economy move up. California will realize that there is a cost to the good life. Our cost of living will stay high and our economy should begin to move as most of the fat (and some muscle) has been cut out.

Technology will advance at a more rapid pace this new year than any other in the last decade. Multimedia and image applications will finally make a statement this year. Local Area Networks will have explosive growth with costs per node being driven down dramatically. Color desktop publishing will start to replace black and white desktop publishing as the norm. The drivers will be printers like the HP Deskjet 500 and Pagemaker/Ventura with

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Improving User Satisfaction Is Easier Than It Sounds

**Simple solutions are all that is
often needed to make things better**

Standards and rules are the way things are accomplished in the world of MIS. Exceptions and new approaches are the way the rest of the world often functions. Given these two diverse orientations, it is easy to see how and why users often are not satisfied with the service they get from MIS. Improving service in this environment is not as hard as it may seem. There are five easy steps to success.

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Limited Salary Increases Over The Last 12 Months

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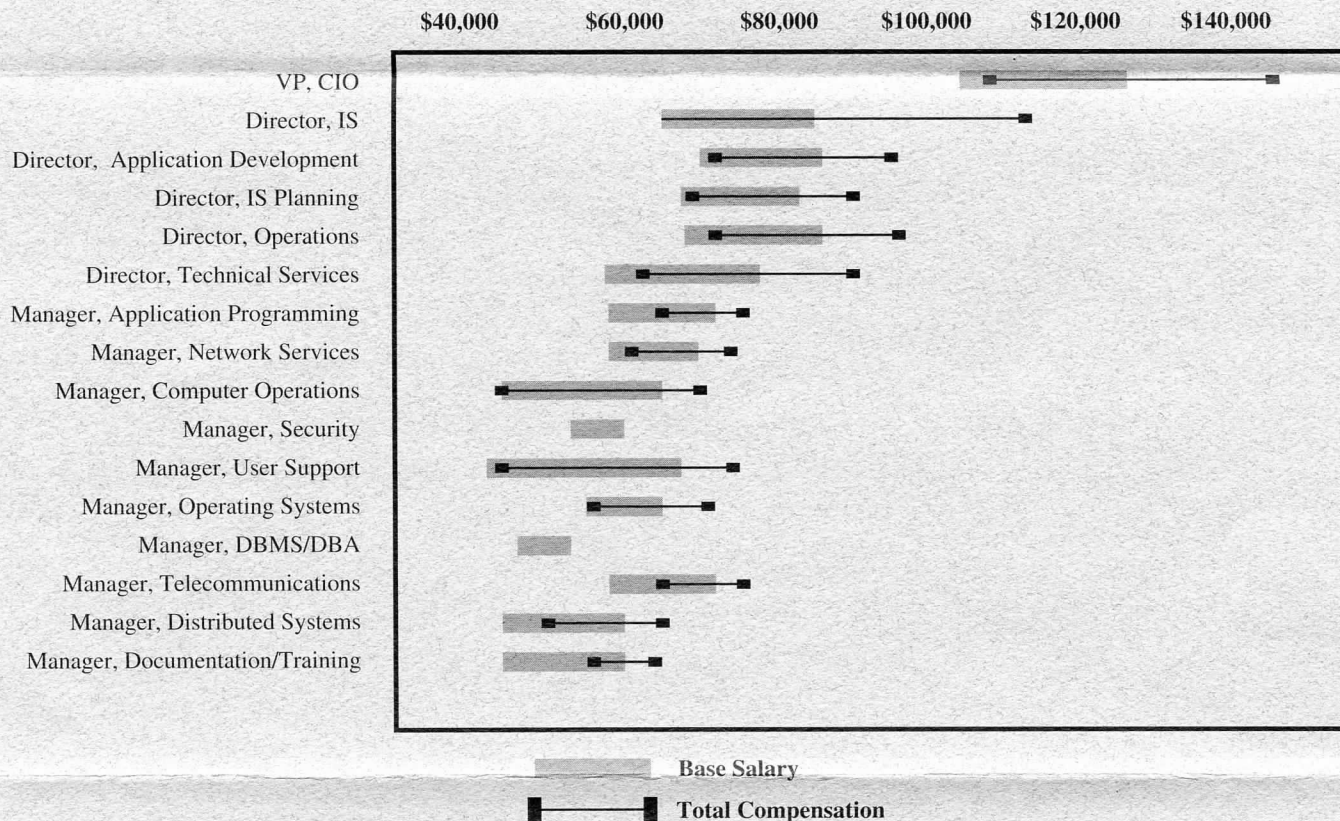
the following page. This information will help you to assess your current compensation program and prepare for 1992 salary budgets.

What is not apparent from the chart are the significant changes that have occurred over the last several months. Directors' compensation on the average has declined 13% from the prior year. Base compensation dropped almost 9% and other compensation which includes bonuses and perks dropped 40%. Increases were noted only for Directors of Operations, a position which traditionally has been compensated at levels much lower than other director positions. A

positions. Thus, the decline in total manager compensation can be attributed primarily to the recession.

We do not expect that MIS compensation will change much over the next year as the recession in Southern California does not appear to be ending any time soon. Overall MIS compensation costs will be reduced by not filling vacant or budgetary positions, by filling vacant positions with lower priced individuals, and by further reducing or eliminating bonuses. To improve producti-

PSR Recommended Compensation Ranges



random check of the survey results indicates that turnover at the director level has been higher than normal over the past year and companies are filling the vacancies with individuals who are accepting lower compensation levels than their predecessors. So not all of the compensation drop can be blamed on the recession.

MIS managers fared better than the directors they report to, however, the effects of the recession are readily apparent. The survey results show almost no change in base compensation for manager level positions. However, similar to the directors' compensation, bonuses and perks declined 43% which caused a 3.5% drop in total manager compensation. Our random audit of the survey results did not expose higher than normal employee turnover amongst the manager level


ity under this situation, MIS executives are well advised to increase training to improve employee performance, and to encourage managers to more closely monitor their subordinate's use of time. Getting more done with fewer resources is more than a sign of the times, it is an operating principle for the 1990's.

If you would like more information on PSR's MIS compensation planning and evaluation services or would like a copy of the MIS 1992 Compensation Review, please contact Jim Conerly. ☎

1. Assign a user or a MIS professional as the single point of contact. This individual should have the respect and trust of technologists, users, and both management teams. Who this individual reports to does not matter.
2. See that both a formal and informal training program is in place for all of the players in the process. Technologists should be trained in the business of users and management focus of the company. The inverse is true for users and management.
3. Have a group that is the primary action and support body based at the grass roots level of the using organization.
4. Manage the expectations of all people within the organization to be the same. Once this is accomplished have a measurement and reporting process that re-enforces success and group commitment.
5. Bend when necessary. Do not get so locked in on one thing and then forget that the reason you are doing something is to make the organization more profitable or successful.

In the case of a PC user population this would translate into these actions:


- ☐ Have one 'super user' per application to act as the resident expert
- ☐ Have responsibilities defined and communicated including publishing support telephone numbers.
- ☐ Have user group meetings or memos to all staff members so learning is shared and not hoarded.
- ☐ Keep on top of advances in the applications and how others, including competitors, are doing the same things.
- ☐ Encourage innovation and spread it to other groups within the company.

Just doing simple things like this should make your life much easier and provide results in the near term. 

color separation on the IBM Windows PC platform.

I will be surprised if the IBM - Apple alliance makes it through 1992. The DEC-Microsoft alliance is the most promising one to watch this year. Bill Gates knows how to strike out at those that inhibit his vision. IBM will need to focus on the shift in the main-frame market. A workstation that is graphical versus digital is a need that most of IBM's larger customers are demanding. Even if there is an answer soon the position of IBM will continue to erode. A three year answer is one that is doomed to failure.

The main-frame arena will continue to face the challenge of down-sizing and out-sourcing. IBM will have some new and interesting announcements this year. DEC will make a run at that market this year. Given a little bit of luck, and some good marketing, All-In-One will be DEC's ticket to enough market share to make a difference.

At least one CASE product will begin to make inroads in the user community continuing to reduce the influence and impact of centralized development groups. 



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Forecast Of The Southern California MIS Job Market

Excess supply of MIS professionals in Southern California continues through a slow Fall and Winter

The tone is definitely more upbeat than it has been in the last few months but we still have a way to go.

Just as we thought it was getting better, the economy in Southern California continued to get worse. The decision to build the new MD plane outside of the state put a crushing blow on any hopes that the aerospace/defense industry was going to rebound quickly.

The purchase of Ashton-Tate put a damper on the 'C' programmers' world. Most of the good people in this market are still very busy -- but they will be impacted in the next few months. The retail firms are doing better due to the lower cost of money. This is a bright note in an otherwise poor market.

The industry trend towards smaller centralized MIS groups is really beginning to show its effect in the job market. The jobs available are in support roles (maintenance) not development. There are only two MIS organizations that I have heard of, that are going into this new year with either a larger budget or a higher headcount.

That is most of the bad news.

There is strong movement in the small to medium size organizations. In our recent salary survey, we found a number of MIS organizations with staffs of fewer than a dozen people where the CIO and the number two person were both paid \$100,000 plus. A number of these individuals are best described as great integrators of business 'opportunities' with technological innovation.


Over the next several quarters, this segment of the market will expand. The keys to success will be objective analysis of what cost effective solutions are. Notice I did not say the 'cheapest' solution. User friendly CASE at the user level is one such example. Another two areas are Multimedia and Document/Image capture and processing. This is where the job market is at today.

Rumors of a First Interstate and Wells Fargo merger persist. I still do not think this will happen. There are too many reasons why an out of state organization will acquire both of these firms.

holiday season. By the time that you read this we should all know if there is a block buster. Disney is still hurting from the recession and the slowdown in the construction of their overseas operations.

The Japanese economy still is slow and in a massive tail spin with the losses they have had in our real estate market. I do not think that there will be a noticeable turnaround in this segment of the market until

...organizations with staffs of fewer than a dozen ... the CIO and the number two person were both paid over \$100,000 ...

summer, at best. There is good news for us because a number of the Japanese car companies are starting to use a larger number of American manufactured (versus assembled) components. The same is true in the electronics industry. 

Vic



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Industry	Prospects Short Term	Prospects Long Term
Defense	Poor	Poor to Worse
Distribution	Good to Poor	Good to Poor
Entertainment	Poor	Good to Poor
Financial Services	Poor	Poor
Health Care	Excellent	Excellent
Manufacturing	Poor	Poor to Good
National Consulting	Good to Poor	Good

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