

December 31, 2001**interbiznet Press Backgrounder #1 – End Of Year****EOY**

The dust has more or less settled and it looks like Yahoo has entered our world in a very significant way. The move is probably best understood as the first news of 2002 instead of the last of 2001. It changes things and lays the groundwork for what will be an astonishingly good year.

The net impact of Yahoo's entry is a fundamental change in the dynamics of the marketplace. The door is formally open for new entrants and there is a clear path to growth and profitability for those new entrants (see the [2002 Electronic Recruiting Index](#)). Monster's role shifts from owner of the hill to king of the hill. They will have to make adjustments in operating style now that they are really in business rather than riding an acquisition wave. Steve Pogorzelski, Monster's new president, is exactly the right choice in leadership for this new phase. He has been methodically building a customer-centric operation and will bring innovations in the very definition of value on the marketplace.

2002 will be a year full of surprising innovations:

1. By midyear, the already indistinguishable vendor marketing material will be filled with claims of the value of "net services" or "web services". While Personix will be leading the game by providing actual usable tools, the noise and confusion will be astonishing.
2. Community Recruiting, the art of building a social network of potential employees, will begin to demonstrate notable successes.
3. XML will begin to appear as a useful desktop tool. This will be the starting point of the next wave, Gen4 (which will be as important as the introduction of the web).
4. TMP will have to come to grips with the fact that it can not be a player and an agency simultaneously. Ultimately, they will have to follow the example set by Hodes. No one believes that media planning can be objectively executed by a company that owns the major properties that it recommends. TMP will have to choose one or the other.
5. By year end, unemployment rates will rival 2000's lows and the labor shortage will be a major concern to hiring authorities.
6. All significant vendors will have handheld (phone or Palm) enabled interfaces.
7. 2001's crush of resume production without results will turn into an upsurge in the usage of profile based systems.
8. Two major media companies will enter the game to take away more of the newspapers' eroding business. They just can't seem to adequately protect themselves.
9. Several job boards will introduce desktop XML feeds for critical candidates and recruiters.
10. The executive search firms that jumped into HR Consulting will be forced back into the recruiting business. Agile newcomers will be in their way.
11. The economy will boom. The HR question of the year will be "managing unexpected growth".
12. A vision of the Recruiter as a Leader will emerge. Rather than a buffered anonymous bureaucrat, the model for success will start to become "active manager of a social network".

13. An employment announcement will appear on the front page of a newspaper's website.
14. Workstream (the newly branded Ecruiter), will emerge as a top tier revenue generator.
15. The FTC will open an investigation into the newspapers' moves to blur their markets.
16. Several products that merge labor acquisition processes into existing strategic planning systems will be fielded by mid year. They'll take center stage in 2003.
17. Hiring gaps, caused by the unanticipated economic boom, will force labor acquisition to become more tightly coupled with strategy, with or without useful tools.
18. The explosion in personal publishing (Weblogs) will be harnessed as a tool for reaching tiny niche audiences.
19. HotJobs claim to be the heaviest trafficked recruitment site will become undisputed.
20. A reinvigorated focus on privacy will be mitigated by a more decentralized business model that features desktop control by the candidate as opposed to database centralization.

We're excited by the prospects.

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