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IT Services Firms' Revenues and Margins Improve; High-Profit Firms Continue to Outperform

Alexandria, VA, June 10, 2011 – After contracting a median of almost 7% in 2009, IT services firms returned to a growth trajectory—posting revenue growth of 4.1%. While the typical firm's top line improved, the top quartile posted double digit revenue growth—increasing 13.5%. These results are among the industry metrics reported in the TechServe Alliance Operating Practices Report just released—the industry's largest and most comprehensive benchmarking survey. Despite the generally good news, the report highlighted a number of challenges continuing to confront firms in the industry.

“While revenue as well as gross and net margins have improved, the tide has not equally lifted all boats,” said Mark Roberts, CEO of TechServe Alliance. “While the median firm's profitability of 3.8% was an improvement from last year, the best-performing firms continued to generate net margins more than double those of typical IT Services firm.” The OPR highlights what “typical” and “high-profit” firms do differently.

TechServe Alliance developed the 2011 Operating Practices Report in conjunction with the Profit Planning Group, a leading provider of industry benchmarking studies. The 2011 Operating Practices Report includes data from 102 IT Services companies of varying sizes. The Operating Practices Report includes detailed industry metrics in the following categories: Return on Investment, Income Statement, Permanent Placement Analysis, Balance Sheet, Financial Ratios, Cash Sufficiency Ratios, Distribution of Revenue, Operations Profiles, Employee Productivity Ratios, Salesperson and Recruiter Compensation, Benefits Programs, Geographic Analysis, Expected Sales/Recruiting Activity for salespeople and recruiters. As an enhancement, the 2011 OPR expands the number of regions where we provide data on a geographic basis. Additionally, in conjunction with the OPR, TechServe Alliance and the Profit Planning Group will soon be releasing a Sales & Recruiter Metrics Report (SMR) that includes benchmarking data on sales and recruiter performance.

To Order the 2011 TechServe Alliance OPR or SMR:

To order the 2011 TechServe Alliance Operating Practice Report or the soon-to-be released 2011 TechServe Alliance Sales & Recruiter Metrics Report, please contact Amanda Marr at (703) 838-2050 x. 112 or marr@techservealliance.org or click [here](#) to link to the order form.

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ABOUT TechServe Alliance

TechServe Alliance is a collaboration of IT services firms, clients, consultants and suppliers dedicated to advancing excellence and ethics within the IT services industry. Hundreds of IT staffing, IT solutions and IT consulting firms and tens of thousands of affiliated professionals, count on TechServe Alliance to keep their leadership informed, engaged and connected. TechServe Alliance serves as the voice of the industry before the policymakers and the national and trade press. By providing access to the knowledge and best practices of an entire industry and tapping the "collective scale" of hundreds of companies, TechServe Alliance supports its members in the efficient delivery of best-in-class IT services for clients and exceptional professional opportunities for every IT consultant.