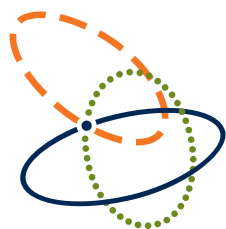


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WASHINGTON TECHNOLOGY  
INDUSTRY ASSOCIATION  
2014 ANNUAL REPORT

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WASHINGTON  
**TECHNOLOGY**  
industry association



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# WASHINGTON TECHNOLOGY 2014 MILESTONES

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## QUARTER 1



Launched ICT economic impact analysis

Acquired NWEN

State Crowdfunding bill becomes law

## QUARTER 2



Northwest Employers Trust transferred 153 companies to WTIA Health Trust

Launched new advocacy team

Launched member video profiles

## QUARTER 3



Published WTIA public policy priorities

Recruited seven executive women to board

## QUARTER 4



Met with Gov Jay Inslee about ICT industry priorities

Re-launched website

Launched Diversity Action Committee







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## WTIA MISSION AND 2020 GOALS

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WTIA is the unifying voice for the technology community in Washington.

We inform and motivate industry, education and government professionals to help make our region the leading technology community in the world.

**By 2020 we will create programs and facilitate collaboration among all relevant stakeholders in order to:**

- ♦ Double the number of **qualified tech professionals** produced in state.
- ♦ Double the **venture and angel capital** invested into startup companies.
- ♦ Make Washington the **#1 destination of choice** among STEM graduates around the world.

This requires that we develop tech talent locally, recruit the best global tech talent, and encourage entrepreneurs and investors to build new companies. The baseline for each of our three goals was set in 2013:

### **Qualified technology professionals produced in state**

- ♦ The most **essential jobs** in our industry are Software Development Engineer, Data Scientist, and Network Architect.
- ♦ In 2013, Washington state colleges and universities produced **400 new graduates** qualified for those jobs.
- ♦ Our industry required **3000 more**.

### **Venture and angel capital invested**

- ♦ In 2013, **\$750 Million** of **venture capital** was raised by 140 companies.
- ♦ Another **\$70 Million** of **seed capital** was raised by 60 startups.
- ♦ In 2013, **400 new tech companies** were formed.

### **Destination of choice for STEM professionals**

- ♦ In 2012, Seattle ranked **#4** among **Global startup ecosystems** (*Startup Genome*).
- ♦ In 2013, Seattle ranked **#6** for **STEM professionals in US** (*WalletHub*).
- ♦ In 2014, Seattle ranked **#1** for **tech jobs in US** (*Forbes*).

## SNAPSHOT OF WTIA OPERATIONS

### LOCATION OF MEMBER COMPANIES

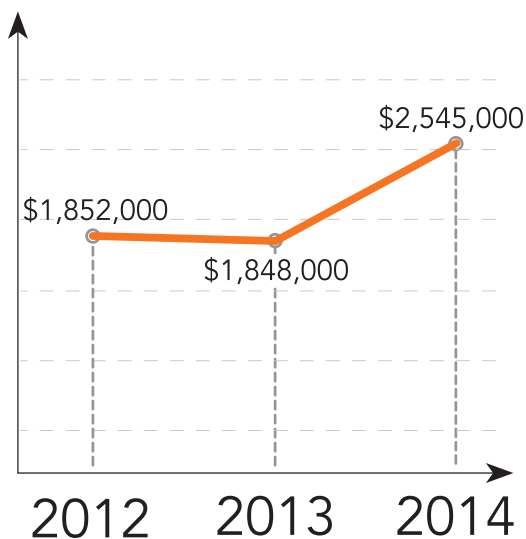


- SEATTLE = 47%
- EASTSIDE = 28%
- OUTSIDE KING COUNTY = 25%

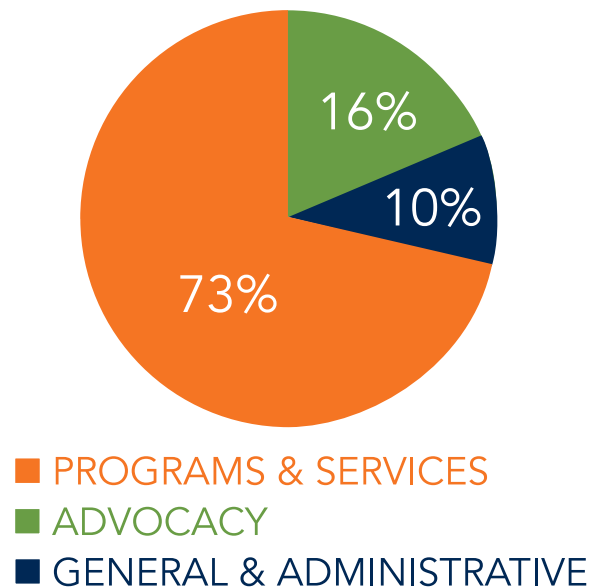
### NUMBER OF ICT EMPLOYEES IN WASHINGTON



### WTIA REVENUE



### WTIA EXPENDITURES




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# GROW TECH TALENT LOCALLY

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## Washington state is the software capital of the world.

We are home to over 90,000 resident software development engineers, data scientists, and computer systems architects. The impact of those employees has been massive. More than 630,000 jobs have been created in the wider economy during the past 20 years.



***When I think about what's distinctive about the State of Washington, the Puget Sound region and Seattle, it's that we are a community. We know each other, we help each other, and WTIA is the organization that makes that happen.*** – Ed Lazowska  
Bill & Melinda Gates Chair in Computer Science & Engineering, University of Washington

Ironically, our school systems have not kept pace with the growth in companies or jobs. This makes Washington the top importer of talent in the country. As a result, the WTIA Workforce Development Committee resolved to focus on three priorities:

- ♦ Creating an online directory of industry and education contacts for internship placement.
- ♦ Pursuing a Department of Labor grant to seed an adult education pipeline.
- ♦ Forming new legislation to fund computer science education.

**TRC beta.** WTIA staff designed a prototype of the Talent Resource Center (TRC) – an online directory of school and company contacts for placing interns. The TRC is now undergoing a test implementation with beta partners.

**Launching a 501c3.** WTIA has established a Workforce Institute 501c3 to pursue private and public grants to fund adult education.

- ♦ We applied for two Federal Department of Labor \$1 million training grants in 2014, but were unsuccessful.
- ♦ Since then, JP Morgan has awarded WTIA with a \$100K training grant starting in 2015.
- ♦ We have also applied for training grants from Goodwill and Chase totaling \$50K.
- ♦ With the help of Washington Department of Commerce and Washington Department of Labor & Industry, WTIA has applied for a new \$3.5Million Federal Department of Labor grant to establish a registered apprenticeship program for the ICT industry.

## 2014 education legislation milestones

- ♦ Established the University of Washington's Tacoma Institute of Technology.
- ♦ AP computer science accepted as math/science credit toward HS graduation.
- ♦ Assisted the sponsors (Hansen, Magendanz) of a new certification and training act (HB 1813) to an overwhelming floor vote victory in the 2015 Washington House of Representatives (93-7-1).
- ♦ Helped build the legislative case for a 100% increase in capacity at University of Washington Computer Science and Engineering School, with strong support from Governor Inslee.



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## INCREASE ACCESS TO CAPITAL

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Increasing access to capital means attracting more investors to Washington, as well as helping local entrepreneurs attract investments.

We acquired Northwest Entrepreneurs Network (NWEN) in March 2014. NWEN's signature program, First Look Forum™ (FLF) helps prepare seed-stage ventures to hone their pitches before angel and venture capitalists. WTIA integrated FLF to existing startup and entrepreneur programs such as Startup Next®, TechStars®, NWIRC Build It™, etc.

In order to serve more tech companies across the state, WTIA then expanded FLF to include Bellingham with the help of local organizations, investors, and sponsors.

### **Additionally in 2014, WTIA has:**

- ♦ Advocated for the first statewide crowd-funding law in the USA, allowing more companies and investors to engage in early stage ventures. WTIA is evaluating a role in launching and promoting the first online exchange.
- ♦ Developed a pilot project with the help of University of Washington to create a global entrepreneur visa, ensuring that promising immigrant entrepreneurs stay in the US to form their companies.



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## BUILD THE WORLD'S GREATEST TECH HUB

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Seattle ranks number one in tech job opportunities among US cities. Seattle is also home to one of the most vibrant startup ecosystems in the world – with approximately 400 companies attracting nearly \$1B in venture and seed capital in 2014.

Washington has a long and colorful history as a prodigious exporter – starting with timber, apples, and airplanes – and now we are one of the largest ICT exporters in the nation at over \$17B in sales growing at 10 percent per year.

We are home to more than 90,000 software developers – the largest concentration of talent in the USA. As a result some of the most successful global ICT companies have setup shop here – Apple, Google, HP, Intel, Oracle, just to name a few.

And our two largest public universities – UW and WSU – rank among the best in the world in Computer Science and Engineering disciplines.

### **But we still have much work to do...**

- ♦ Less than 10 percent of our high schools offer Computer Science.
- ♦ Our entire university system produced only 400 of the nearly 3500 computer science professionals needed, making us the top importer of talent in the country.
- ♦ Women make up less than 20 percent of our Computer Science workforce.
- ♦ Hispanics and Blacks make up less than 1 percent of our Tech Industry workforce.
- ♦ The R&D tax preference that drove more than \$8B of private investment over the past ten years has been decimated.
- ♦ Our state and cities rely on an antiquated B&O tax code established in the 1930's.
- ♦ Our public transportation and highway systems are inadequate even for the current population, let alone the near future.

### **WTIA is working with government, industry, and education leaders to make progress in these areas:**

- ♦ Serving on the State Attorney General's Youth Internet Safety Task Force to create internet safety education standards and curriculum.
- ♦ Educating lawmakers that ride-sharing services are technology – not transportation – companies and establishing ride-sharing regulations that allow services including Lyft, Uber, and many competing taxi services to coexist and vie for customers.
- ♦ Amending the state's Personality Rights Act twice to protect interests of the state's digital image industry.
- ♦ Forming the state's "cybercrime" laws (phishing, spam, and spyware) and working with state officials to revise draft privacy legislation.
- ♦ Launching a pilot project to create a global entrepreneur visa, ensuring that promising young immigrant entrepreneurs stay in the US.
- ♦ Launching a Diversity Action Committee to address the challenges of access to careers and capital for women and underrepresented minorities.
- ♦ Helping sponsor draft legislation to create computer science training and certification for HS teachers.



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## HEALTH TRUST

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In 2014, we began a complete rebuild of the network of contracts to provide insurance to member companies. This was in part due to changes in the industry driven by the Affordable Care Act.

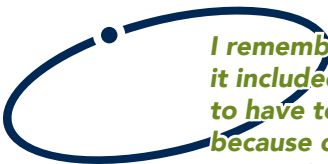
The WTIA Health Trust re-launched in 2014 with a new Managing General Agent and a new board of Trustees. The growth in revenues and member companies in 2014 was largely driven by the success of this re-launch. However, this early growth is only temporary.

The next few years will require a further evolution of partnerships and services to meet the needs of WTIA member companies, who are now suffering with up to 50% increases in annual costs. The current model of healthcare is not sustainable. The WTIA is fully committed to developing innovative new programs and services that provide higher quality care at a lower cost.



***Being part of the WTIA has allowed us to get a comparable [health insurance] program. ...we found cost savings through WTIA, and so we can be competitive with our offerings.***

– Jeff Dance, CEO, Fresh Consulting



***I remember years ago getting my job offer from Tableau and was surprised it included good health insurance. And I thought, 'wow great, I'm not going to have to give that up going to a small company.' I later discovered it was because of our membership in the WTIA that Tableau was able to offer a competitive health insurance plan.***

– Elissa Fink, CMO, Tableau Software



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# WASHINGTON TECHNOLOGY INDUSTRY ASSOCIATION

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The work of the WTIA is made possible by the generous contributions of 614 member companies, including our President's Club Level sponsors

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