



## Economic Development Council of Seattle & King County



# Information & Communications Technology Sector Strategy

David Jennings, ICT Business Development Manager  
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## EDC Mission and Objective

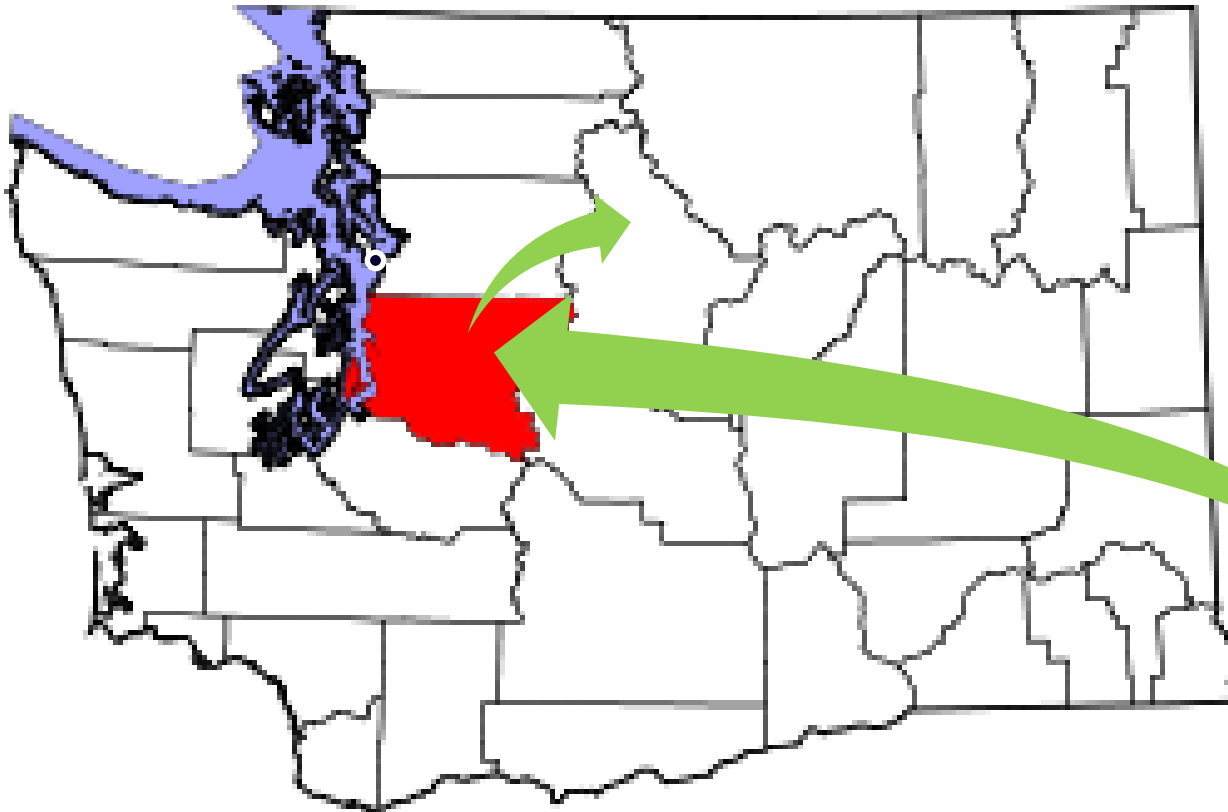
*“To expand and diversify the economy throughout **King County** by retaining and recruiting **jobs**, growing strong and sustainable **industry sectors**, and promoting **global competitiveness** for Washington State.”*

The goal of the ICT Sector Strategy is to identify and recommend high-level strategic initiatives that, if undertaken, will support the retention, expansion and recruitment of ICT jobs in King County.





# ICT Economic Development Goals



**1. Retention**

**2. Expansion**

**3. Recruitment**

- Engineering/IT Center
- New HQ





# ICT Snapshot

<b>No. of Businesses</b> (employing ICT workers)	<b>8,610</b>
<b>Market Value</b>	\$600 billion
<b>Revenue</b>	\$36.9 billion
<b>Tax Revenues</b> (sales, B&O, use, utility)	\$2.8 billion
<b>Employed (incl Tech Units)</b>	238,900 (WA State)   130,000 (Seattle/King Co)
<b>Ave. Income</b>	\$124,300
<b>Startup Investment Capital</b>	\$700 million
<b>Top 5 ICT businesses</b> (Employers/Revenue)	Microsoft, Amazon, Expedia, Outerwall/Coinstar, F5
<b>Top competitive regions:</b>	Tokyo, Japan; Silicon Valley, CA; Singapore; Seoul, South Korea; Taipei, Taiwan

<sup>1</sup> Based on 2013 data compiled by Community Attributes, Inc. and included in the 2015 WTIA Economic & Fiscal Impact Study.



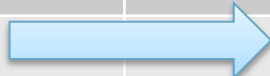


# Terminology

## *Gazelle v. Unicorn*



	Startup	High Growth ("Gazelle")	Rocket ("Unicorn")**
Age	1-3 years	4+ years	2+
Valuation	\$10M	\$100M	\$1B
Funding	F&F, Seed, Series A >\$2M	Series B up to D, IPO	Series B up +
Revenue	\$0-\$1M	\$1M-\$100M	\$100M
Growth	10% m/m	25% y/y*	100% y/y
Employees	1-15	50+	200+



• Enterprises whose sales doubled every four years (roughly 4% of all US companies were responsible for 70% of all new jobs). Birch, D. (1979). The Job Generation Process.

\*\* Decacorn = companies valued over \$10B





# SWOT

## STRENGTHS

- Strong Economy**
- Business Friendly Climate**
- Top STEM Talent**
- Cost of Living**
- Leader in Innovation**
- Top ICT Companies**
- Cloud Infrastructure**
- WTIA/Tech Alliance**

## WEAKNESSES

- Traffic Congestion/Infrastructure**
- Small Investor Pool**
- Limited Government Incentives**
- Real Estate Expansion**

## OPPORTUNITIES

- Data & Education**
- Recruit opportunities in BigData, IoT, Hardware, Interactive Media, SaaS subsectors**
- Foreign Direct Investment (FDI)**
- ICT Awareness**

## THREATS

- Cost of Doing Business**
- Cost of Living**
- Infrastructure Bottlenecks**
- STEM Pool Leaves (or never comes)**
- Economic Development Strategy**





## EDC ICT Strategic Initiatives

Retention & Expansion

- 1. Ecosystem** – develop a stronger ICT partner ecosystem; increase cohesion between public/non-profit involved in ICT-focused economic development initiatives
- 2. Awareness** – build awareness for Washington State’s ICT assets and opportunities globally
- 3. Recruit** – recruit new ICT businesses to Washington State





# ICT Sub-Sector Framework



**Big Data/Analytics**



**Consumer/Internet of Things (IoT)**



**Digital Media/Aggregated Content**



**E-Commerce**



**Enterprise Business Software**



**Hardware**



**Interactive Media/Gaming**



**DevOps: Cloud/Comm/Network/Security/Tools**



**Mobile**



**SAAS**







# Ecosystem

#	Tactic	Description
1	ICT Data Sharing Project	Initiate more sharing of research data among City, State, and County ICT sector leads; reduce overlapping research projects
2	ICT Education	Help educate EDC members on ICT trends
3	ICT Survey	Develop and publish the first Economic Forecast Survey for ICT businesses on their hiring outlooks, capX, ability to execute in WA. <i>The results will be published at EFC in January 2017.</i>





# Awareness

#	Tactic	Description
1	Publish ICT Sub-sector Framework	Publish version 1.0 of the ICT Sub-sector Framework
2	Organize strategic delegation	Targeted missions with laser-focused goals/objectives (TBD)
4	Relaunch FDI for ICT	Relaunch FDI program to ICT accounts in form of case studies, Web data, PR
5	New Funding Programs	Seattle/King Co has the opportunity to be one of the first regions that organizes and promotes a fund for fueling ED, funded in partnership with public and private investors





# Recruit

#	Tactic	Description
1	ICT Recruitment Team	Create ICT recruit advisors to provide guidance on targeted companies based on selection criteria
2	County Recruits	Target companies that are positive additions to the regional ICT ecosystem (consider: reputation, skillset, diversity)
3	City Recruits	Work with member cities to chart mini-plans for recruiting ICT businesses; target 2-3 companies per city







## Selection Criteria

- ✓ **Company HQ;** is the company currently in a desirable city to justify relocating?
- ✓ **Year of Establishment;** is the company young-enough to move or relocate?
- ✓ **Investment raised;** has the company recently raised capital to finance a move? Companies that have raised over \$2M were included in Seattle lists.
- ✓ **Attraction:**
  - ✓ **Local VC support;** has the company already been funded by a local VC or have affiliations with any managing partners;
  - ✓ **Strategic synergy with PacWest;** is there any existing synergy inside the business with PacWest (strategic partner, Microsoft alumni, director or board member living in Seattle/King Co, etc)
  - ✓ **Reputation**
  - ✓ **Hiring diversity philosophy**
  - ✓ **Corporate culture**





## Partnering with Kirkland

1. Position Kirkland to new startups/recruits entering State
2. Support your current infrastructure projects (Totem Lake, incubators, Urban) by engaging with commercial real estate
3. Target 5-10 companies to work collaboratively with EDC
4. Participate in any tech conferences/events





## Let's Connect

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Thank You



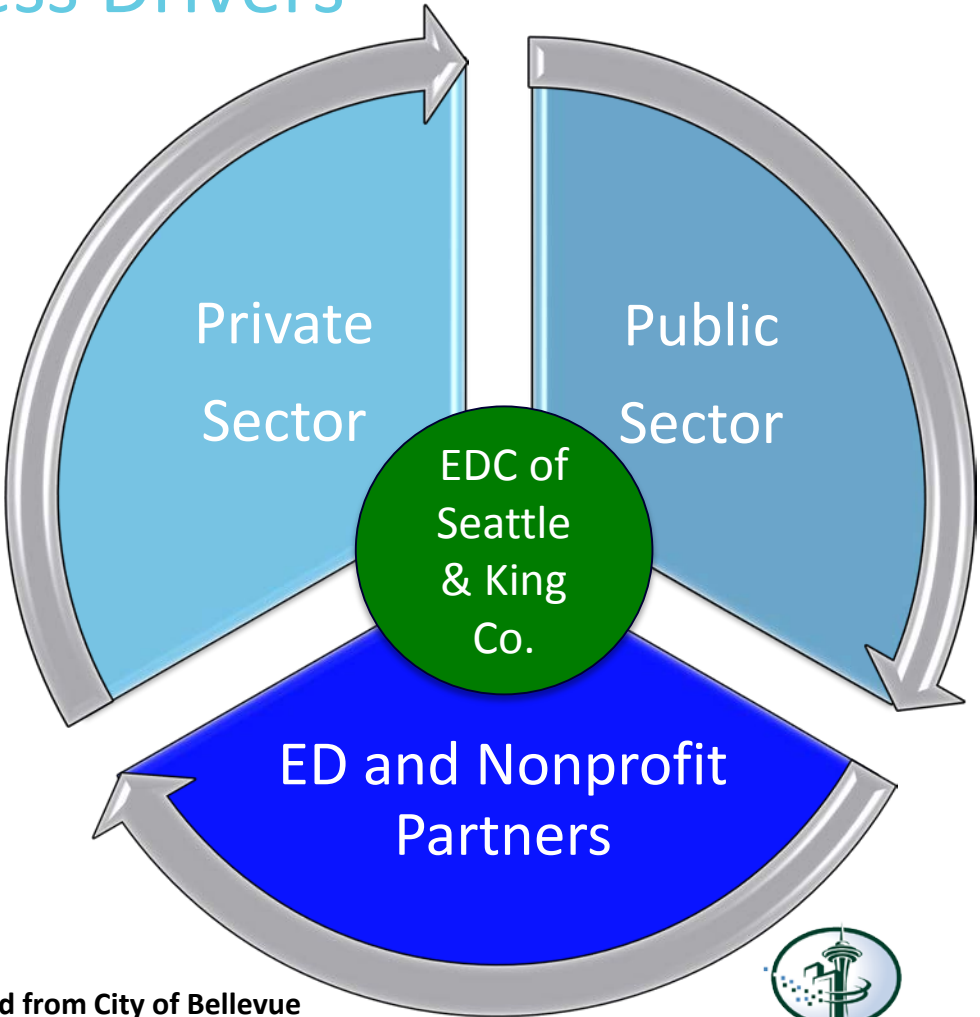
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# Economic Competitiveness Drivers

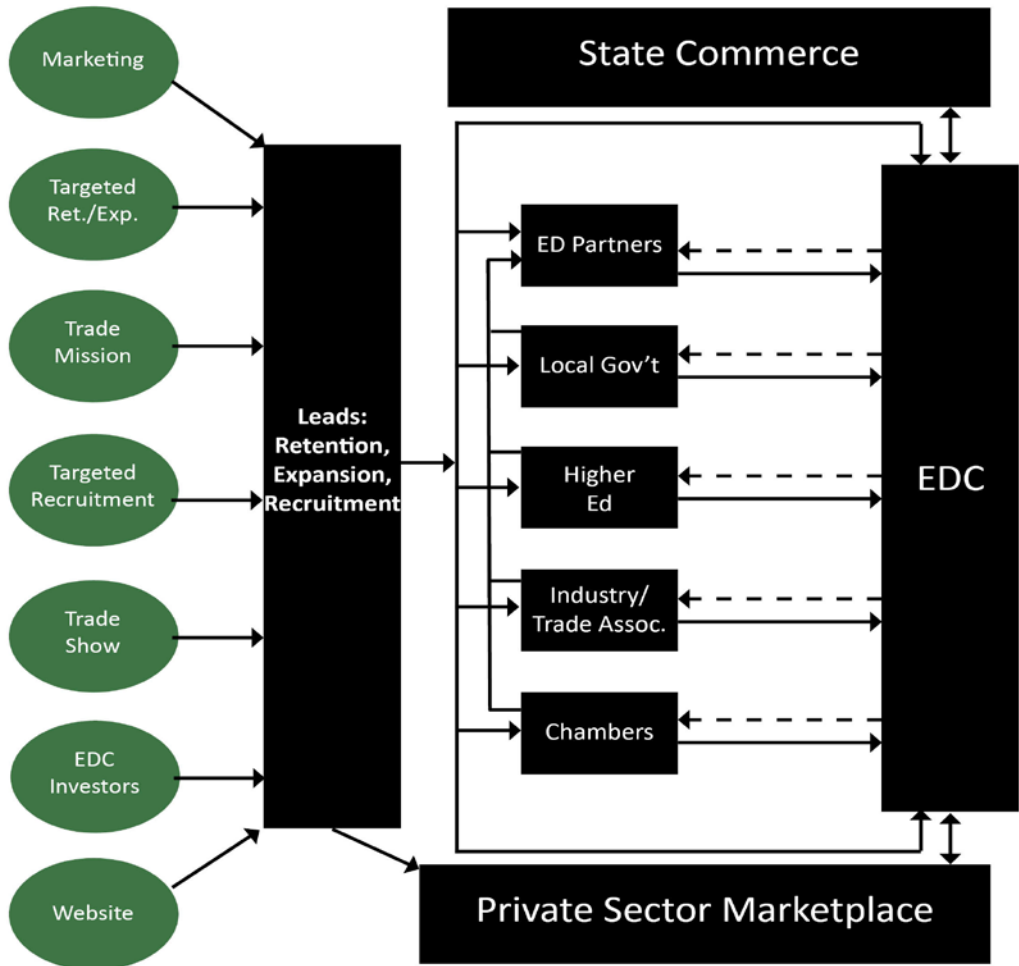
- Puget Sound competing regionally in national and global competitions
- Site location factors are primarily based on:
  - Workforce/talent
  - Real estate
  - Transportation
  - Quality of life (housing, education, outdoors)
  - Cost of doing business
- Regional approach to Economic Development paramount to remain competitive



Adapted from City of Bellevue  
Economic Development



# Seattle-King Co. Economic Development Ecosystem



Adapted from Puget Sound Regional Council

