



Software Association  
of Oregon

## Oregon Business Plan Submission Form

### Part I: General Background

- Cluster Name/Industry  
*Software Association of Oregon (SAO)*
  
- Cluster Facilitators' or Coordinators' Names
  - *John Tortorici, President, SAO  
(503) 228-5401, john@sao.org*
  - *Molly Moore, Vice President, SAO  
(503) 228-5401, molly@sao.org*
  
- Key Leaders or Members of the Cluster Organization  
**Key Leaders** (includes SAO Executive Committee and SAO Economic Development Taskforce):
  - *Attensa – Craig Barnes, President*
  - *Davis Wright Tremaine LLP – Michael Phillips, Partner*
  - *EasyStreet Online Services – Rich Bader, President & CEO*
  - *Hewlett-Packard – Ted Wilson, Director of Advanced Technologies*
  - *Inspiration Software – Mona Westhaver, President*
  - *Jones Partners – Pamela Jones, Managing Partner*
  - *PriceWaterhouseCoopers LLP – Pat Collopy, Director of Technology Group*
  - *SmartForest Ventures – Hugh Mackworth, Partner*
  - *WebTrends – Greg Drew, CEO*
  - *West Coast Bank – Gary DesRochers, Senior Vice President*

### SAO Board of Directors:

- *Corillian Corporation – Chris Brooks, CTO*
- *Corrigo Inc. – Rick Michaux, Founder & President*
- *D.A. Davidson and Co. – Norm Duffett, Managing Director*
- *IBM – Dan Frye, Vice President*
- *Intel – Mark Abel, Director of Solutions Architecture*
- *LRS Solutions – Andrew Shakman, Managing Director*
- *Lunar Logic – Richard Caves, Marketing & Sales*
- *Microsoft Corporation – Erick Watson, Engagement Manager*
- *NW Natural – Dave Weber, CIO*
- *Open Source Development Labs – Stuart Cohen, CEO*
- *ProDX – Phil Kiesling, VP & General Manager*
- *Schnitzer Steel – Larry Luck, CIO*
- *Serena Software – Bill Piwonka, Senior Director of Product Marketing*
- *Symantec – Mark Richards, Vice President*
- *Tektronics – Rob Blaskowsky, CTO*

- *Unicru – Kevin Tate, Director of Marketing*
- **Geographic Location**  
*State of Oregon and Southwestern Washington*
- **Level of Cluster Organization Development/Organizational Structure**  
*Established in 1989, the SAO is a non-profit trade association with over 600 company members. For over sixteen years the SAO has been a focal point for the software industry. Our members consist of a broad range of software dependent organizations including:*
  1. *Those that publish and sell software as a product*
  2. *Those that embed software in their products or devices*
  3. *IT departments in organizations with software professionals on staff*

*Additionally, the cluster is supported by the many organizations that provide services to the software industry.*

*The SAO has monthly Executive Committee meetings, and quarterly Board of Directors meetings. Additionally, the SAO manages over 100 volunteers with more than ten committees that meet regularly and focus on various activities and initiatives. The SAO produces over 30 events/year, and through these activities is very well connected with the membership base.*

- **Mission or Purpose**  
*The mission of the SAO is to sustain a healthy & strong software industry cluster in Oregon by:*
  - *Helping companies **Start***
  - *Creating an environment where companies and entrepreneurs want to **Move***
  - *Supporting company **Growth***

- **Please describe the process used to complete this form. Who was involved? How were priorities established?**  
*Drafted by John Tortorici (SAO President) and Molly Moore (SAO Vice President), based on the results of a survey of our members where we transferred the OBP Submission Form into an electronic survey format. This survey fetched over 200 respondents who provided valuable input from both structured and open-ended questions. These questions were as follows, and we are providing a quick synopsis of the comments we received:*

1. **What are the top two or three advantages of doing business in Oregon?**
  - a. *Quality of life away from work*
  - b. *Talent of the local workforce*

- c. Networking opportunities available in the area and the supportive community
- 2. What do you feel are the top two or three disadvantages of doing business in Oregon?**
  - a. Taxes
  - b. Education
- 3. What other initiatives would you like to see in 2006?**

Programs to attract and retain companies.
- 4. What do you see as the strengths of the software industry in Oregon?**
  - a. Oregon's Innovative Spirit
  - b. A highly skilled and highly educated workforce
  - c. Our investment and leadership in the open source movement
- 5. What are the top three labor/staffing issues you face?**
  - a. Finding and hiring qualified candidates
  - b. Higher education not providing the skills needed for workforce

*The SAO created an Economic Development Taskforce, and this group, along with the Executive Committee, reviewed and prioritized the feedback and made recommendations regarding initiatives. A listing of these participants is included under the "Key Leaders" section above.*

- Is there any other information that we should know about your cluster?

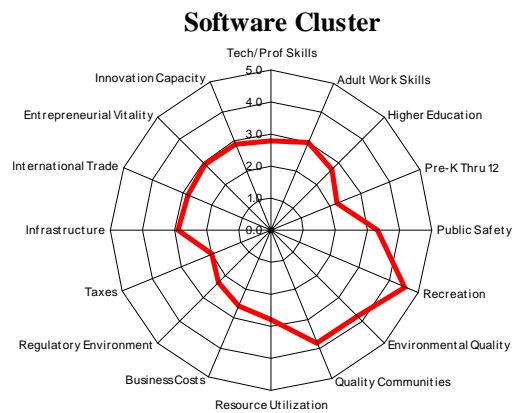
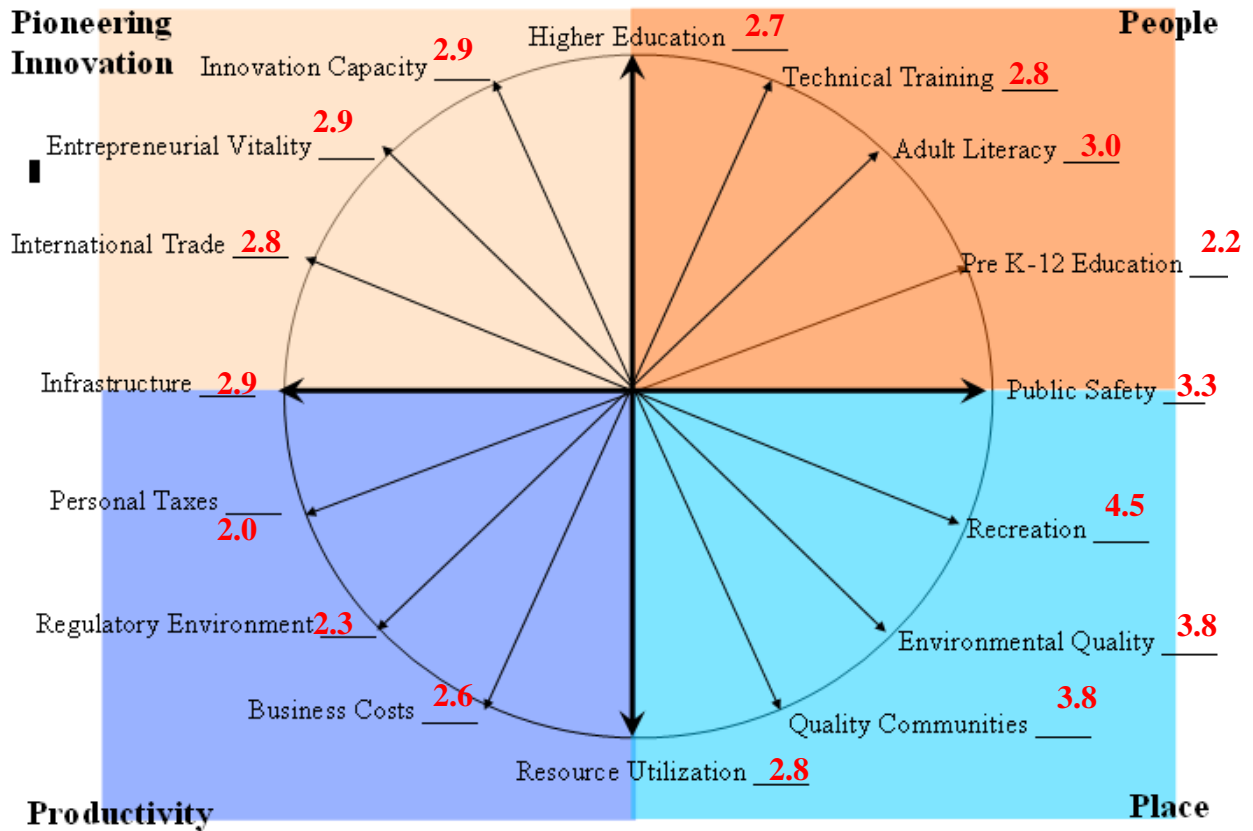
*Today, software is ubiquitous and forms one of Oregon's recognized industry clusters while standing as part of the economic foundation of our state. There are many companies whose business it is to develop and deliver software while other companies embed software in their products, which range from cars to microchips. In addition, there are large IT organizations within traditional businesses that rely on software technology to run their core business. But all companies, as well as individuals, depend on software to both do business and live our lives.*

*Due to the diversity of types of software-powered companies in Oregon and Southwest Washington, the constituents of the SAO are very broad, and thus the issues that the SAO advocates for and supports tend to be very broad as well.*

## Part II: Oregon's Business Climate

How would you rate Oregon's performance in each quadrant? Numbers below based on 200 surveys

Rate each element from 0 to 5 (5 = highest performance, 0 = lowest performance).



### **Part III: OBP Core Initiatives**

#### **Are there any additional initiatives that should be considered?**

Through our survey, we obtained feedback that companies are interested in activities to attract and retain companies. The SAO, in partnership with the Portland Development Commission (PDC), the Oregon Economic & Community Development Department (OECDD), and Oregon Economic Development Association, is creating a “Move DVD” that will be used as a recruiting tool to bring software and technology business to Oregon. The objective of this DVD is to bring all of the existing statewide recruiting agencies’ information together into one DVD. This will make for a coordinated recruiting effort, and provide clear messaging around “why Oregon”. Utilizing this type of technology is key to recruiting these kinds of technology-based companies.

Initially, the DVD will focus on the software industry, but it will be built in such a way that in the future, additional clusters and industry can “plug and play” their information into the DVD, which provides for great scalability of the project. All of the basic information about Oregon is included: Infrastructure, Quality of Life, Comparing Oregon, Success Stories, etc. The cornerstone of the software industry-focused collaterals is a DVD based presentation that will reflect the elements of infrastructure support a software company can expect to draw upon from the state’s software industry cluster, with live links to represented organizations. The presentation will capture the benefits of moving to Oregon and will include links to agencies such as OECDD, PDC, regional economic development agencies, local chambers of commerce, and a directory of commercial resources routinely used by software companies.

We would like to ask for support from the Oregon Business Plan and the Oregon Business Council for this project. Although this initiative is not one of our core three initiatives (see below) that we will be presenting at the January Summit, we do feel it is a very relevant, supportable project that will promote and recruit for all of the State’s clusters. We seek additional funding in order to expand this project to the other clusters. The original funding for the DVD was \$25,000, and we feel we can scale the project with very little additional resource. We also request that the Oregon Business Council assist the SAO with connecting us to the other clusters in order to spread the word regarding the DVD.

#### **Is there one initiative that is critical to your industry’s competitiveness?**

The number one most critical factor to our industry’s competitiveness is the availability of a qualified workforce.

**Part III: OBP Core Initiatives (continued)**

A.) Rank your top FIVE (put a “1”, “2”, “3”, “4”, or “5” in the appropriate boxes in the left column) AND

B.) For EVERY initiative, identify how important the initiative is to your industry (put a “√” in the appropriate box).

Rank Top 5	CURRENT OBP INITIATIVES	Extremely Important	Important.	Not Very Important	Not Important At All.
5	IMPROVE PUBLIC FINANCE AND SERVICES.		X		
2	EXPAND OREGON'S CAPACITY FOR ECONOMIC INNOVATION.	X			
3	ACHIEVE A HIGHER RETURN ON OREGON'S INVESTMENT IN PREK-20 EDUCATION.	X			
	ENHANCE OREGON'S FOREST RESOURCE BENEFITS.			X	
	ENHANCE OREGON'S TRANSPORTATION INFRASTRUCTURE.		X		
	MAKE LAND AVAILABLE FOR TRADED-SECTOR INDUSTRY DEVELOPMENT.			X	
	SIMPLIFY AND STREAMLINE REGULATION AND PERMITTING.		X		
1	IMPROVE HEALTHCARE AND CONTROL ITS COSTS.	X			
	BRAND AND MARKET OREGON MORE AGGRESSIVELY.			X	
	2006 OBP POTENTIAL INITIATIVES				
	DRUG USE		X		
	WATER POLICY			X	
	ENERGY		X		
	TELECOMMUNICATIONS		X		
	HIGH PERFORMANCE MANUFACTURING		X		
4	TARGETED WORKFORCE DEVELOPMENT	X			
	OTHER				

## **Part IV: Specific Cluster Initiatives**

The SAO is committed to Education & Workforce Development; our members have clearly stated the need for a highly qualified workforce in order to remain competitive. Over 69% of our survey respondents felt that promoting targeted workforce development was the most important potential initiative that the OBP should focus on. We believe that in order to solve our workforce issues, it is critical to direct resources at our education and workforce system throughout the entire continuum from K-12, to higher education, to incumbent workers.

Our members rely on an available and qualified workforce, and that means we need to invest in our students, our teachers and our workers. Tomorrow's information technology workforce will be central to Oregon's economic vitality and its ability to innovate. To be competitive, we must grow, strengthen and diversify this human capital resource. This labor pool includes marketers, program managers, financial officers and other critical non-technical roles as well as the linchpin engineers and computer scientists. The educational path to these roles differs but each begins with a common passion for innovation and an appreciation of technology's ability to create value.

There is a clear need to stimulate student interest in math and science, which provides the core foundation for the high-paying technical careers available in our state. The indicators are a call to action. Consider that in Oregon 77% of 3<sup>rd</sup> grade students meet math standards, dropping to 56% by 8<sup>th</sup> grade and 44% for 10<sup>th</sup> graders. Proficiency in these subjects, of course, is essential to post-secondary and graduate studies in engineering fields. Intel relates that of the 441 Ph.D.s hired in engineering and computer science from 2000 to 2004, seven came from Oregon universities and only 11% of Intel hires with master's degrees were educated in Oregon. Moreover, the lack of women entering the field further reduces a potential labor supply. Most women drop out of advanced math courses after the sixth grade. Nationwide, women account for 20% of enrollment in undergraduate engineering programs and only 11% of engineering jobs.

### **SAO Recommendations**

We have three recommendations which support all levels of our education and workforce system (K-12, higher education and incumbent worker training). Each of our recommendations promotes existing programs that are proven and have shown success.

#### **1. K-12: Invest in and promote the SAO Foundation's SuperQuest program statewide.**

A clear issue with creating a supply of qualified works is the shortage of students interested in math and science, and the limited use of technology in our classrooms. Information technology teachers are few in number and not well supported. Unlike English or History, the content of technology courses must change in fundamental ways every few years to keep up with new developments. To remain effective and relevant, technology teachers must reinvent their skills, knowledge and abilities "on-the-fly" and there is limited professional development available to address this need.

Additionally, considering that technology is the leading employer in the state, student demand for technology education is comparatively weak and skews to topics such as web design that fail

to teach critical thinking skills. This “market reality” shapes the courses being offered, especially in professional-technical programs, and leads to limited IT education opportunities.

Three years ago the SAO Foundation created the SuperQuest program to address this issue. The mission of the SAO Foundation is to: develop and support programs that enhance the abilities and interest of K-12 teachers and students in information technology, computer science and engineering. Through SuperQuest, we have trained over 200 teachers in three years on (1) how to teach computer science curriculum to their students (2) how to use technology in the classroom. SuperQuest is a two week summer class held at Western Oregon University and in 2005, we trained over 80 teachers for less than \$40,000. The SAO would like to take this program statewide, and make SuperQuest available to any teacher who wants to take the program. The SuperQuest program is one that truly connects industry to education through our partnerships with the K-12 system.

**2. Support an initiative to drive legislation that creates financial incentives (e.g. tax credits) for companies that hire interns (high school, college, educator from K-20).** Through a partnership with the Business Education Compact (BEC), a non-profit with 21 years experience in establishing working partnerships between business and education, the SAO will further promote internship opportunities for our students and teachers. The SAO and BEC partnership allows the SAO to provide a connection to the software industry while the BEC delivers the student and teacher interns.

We believe that the link between internships and quality education are inextricably connected to workforce development and this needs to be underscored at the highest levels of government. A stimulus needs to be created to make internship programs as attractive as possible. Internship programs generate excitement for career opportunities in engineering and other technical fields and interns better understand the relevance of classroom learning especially in math and science. Such well-prepared high school graduates are more likely to pursue post-secondary degrees in related fields, create increased demand for university programs and offer employers a capable talent pool to satisfy workforce needs.

**3. Invest in and promote the Oregon Training Network (OTN) statewide.** The Oregon Training Network is a state-seeded initiative of the Software Association of Oregon to assess, aggregate and deliver on the training needs of the state’s information technology (IT) workforce. The OTN operates as a broker and neutral clearinghouse for topical expertise and quality IT-related training services. The OTN delivers classes with cost savings in the form of reduced travel expense, as well as the potential for discounts on actual training fees as a result of volume. The OTN raises the quality of the existing workforce and creates career pathways for all workers to advance

No such project has ever been attempted on this scale in Oregon before. Seed money to start up the Oregon Training Network was provided a year ago by the Oregon Workforce Investment Board (OWIB) and over the past year, the OTN has focused on building capacity while delivering on its mission to meet the workforce training demands of the state. In order to move into the next phase of this project, we need additional resources and exposure for the project.

## **Part V: Oregon Business Plan Leadership Summit Participation**

At the Oregon Business Plan Leadership Summit, we'd like to feature the work that Oregon's organized clusters are accomplishing and show how organizing within the industry has improved your competitiveness. In addition to highlighting a few of Oregon's Cluster Development efforts during the presentation portion of the program, we are considering making space available for break-out sessions for several of the cluster organizations.

If there is time available at the Oregon Business Plan Summit, would your organization like to give a brief presentation about your cluster? **YES**

If space is available, would your cluster benefit from a break-out session where Summit attendees could learn more about your cluster's goals, challenges, and needs? **YES**

Are there any audiences you would particularly like to reach at the Summit?

**Federal and state delegates, educational institutions, potential private sector business interested in participating.**