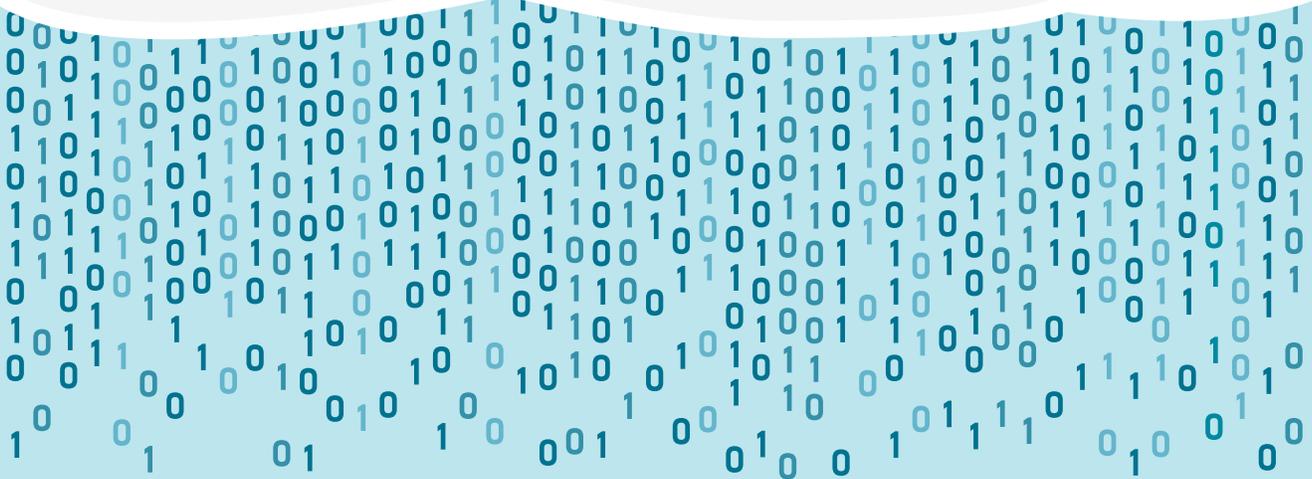


# LET IT RAIN



## CLOUD TECHNOLOGY NOURISHES THE EVER-EVOLVING ICT SECTOR IN WASHINGTON STATE

By Heather R. Johnson

**N**orthern California's Silicon Valley may get the hype, but with its low cost of living, high quality of life, affordable clean-energy sources and lack of an individual state and corporate income tax,

Washington state is quickly becoming an information and communications technology epicenter.

Washington state generates an estimated \$25 billion in ICT revenue annually from more than 3,000 software and mobile technology companies and 300 digital game companies, which

employ more than 267,500 workers.

"We have a thriving ecosystem here," says Susan Sigl, CEO of the Washington Technology Industry Association (WTIA). "Numerous studies consistently cite Washington as one of the leading technology centers in the United States."

The gaming software industry



Bainbridge Island-based Avalara helps clients manage sales tax compliance.

### ICT in Washington State

**9,300**

Tech firms in the state

**3,000**

Software and mobile application technology companies in Washington

**300**

Digital game companies in the state



Private-sector jobs from tech firms, fifth-highest among states

Source: TechAmerica Cyberstates 2013, ChooseWashington.com

has a major impact in the state. The Electronic Software Association says Washington has the nation's third-largest number of video game personnel, with 11,225 direct and indirect employees.

The TechAmerica Foundation, in its Cyberstate 2013 report, ranks Washington No. 1 among states for the largest tech cluster in software publishing and also ranks it high in computer systems design and related services.

### Embrace the Cloud

Once considered a hidden gem in the high-tech world, Washington state has positioned itself at the forefront of emerging technology such as cloud computing, mobile application development and social media. Washington-based revolutionaries Amazon.com and Microsoft both placed big bets on the cloud and, not surprisingly, have become leaders in the field.

Launched in 2006, Amazon Web Services, a subsidiary of Amazon.com, has grown to offer more than 30 different services to thousands of customers in more than 190 countries. Notable clients include reddit.com, Active.com, Ericsson, Netflix, Lionsgate, General Electric and Pinterest, not to mention the U.S. government. The cloud pioneer experienced rapid growth, particularly

with the launch of Amazon Elastic Compute Cloud in 2009.

"That was a huge shift for us," says Mark Ryland, senior manager, global public sector at AWS. "Customers could essentially run their own virtual machine with EC2."

Microsoft's Windows Azure includes Media, Mobile and Cloud Services, as well as Virtual Machines, Websites and Big Data. Companies ranging from NBC Sports Group to about half of Fortune 500 companies use Windows Azure. Mobile apps – a key ICT market in Washington – can store data and reach millions of users via the Azure cloud without the expense of a large technology infrastructure.

The state's prowess in e-commerce and cloud services meets at the intersection of companies such as Avalara. The Bainbridge Island-based company develops cloud-based solutions that manage sales tax reporting, collection and remittance across multiple jurisdictions for 25,000 sites and other customers. The company projects it will deliver more than 2 billion tax calculation transactions in more than 85 countries and file and remit more than \$10 billion in sales, use and other tax collections in 2013.

Now that Congress has taken action that could compel online retailers to collect state sales taxes, the company, founded in 2004, could see even more growth. JMP Securities named Avalara to its Hot 100: Best Privately Held Software Companies list in 2013.

Seattle-based Revenue Management Systems develops sophisticated software that lets airlines track and analyze their revenue. The company's forecast and optimization technology is used by dozens of air carriers around the world. Its signature airRM solution is used by more than 30 airlines including Westjet in Canada, AirAsia in Malaysia and Ryanair in Ireland.

### An App a Day

That Washington leads in mobile application development ties with its telecommunications history. Globally known companies such as T-Mobile, HTC America and Clearwire have headquarters in Washington and anchor the thriving

wireless sector.

“Washington is grounded in mobile expertise,” Sigl says. “We have a strong foundation in mobile tech and because of that, will continue to generate new companies like Glympse and BYNDL that are the current evolution of mobile innovation.”

Around these anchors, companies large and small develop everything from iPhone apps to more expansive products. Founded by former members of Microsoft, Seattle-based Glympse allows users to share their location via GPS or Google Maps. For the chronically late or the new teenage driver, Glympse serves as a real-time answer to the question of “Where are you?”

Glympse thrives from a diverse labor force that ranges from recent college graduates to highly experienced workers. While quality tech talent is always hustling to catch up to a rapidly expanding ICT sector, efforts to meet the demand can be found

throughout Washington. From K-12 to the college level, efforts from organizations such as the WTIA and the tech education-focused Technology Access Foundation promote skills development that meet the needs of the state’s tech companies.

“Washington offers highly competitive wages for tech talent,” Sigl says. “Of course we want these juicy jobs to go to people who live and are educated here.”

The TechAmerica Cyberstates 2013 report found tech workers in Washington state earned an average annual wage of \$110,200, third-highest in the nation.

AWS’ training and certification program adds another skill level.

“This is a great way for the local tech community to demonstrate that they’ve achieved a certain level of mastery with cloud and cloud computing,” says Steve Halliwell, AWS’ global director of education and state/local government.

With numbers on the rise for both employers and employees,

Washington state’s ICT future looks bright.

“The environment is strong and getting stronger,” says Glympse CEO Bryan Trussel. “We have important ‘anchor tenants’ such as Amazon and Microsoft, and a nice network on both the investment and creative sides, plus we’re only an hour and a half flight from Silicon Valley, all of which are important for doing business.”



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## DATA CENTERS

# Bytes of Knowledge

## GRANT COUNTY ATTRACTS MAJOR TECH PLAYERS

Cloud computing and data centers go hand in hand. Cloud providers couldn’t offer their seemingly limitless services without these “factories,” which store thousands of servers and other equipment in a controlled, secure environment.

With a combination of natural advantages and smart business tactics, Grant County – about halfway between Spokane and Seattle in central Washington – has become a go-to data center destination thanks to its reliable and affordable power supply, abundant open space, low seismic zone and cool climate. Microsoft, Dell, Intuit, Yahoo! and Sabey Corp. are

among the major tech companies that have made major data center investment there, with other companies to follow.

Although Grant County offers many advantages as a data center site, its hydropower, supplied via the Columbia River’s Priest Rapids and Wanapum dams, and wind energy from turbines near Kennewick are its No. 1 selling point.

“We have one of the lowest industrial electricity rates in the country,” says Jonathan Smith, executive director of the Grant County Economic Development Council. “ICT companies also strive to have a green footprint, which is an added plus for us.”

Grant County also operates one of the most advanced and extensive fiber-optic communications systems in the nation, with more than 1,000 miles of cable in the sparsely populated area.

“The Public Utilities District has a goal to deliver broadband throughout the county,” Smith says. “For a rural county, that’s pretty forward thinking.”

The arrival of multiple data centers in Grant County has benefited the economy in myriad ways.

“We have an entirely new job sector,” Smith says. “A few years ago a skilled IT worker would have to move out of Grant County. Now they don’t have to.”

–Heather R. Johnson