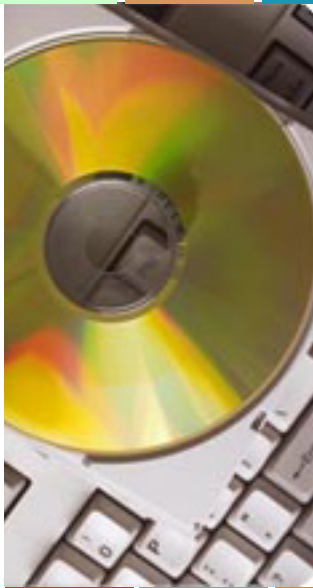




Greater Seattle and Washington State: Your Partners in Information Technology

TRADE
DEVELOPMENT
ALLIANCE
of
GREATER
SEATTLE



An overview of Washington State's software industry for prospective partners in business, investment and research.

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Washington State Software Industry Center of Information Technology

Washington State is one of the world's leading centers for software development and information technology. It is home to over 3,000 software companies, including Microsoft, the world's largest software company; Nintendo of America, the video game powerhouse; and Attachmate, one of the largest privately-held software companies in the world. Thousands of companies are located in the region specializing in prepackaged software, custom development, systems integration, as well as E-Commerce and the Internet. Washington State information technology companies are trend-setters which have created a culture of innovation.

The Washington software industry generates more than \$25 billion in revenue each year and has become one of the state's most important industries. Employment in the software and computer-related sector of Washington State is 15 percent higher than the national average. Greater Seattle ranks fifth among U.S. metropolitan areas for number of software jobs as percentage of the total population according to a recent study. Nearly 70,000 people are employed in the industry totaling \$10 billion in wages.

Evolution of the Industry

Microsoft and a number of other companies play an important role in the growth of the Washington state software industry. Microsoft has enormous impact on the region, including generating numerous spin-off firms that have become successes in their own right.

However, many companies also evolved from The Boeing Company, Digital Equipment Company and Aldus Corporation (now a division of Adobe Systems, Inc.). In addition, the local software industry benefits from technology transferred from the University of Washington's research and development departments, from the large software development community in Greater Seattle's extensive health care industry, from other high-technology sectors and from the area's trend-setting entertainment industry. The Greater Seattle region's culture of innovation also makes it a great breeding ground for cutting-edge software startup companies. This all adds up to a state industry which is large and diverse—and getting more so each year.

A Strong and Diverse Industry

Many Washington State software companies are leaders in their markets. Companies here offer particular strengths in:

- Microcomputer-based business productivity
- Networking and telecommunications
- Internet and e-commerce
- Multimedia, games and entertainment
- Online services
- Engineering software and development tools
- Health care applications

- Operating systems and utilities
- Database tools and applications
- Financial and general business applications

Diverse Products and Services

Washington state companies offer a wide array of products and services consumed all over the world. From multimedia entertainment to business productivity solutions, our companies are in the forefront of information technology. The industry includes small start-up companies and Fortune 500 firms.

Industry Product Types

Internet	28.6%
Business Productivity	26.2%
Database	25.9%
Multimedia	20.5%
General Business	19.3%
Accounting/Financial	17.8%
Development Tools	16.9%
Data/Telecommunications	15.4%
Networks/Related Products	13.9%
Education	13.4%
Data Acquisition	12.2%
Graphics	12.0%
Engineering	11.5%
Publishing	11.2%
Utility	11.0%
Report Generation	10.0%
Games/Entertainment	9.8%
Sales Related Systems	9.8%
Scientific/Mathematical	8.6%
Process Control	7.6%

Totals more than 100% because companies may have more than one product type.

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Greater Seattle and Washington State are home to an incredible breadth and depth of information technology companies.

Business Productivity.

In addition to the many business productivity applications developed by Microsoft, there are hundreds of other firms producing tools and applications to improve business and administrative efficiency.

Database

The area has a strong history of talent in database development. Just one example is American Database, a developer of data mining tools. Their primary application, PowerView, has been developed for the manufacturing industry. PowerView consists of a suite of products that are used to view database information on-line, create custom reports and to export data from a database to Microsoft Excel.

Arts and Entertainment

The entertainment talent in the state has joined forces with technology innovators to create a dynamic electronic entertainment, game and content industry. Sierra Entertainment, one of the original developers and largest worldwide publishers of interactive entertainment resides here, in addition to many other pioneering game developers. Nintendo runs its Western Hemisphere operations from the Puget Sound. And technology industry magnate, Paul Allen, has utilized state-of-the-art, custom hardware and software to create a unique interactive music museum, the Experience Music Project.

Communications

Many leading developers of data and telecommunications products reside in the state. Two of the world's leading suppliers of PC-host communications products--Attachmate, and WRQ--are headquartered here as well as hundreds of other smaller firms supplying connectivity products. Attachmate is one of the largest independent software developers in the world.

Wireless

More than 40 companies in the state provide an array of wireless products and services, such as infrastructure/network software, wireless applications for consumer devices, custom wireless application development and consulting. Bellevue-based T-Mobile operates the largest carrier-owned Wi-Fi network in the world, as well as the largest all digital, wireless network based exclusively on GSM technology. AT&T Wireless, created from acquisition of McCaw Cellular, operates another of the largest digital wireless networks in North America. And the Boeing Company is now a mobile information service provider with the introduction of Connexion by BoeingSM -a service that delivers broadband connectivity to airline seats, offering passengers access to the Internet, intranets, two-way e-mail and streaming media.

Health Care

The Seattle area is world renowned for its biotechnology and medical technology strength, its outstanding medical research and teaching facilities and a host of superior health care providers. The combination of the state's software and medical talents have spawned a large population of health care and medical technology-related software firms. Many firms provide administrative software for clinics and health care providers, some work on scientific applications for biotech/medical analysis or research while others provide embedded software to drive medical equipment. In addition, a number of companies specialize in bioinformatics or biosoftware, which uses computer databases and algorithms to speed and enhance biological research.

Home to Industry Leaders

Some of the most recognizable names in software and information technology call Washington State home. These companies include industry leaders, innovators and pioneers.

Microsoft

[Microsoft](#) is known around the world as the leading producer of software. With nearly 25,000 employees in Washington State, Microsoft plays a huge role in the state's economy. Headquartered in Redmond, about 10 miles east of Seattle, Microsoft generates more than \$20 billion in revenue each year. Microsoft products are sold and used all over the world.

Amazon.com

A pioneer in online commerce, [Amazon.com](#) is today the world's leading online shopping site.

Attachmate

[Attachmate](#) is the leading supplier of software for accessing enterprise information residing on mainframe and midrange host systems. Eighty percent of Fortune 1000 and Global 2000 companies rely on Attachmate to safely link mission-critical applications and databases to front-office and e-business solutions. Award-winning products, support and consulting services help customers forge competitive advantages in today's global marketplace. We offer a broad spectrum of solutions designed to integrate enterprise information and provide secure access by employees, partners, or customers.

Cray

[Cray](#) is a recognized worldwide leader in high-end supercomputers. Cray Inc.'s customers include many of the world's leading automotive, aerospace, petroleum and chemical/pharmaceutical companies; weather forecasting and global climate research centers; major academic research centers; and government agencies in the U.S. and abroad.

Expedia

[Expedia, Inc.](#) (Nasdaq: EXPE) operates as the largest online travel service in the world, with Expedia.com in the United States and localized versions in Europe and Canada

Getty Images

[Getty Images](#) is the world's largest provider of still and moving digital content.

Nintendo of America

The North American headquarters for world leading creator of interactive entertainment is also located in Redmond. [Nintendo](#) manufactures and markets both hardware and software for its popular home video game systems.

A Connected Community

Perhaps it should not be a surprise that a region which is home to Microsoft, Amazon.com and so many other computer related companies would be one of the most computer literate and connected communities in the world. According to a new study by The Pew Internet & American Life Project, the Pacific Northwest leads the country in Internet use. With 68 percent Internet penetration, this region of the country was 10 percentage points above the national average. A City of Seattle survey found that 75 percent of residents have a computer in their home, significantly higher than the national average of 51 percent. The City of Tacoma has the largest municipally owned telecommunications network in the country. This business advantage, known as Click! Network, offers a cable television and data-sharing system, which connects Tacoma businesses and residents with the global economy like never before.

Connecting Around the Globe

International markets are a vital part of the Washington software industry success. More than half the state's companies sell products outside North America, with emphasis on Europe, Japan and Latin America.

International Markets

Software, along with aerospace and agriculture, is one of the three largest industries in Washington State in international sales. In fact, 24 percent of Washington State exports are attributed to the software industry. Among the strongest export customers for Washington State software companies are Japan, Korea and Europe, as well as India, South America and Southeast Asia.

Many Washington companies have experienced staff dedicated to the development, localization and marketing of products to worldwide markets. Many of these companies also maintain development teams outside the United States, have overseas headquarters and sales offices or engage in joint development with international partners. Most companies' products are suitable for global markets and these firms are establishing international alliances to expand their businesses.

Areas of Opportunity

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Distribution: Washington software companies actively seek distribution partners to market and distribute their products overseas.

Localization: Companies need end-user applications and multimedia content delivered in local language versions to be successful.

Industry services: Many companies utilize services outside the United States such as manufacturing, testing, technical support, legal, advertising and public relations.

Joint development: Joint development projects to produce software products or the licensing of technology are of interest to Washington companies.

Market education: Many companies seek assistance in understanding international markets, distribution channels and trends, local technical information and import regulations.

Supporting the Industry's Success

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World-class educational and research institutions: In 1979, [Seattle University](#) foresaw the tremendous explosion of the software industry in the Greater Seattle area. Seattle University was one of the first schools in the country to offer a masters degree in software engineering. Institutions such as the [University of Washington \(UW\)](#) and the [Battelle Pacific Northwest Research Lab](#) also work to provide an on-going talent pool and source of advanced research for the community. The UW Computer Science program, located in the brand new Paul G. Allen Center for Computer Science and Engineering, has been ranked as one of the top ten programs by the National Research Council and U.S. News and World Report. The Human Interface (HIT) Lab, one of the top virtual reality (VR) research institutions in the country, is located at the UW and has spun off a number of VR software development firms.

Professional services: The area is home to dozens of legal, accounting and advertising firms, with long histories of providing software-specific expertise for both start-up firms and mature companies. Software companies can choose from large service firms, specialized "boutique" firms and from the thousands of independent consultants and freelance staff that work in the area.

Software industry service firms: The Greater Seattle area boasts a healthy software services sector, providing resources like disk duplication, manufacturing, documentation production, software localization, distribution and many others.

The Technology Alliance: Founded in 1996, the [Technology Alliance](#) is a statewide consortium of technology-based businesses, their trade associations, research institu-

tions and other community partners, with a mission to advance technology-based business in Washington State. Among the organization's activities are investment assistance for early-stage technology companies, educational efforts in Washington State schools and producing promotional and educational publications on the technology industry.

WSA: The mission of the [WSA](#) (formerly the Washington Software Alliance) is to assist software, multimedia and Internet companies and people succeed in an effort to make Washington State the information technologies center of the world. Founded in 1984, WSA is the oldest and largest statewide organization of its kind in the nation. The organization has 1,200 members representing more than 70,000 employees in Washington State. WSA's services include major industry events addressing the latest developments and issues in information technology. WSA also acts as the industry's advocate to government and civic organizations, conducts professional and educational programs, provides a job line, an annual software industry survey and investment forums and also publishes Beyond Code: Business Tools for Software Entrepreneurs.

Resources

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