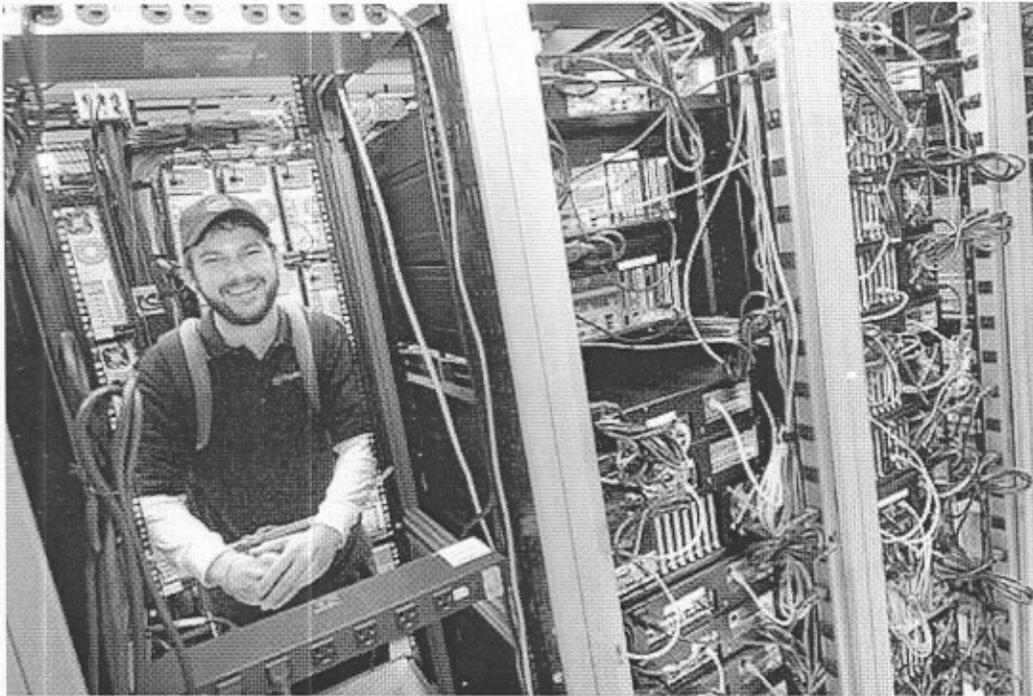


FEATURED STORY

Lansing Tech Boom: Fueling the IT Fire

BY: BRAD GARMON, 9/19/2007



9/19/07

Here's a Lansing area economic crisis you might have missed: too much business growth, too many new jobs, and not enough workers to fill them all.

Welcome to the booming information technology sector of the Lansing region—described as “hot, hot, hot” in a recent editorial by Doug Stites, CEO of Capital Area Michigan Works. A recent study published by the group shows the IT job market is perhaps the area’s fastest growing sector. It projects that 1,300 new IT jobs will be

53 -091907-01



added locally in the next five years as 20% annual growth rates continue to add heft to the more than 300 IT companies already located here.

In Lansing’s IT sector, the problem isn’t a lack of jobs, it’s a lack of people to fill available jobs. With almost all the local IT companies projected to grow and add jobs in the next several years, finding the educated, skilled workforce to fill these positions is becoming a challenge.

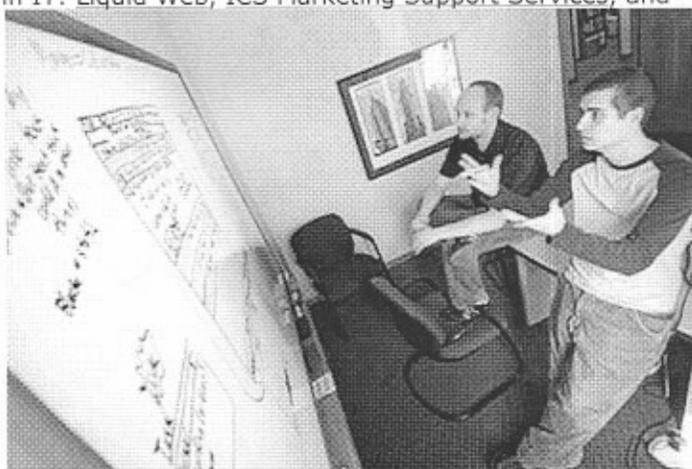
To address that counterintuitive challenge, Stites’ group has now helped pull together the Capital Area IT Council, where IT leaders will work together to assist local companies

with job recruitment, training, and retraining.

"The shortage of IT professionals threatens our future. There are hundreds of unfilled IT positions right now," says Bill Hamilton, President of and co-chair of the council, speaking to a crowd of more than 100 local companies gathered at the group's inaugural meeting on September 12 "If we don't address this issue we will slowly strangle ourselves and every regional organization trying to be more productive."

According to the report that sparked this group's creation, entitled "Growing IT: Opportunities for the Capital Area," IT is one of the fastest growing industries in the area. It grew by 20 percent from 1998 to 2004, or about seven times the rate for all industries in the area.

"Information technology is a bright spot for the local economy," says Hamilton. "Inc. Magazine just published their 5000 fastest growing companies. There were five in this region, and three were in IT: Liquid Web, ICS Marketing Support Services, and TechSmith Corporation. It reflects that we have a really strong and growing and vibrant IT community here."



Since when, you're asking yourself? Well, it's been growing for awhile. Quietly, and quickly.

The Lansing area hosts about the same percentage of workers in the direct IT field as in the construction industry. But instead of walking around downtown Lansing in fluorescent orange jackets and hardhats, the 4,500 people behind this booming New Economy sector have been hanging out in smaller businesses (typically less than 15 employees). Another 9,000 IT employees are working inside other local businesses. Wired up in our coffeeshops, office parks and renovated warehouses, the entire industry has slipped into town largely under the radar.

"Liquid Web is ten years old, but the first time I bet anyone in this room heard about Liquid Web's name was tonight, or a year ago," Travis Stoliker, director of marketing



for the fast-growing web host provider, Liquid Web, Inc. told me after the IT Council meeting. "That's because an IT company is a global business; we can exist in one area and no one knows about us, but you can have 30,000 customers, which is the case for Liquid Web—30,000 customers before anyone in the Lansing area noticed."

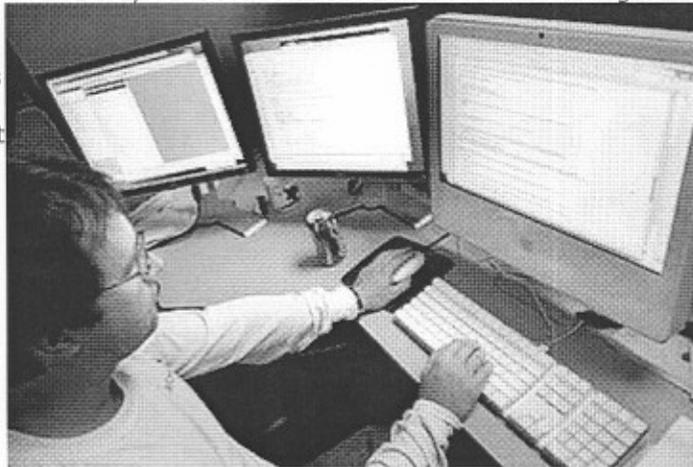
According to Stoliker, the booming company, housed

in a new 32,000 square foot facility on Lansing's west side, has doubled in staff size in the last year.

Yes, it's safe to say the big kids have arrived in force. When TechSmith Corp., announced early in 2007 that it would centralize its three Okemos locations and invest \$18 million to build a new world headquarters in the Lansing Regional SmartZone, it was a major announcement in the IT world, similar to Google's decision to locate in Ann Arbor.

These Lansing-based, globally connected IT businesses are expected to grow jobs more rapidly in the capital area in the years between 2002 and 2012. According to the report, "While total employment is projected to grow by 10 percent, IT jobs are expected to grow by 14 percent or about 40 percent faster than all jobs" in the area.

So the job opportunities exist; the challenge is connecting eager IT companies with employees who have the skills and experience to help them out—a challenge in such a diverse and skills-heavy field. IT occupations with

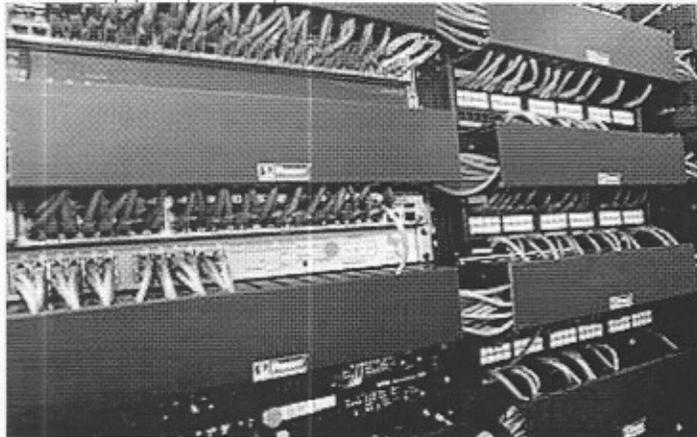


rapid growth rates locally include software engineers (55-67%), network and data system analysts (52%), database and network administrators (38-41%), and system managers (38%).

"It's not specifically one type of occupation, there are companies all over that are growing leaps and bound," says Chris Knapp, Executive Director of the IT Council within Capital Area Michigan Works. "TechSmith has a dozen open positions right now, Sircon Corporation in Okemos has at least 4 or 5 openings, Liquid Web has four or five open positions that they're trying to fill. So across the board there's need."

Another challenge, according to Stoliker of Liquid Web, is that the independent, "do-it-yourself" philosophy of most everyone in the IT field means that they often don't seek out—or know about—the resources and tools they need to grow their businesses.

"From my perspective, I'm a Holt kid and I've been here my whole life" says Stoliker.



"My father was from GM and I've seen the decline. And I would like to be able to connect these [IT job retraining and education] programs so that IT companies can find them. How many other companies around here don't know about them? Or how many companies have had to move because their entrepreneurs don't know these resources exist?"

Knapp and his allies at the IT Council are intent on developing a network to facilitate the training of new workers, and retaining workers with professional development through resources in schools and on the job employer programs. He says that the 1,300 projected new jobs in the IT area represent a "kind of battlefield, because either we work together to fill those positions and really help create a vibrant environment for moving forward, or we let those 1,300 jobs go by the wayside."

"A vibrant IT community is vital to this region's economic health," says TechSmith's Hamilton. "IT services are especially important to high tech firms, from biotech to nano particles. Those are exactly the firms that this region must attract and support. . . . 20th century companies will still be important here, but they will not be the source of growth in the future. IT is a critical resource for 21st century enterprises."



"I think its awareness," says IT Council participant Kent Garside, of Lansing-based Pardee Network Solutions. "Every meeting I go into, I say 'it's about business, not about IT.' That's when you get the attention of owners. They're all trying to figure out how they're going to get out of this economic crunch. The thing they never really think about is IT."

Brad Garmon is the managing editor of Capital Gains.

Dave Trumpie is the managing photographer for Capital Gains. He is a freelance photographer and owner of Trumpie Photography specializing in business, advertising and public relations photography.

Photos:

Travis Stoliker, director of marketing for Liquid Web, Inc

TechSmith's SnagIt software

Alan Dennis and Scott Schmerer in a design interface meeting at TechSmith

Liquid Web's servers

Stephen Wagner at TechSmith

Servers at TechSmith

Chris Knapp, Executive Director of the IT Council within Capital Area Michigan Works with tech company employment webpages

All Photographs © Dave Trumpie