



Follow up questions: WSTPA Roundtable 2006

Jim Nall, President & CEO, Paladin Data Systems Corporation



- 1. I disagree with foreigners as our competitors. With fibre connections and obviously good educators in foreign lands, these are our peers. They're surpassing us because "the earth is flat". Call Dell tech support to talk with your new friend in Mumbai.**

I agree with your statement that the earth is flat and we will have friends around the world. However, I disagree with your argument that they are not competition. For example most of us like coffee and we can "choose" to get our coffee from Tully's, Seattle's best or Starbucks. These coffee companies may be friendly to each other but they are in competition for market share. If we don't start getting more young folks interested in math and science and into technical fields than all of our products will be engineered, designed and developed overseas and people will "choose" to buy elsewhere.

- 2. Do you have programs for high school students to encourage them to major in technology in college? (Intern programs, etc.)**

We have been talking to the Bremerton, CK, SK, NK, BI, Jefferson, Mason, and Callaham School districts to get IT programs going. It is still a work in progress. Also, even though Paladin has an active summer intern program we need to focus the interns on doing more technical things and not just being lackeys for our infrastructure group.

- 3. Growth area -- long term care. What are the businesses? Sales, providing services (home), assisted living - home care. Are you saying we look old?**

People are living longer which has opened up new markets around this industry. Many people have the where with all to not have to move into a nursing home when they become disabled or suffer from old age. They have their own homes which means that long term services need to come to them. Some of these services include technical services (internet connectivity, email, medical applications, instrumentation, security, etc.).

As far as getting old, I look in the mirror every morning and am amazed at how quickly I am becoming my father (old fart).

- 4. What happened to Paladin's programs?**

- The economy was killing our training programs. People were not signing up for any Microsoft or Oracle classes (pretty much the same message that the Richard from OC delivered at the conference). We would hold classes with only one or two students in it which does not even cover our cost.
- Paladin has landed a number of large software development projects that will keep us busy for the next 5 years. The training programs (coupled with losses) seem to be a distraction for the corporation. We still have the capability and will open it back up when the market returns.

- 5. Higher education is great; experience is better. How does your company support those that have educations but not necessarily the experience you're looking for?**

With open arms.....

6. What is the need for IT employees in Kitsap County?

.Net and Java developers are desperately needed across the county/country. Please send all resumes to jobs@paladindata.com

7. What were the specific results from Prosperity Partnership's IT cluster? Have we done anything in Kitsap about it?

Having a Kitsap person serve as the co-chair of the Prosperity Partnership IT cluster was a huge boon for Kitsap County. This put KC on the Technology radar for many of our regional, state and federal leaders. Puget Sound Regional Council has been lobbying (Olympia/DC) for all of the prosperity partnership initiatives including:

- Technology Commercialization Initiative: *Improve the movement of technological innovations from research institutions to the marketplace*
- New & Small Business Support Initiative: *Nurture entrepreneurs and small businesses*
- Education Initiative: *Ensure a vibrant, well-educated and adaptable workforce with an entrepreneurial spirit*
- Tax Structure Initiative: *Implement balanced, pro-competitive tax reforms*
- Transportation Initiative: *Build an effective transportation system to support a world-class region*
- Social Capital and Quality of Life Initiative: *Secure broad based prosperity in all parts of the region through a strong civic and nonprofit community*

Specific Prosperity Partnership action initiatives impacting IT:

- Work with partner organizations to create ongoing opportunities for researchers and local companies to network, exchange ideas and learn of the research taking place throughout the region.
- Leverage the Alliance of Angels program into high-quality entrepreneurship mentoring, to help both create and grow companies.
- Pursue the resources and regulatory changes necessary to provide adequate, affordable housing close to jobs for workers at all wage levels.
- Perform an assessment of the skills of the region's African-American businesses and challenges they face, and use the results to develop and implement an intervention plan to improve the success rate of those businesses.
- Integrate Regional Economic Strategy into update of the region's long range VISION, and the multicounty planning policies
- Develop an Entrepreneurship Agenda for the state legislature and the central Puget Sound community, for 2007 session.
- Develop consensus on tax reform (part of *Develop a balanced, pro-competitive tax-structure bill for the 2007 legislative session, and show progress toward its completion in 2006* initiative).
- Develop consensus higher education reform proposal for 2007 legislative session.



Dr. Richard N. Strand - Dean for Business & Technology, Olympic College

1. Will the portable courses be available to non-military students?

We have agreed to allow non-military students to enroll now and will be expanding the opportunities for all our students in the future. As I indicated during our panel discussion, this portable course initiative is intended to deliver courseware that may be accessed largely independent of an internet connection, thus allowing students to more freely complete course work on an "anywhere, anytime basis." Wendy Miles, our Director for Customized and Military Education is serving as the Project Manager for this

initiative. The program is now in the pilot phase and we expect to further adapt the course material based on what we learn from the pilot program.

2. Do you intend to develop portable courses for non-military students?

As indicated in my earlier response, yes, we will be making the courses available to all students. We now have seven courses released to our military students during this pilot phase—we expect to double the number of courses available in the near term and expand the opportunity for other students to access them as well. Our military students have to adapt their educational interests to a very hectic operational and deployment cycle, thus the new portable courses should allow them to pursue educational goals on a more consistent basis.

3. Do you have programs for high school students to encourage them to major in technology in college? (Inter programs, etc.)

We have two major programs that involve high school students in pursuing college certificates and degrees while in high school. First, the running start program permits high school students who meet certain admission standards to register for actual college classes. We are seeing an increasing number of high school students complete a significant number of college credits as they are also completing their secondary school requirements. Secondly, our Tech Prep Program awards college credit to high school students who complete courses in technical programs where the learning outcomes match well with the actual college level course. In this second instance, the course material must be reviewed by faculty and approved by the appropriate college dean. Finally, we encourage our college faculty to visit high school students and promote the technical program options to encourage them to consider all the alternatives available to them in making their career choices.

4. MCSE testing - not available on our side. Can OC become a testing facility?

We explored doing so some years ago, but determined that there were private organizations that did so and didn't see that much demand for us to enter the market at OC. Given this request, I will ask our folks to reassess the need. We do have a testing center and have equipped it to do technical certification exams. However, some exams require the staff have special certifications and/or attach volume expectations that make it very expensive to offer testing service. That said, if we can determine there is a need and serving this need is in the best interest of our students and/or community, then we would certainly move to do so.

5. Does Olympic College invest any portion of its endowment assets in new business efforts of students? Does a venture capitalist invest in business efforts of OC students?

I am a little out of my element with this question. Our Olympic College Foundation allocates a generous amount of funds to support student and faculty interests—though I wouldn't say this would qualify as a "venture" capital investment. As a public institution there are very specific policies and rules that govern how we use our funds—generally they would prohibit investing in a private venture. That said, OC does co-sponsor a Small Business Advisory Office. It comes under our Director for Customized and Military Training/Education. In addition, our Cooperative Education Office works closely with businesses of all size to help them find student interns should they be needed.

6. Where do you see training programs leading in the next ten years? UNIX and operating expenses? Network administration? Security? What is OC going to focus on? What has been identified as our needs?

WOW! This is a huge question. Let me answer in a couple ways. First, our faculty are always looking ahead to assess the needs of employers in hopes of adapting courses and programs to meet market need as it changes. Our program advisory committees help of keep our eyes on the market given their business experience and the things they are having to do to adapt to changing market conditions. Second, we actively participate in regional, national and occasionally international conferences and symposiums that bring together a variety of informed interests and allow us to get a sense for changes that are occurring. Finally, we endeavor to keep adapting our course and program options to the needs of our students—making sure they can access educational options in spite of the many demands that are placed on them in their personal lives.



Jon Rose - President, Olympic Property Group LLC

- 1. What about play for the 16-20 age group? Where do those who can't go to a high school event go to play? What motivates the kids to find productive activities that might drive them towards a hi-tech career?** First off – before finding the place to play – we need to find them a place to live – affordably. I think the next wave of revitalization for Bremerton could be a significant number of new, affordable condominiums uplands and away from the water. They need to be affordable for young tech, professionals, and entrepreneurs. Bremerton has the single best shot at creating a funky, vibrant, urban core, complete with the right music, shops, waterfront, and walkability. Not to mention the easy connection to Seattle. Bring this group of bodies – and the demand for funky will follow.
- 2. Is Pope planning any land for lumbering in the future?** Yes, Pope has about 115,000 acres that is currently devoted to timber production. It is still the mainstay of the company.

Kathy S. Cocus - Interim Executive Director, Kitsap Economic Development Council

- 1. What is the need for IT employees in Kitsap County?** Greatest need based on surveys of existing businesses is software engineers and higher level IT professionals. There was a 12% growth in technology jobs in Kitsap County from 2003 to 2004 (based on data from Washington Employment Security and the 2006 Washington State Index of Innovation and Technology (published by Washington Technology Center). The index identified growth in two categories for Kitsap County: 1) computer systems design and related services; 2) software publications.
- 2. What could be the need for IT employees when the broadband countrywide initiative is fully rolled out?** Business expansion, start-ups and relocations will play a role in IT employment. IT continues to play an increasing role in business and goes beyond software and technology firms -- examples are a CNC operator at a manufacturing firm or the IT director for a financial firm. As the business community grows and expands, so will the need for IT employees. The fully rolled out broadband will impact that expansion and growth, but will also be influenced by land and building availability as well as other infrastructure needs.
- 3. What are EDC's plans in the future to improve upon its services and successes?** The EDC is working closely with public and private partners to form an economic development action plan that will be rolled out at our January 23rd Decision Makers Breakfast. That action plan will set the tone for services, projects and programs necessary to measure successes. We will continue to provide professional and quality data and information on our website, as well as in response to specific inquiries and requests. We will disseminate data obtained from surveys with existing business to the appropriate agencies and parties in an effort to continue improving identified strengths and to also provide input on identified weaknesses.



Ed Stern, Senior Vice-President - Investments, UBS Financial Services Inc; Board Member, Kitsap Regional Coordinating Council; and Poulsbo City Councilman -- For responses to questions 2-7, I defer to Bud Harris's comments below.

- 1. How do we expand broadband options?** By a concerted effort of the public agencies, singularly or in concert, to deploy the KPUD fiber into firstly public sites, then incubators, then remote office, then the home. That should really free up creative private-sector juices, too!

Bud Harris – Director, Kitsap County Information Services

- 1. What are future projects in the works which will make the County more efficient, make the services it offers more readily available (fast track permitting, etc), or appeal to potential site selectors or businesses which wish to relocate here or expand? What policies does the County have in place to encourage more widely available and used high speed fibre?**

Projects that are being evaluated now include:

- 1. Enterprise Open-Line National 311:** The Public Works Department has been very successful in serving the citizens with their Open Line process. The County is currently reviewing how to expand that process to Community Development (Permitting) to help that group be more responsive to the public. National 311 is a concept working across the country. Rather than trying to find the unique name of the service you are looking for in the blue pages of your phone book (or on-line), you simply call 311. They have Help Desk Systems so that staff can consistently answer the questions with the correct answer, rather than interrupting a subject matter expert. Big opportunity for efficiency gains.

- 2. Enterprise Imaging:** The County is half way through this project of essentially getting all "official" documents on-line for use by both internal staff as well as view by the public over our Web-page. Again, huge opportunity efficiency gains within the county as well as being far more convenient to the public.

- 3. Video Arraignment and Document Automation:** In conjunction with the cities, we currently perform many arraignments over the network, thus allowing the detainee to be kept at the jail and avoid the cost of guarded transport. We are now looking at how to enhance the document signing process, reducing even more transports and improving the overall document handling requirements.

- 4. Implement Secure Wireless Network:** The County data network has to maintain high security standards due to the nature of our data traffic, i.e., Law & Justice, Courts, and Health to name a few. Our Law & Justice (County and all four Cities) officers can be much more efficient and safe in their jobs with wireless access to many systems available at the County, State, and Federal level. Putting this same secure infra-structure in-place will allow other County Departments to make use of more "mobil" functions, i.e., Assessor and Permit review functions. The cost to create this environment is significant and will be considered by the Commissioners this fall.

Kitsap County and KRCC are putting a lot of focus on Ist Responder. Creating a robust "shared" network is cost effective for the municipalities and agencies in the county and is also a key toward top-level public safety. I think public safety is a key item on the list of people and business that would look at Kitsap County as a place to Live, Work, and Play.

I'd also like to respond to some of the questions which were directed to Ed Stern, as some of them I am involved in.

1. How do we expand broadband options?

Several options at once. In the urban areas, expansion of WiFi (such as City of Bremerton is pursuing) is one option. Motorola has recently offered some new approaches for urban/commercial areas. Pierce County is currently working a public/private partnership with a cell phone provider. The challenge is there are many options, and I don't think "one size fits all". The Private Sector will assist and participate where the customer base is dense enough to make a profit. It's the rural areas where government needs to assist. What about treating broadband the same as a utility (electricity, sewer, water)? To minimize the major cost of "last mile", what about BPL (Broadband over Power Line)? True, there are currently bandwidth limitations, but 10 Mb is better than nothing:-) A major key is taking advantage of

the KPUD wholesale fiber through future-minded third-party re-sellers. That fiber backbone will be needed for infra-structure transport to ISP's.

2. Can we "force" Comcast to expand coverage to more geography?

Highly unlikely. Comcast will look at the market and proceed if there is money to be made, no differently than Wave. In-fact, I think Wave has a larger market in the broader county than Comcast. Keep in mind the pending updates to the Telecommunications act, and that Voice-Video, and Data vendors are all starting to over-lap each others product lines, but not having to play by the same laws/tariff's. The Comcast's of the world can only be "forced" by Federal law and competitive market.

3. WSF wants to spend \$160m on he Winslow Ferry Terminal. How much would it cost to connect all the homes in Kitsap County to fibre?

I don't know the exact numbers, but try this on for size. For the sake of easy math, let's say the population of the County is 250,000. Average 3 people per household means just over 83,000 homes. Let's say 1/3rd of the homes are within city limits, leaving 2/3rd's in rural.

To connect homes in cities the primary approach would be wireless, so the only major expense is back-haul to ISP's. A good portion of the infra-structure already exists, but to be safe let's plan a couple million. The cost per home for WAP is easily under \$200. So, $200 \times 27,000 = 5.5\text{mil}$, plus infrastructure = under 10 mil.

To connect rural at a reasonable cost means BPL today. One should assume the "last mile" is already in-place, i.e., all homes have electricity. The bigger challenge will be infra-structure back-haul due to distance. This could easily run into the 10 million range alone. BPL home units again should be under \$200. So, $200 \times 54,000 = 11\text{ million}$, plus infra-structure 10- 15 million = 20 - 25 million.

So would it be feasible to provide broadband (today's standard of 10 Mb) for under \$160 million. My initial thought is yes, but some groups like KPUD, WAVE, and PSE need to come together to help make it happen. Think of the possible promotion tag-line: "no child left off-line"

4. If all cities in Kitsap have councils of 6-10, how does the County run on 3? Is there some technological efficiency at the County level we're unaware of?

City Council members are part-time. County Commissioners are full-time. Keep in-mind other elected's include Assessor, Auditor, Clerk, Coroner, Judges, Prosecutor, Sheriff, Treasure (did I miss any) that are also full-time. If you add-up all the staff, there are some departments as large or larger than one city staff. Technology: the County departments agreed some years ago that for economies of scale and efficiency all technology would be managed by one central department. Should the cities be considering something like that? What-if Bainbridge and Poulsbo shared I/T staff? What-if Bremerton, Port Orchard, and the County shared I/T staff? The point being, it's easier to have some depth of expertise with consolidated groups versus two or three people trying to "jacks of all trades". Why have five people trained in Network Security if two could get the job done? Why have five Business/Disaster Recovery plans and tests if we could back each other up?

5. Can you go into a little more details on what hitches need to be worked out before homes can be connected to real speed fibre optics?

For starters, establish some base-line standards for new development permits to require adhering to future wiring needs. This has already been done in several cities across the US. It ties-back to an earlier question in getting companies like Comcast, Wave, KPUD, and PSE to share assets. So maybe another question becomes how do we get private sector involved (and still provide an opportunity for profit) while also addressing legal issues like KPUD not being allowed to retail fiber?

6. Friedman in Flat World says Ghana has better wireless than the U.S. Forget cable or fibre, join the 1st world and think wireless!

There are over a dozen various "flavors" of Wireless available today, none of which can economically reach all households in terrain similar to Kitsap County. It might work in Kansas, but it doesn't work here, yet. In the meantime, we need to maximize what's available to us today. WiFi in the cities, BPL for rural.

7. What could be the need for IT employees when the broadband countrywide initiative is fully rolled out?

The demand for technology employees continues to increase, and spreading of broadband will likely continue that trend. In the 80's we had mainframes and lots of programmers and operators. In the 90's we had LANS, and even more network people. In the 21st century the only thing that has reduced is mainframes (yes, they still exist). PC's, LAN's, PDA's, Cell Phones, they are all technology tools. Most professional's now days have at least three devices. As the want/desire for more broadband at home continues, that means more people to service and support that understand the technology.