

DELAWARE BUSINESS TIMES

Tech Forum offers good news/bad news assessment

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From left: Panel members Paul McConnell, Patrick Callahan, **David Gates** and Rick Nicklos share possible strategies to address the findings of a report that looked at Delaware’s tech community

By [Christi Milligan](#)

There is a strong demand in the Delaware technical community for professionals with specialized skills and a track record for success, but not enough applicants to fill the roles.

In addition, the First State’s tech landscape boasts a collaborative support network and financing opportunities for entrepreneurs, but incubator spaces aren’t filled to capacity and investors say they still lack enough “fundable” ideas in Delaware.

That was the good news/bad news assessment offered by members of Technology Forum of Delaware — or TechForum — who used the backdrop of Delaware Innovation Week to share the results of their inaugural study, “The State of the Technical Community in Delaware.”

The study examined four pillars of the local industry: supply and demand for tech talent; collaboration; financial resources; and regional perception.

“We wanted to put our finger in the air and see where the winds were blowing in the tech community and see where we are,” said George Rotsch, TechForum member and moderator of the event.

The report was a qualitative assessment of the tech community’s deficits and opportunities for growth, the outgrowth of five months of research and interviews with more than 100 individuals.

The findings also revealed perceptions of Delaware by its neighbors in Philadelphia and Baltimore market, which included:

- “Robust tech scenes in Philly and Baltimore. Wilmington is a mystery. Never get invited there.
- “I don’t know anything about the Delaware tech scene.”
- “Tight community, too tight. Outsiders can’t do business there.”

“Close and connected translates to closed for someone outside of the community,” reported Rotsch, who noted that perceptions could be overcome if the state repositions itself as “open for business,” particularly to the Philadelphia and Baltimore regions.

Rotsch and TechForum Board President Rick Sommer presented the report and gathered a panel of business and industry experts to offer feedback.

Panel member Patrick Callahan, who co-founded Wilmington advertising firm The Archer Group, addressed the issue of qualified midlevel job-seekers and their reluctance to locate to Delaware.

“The question starts with why,” said Callahan. “They don’t buy what you do, they buy why you do it. You can be a big fish in a small pond here and that message needs to get clearer and clearer.”

According to the TechForum study, there is a demand for midlevel talent that suggests a reluctance of millennials outside the Delaware market willing to work and settle in Delaware. Instead, some Delaware-based companies are setting up satellite offices in places like Philadelphia to tap into the midlevel talent.

Sommer, president of Intellitec Solutions, said his company is poised for growth but has not found the pool of unique skill sets — a combination of accounting and technology — at the local level and has set up a satellite office outside of Delaware.

But panelists agreed that tech professionals willing to relocate to Delaware celebrate its tax-free status and community feel.

Panelist and TechForum Chairman David Gates of Gates and Company said funding issues for startups and innovative ideas come down to quality, according to investors.

“The mindset is to look in Delaware first but look regionally,” said Gates, who said tech industries are divided into sectors. “Greater Philadelphia does very well with health care and Wilmington is a big fin [financial] tech area. Some sectors are hot and some are not.”

Gates said that while infrastructure and collaboration are crucial, entrepreneurs and companies that gain traction need to attract the next level of funding as they grow. A board member at First State Innovation, Gates said he is hopeful the state will consider investment tax credits as incentive to drive investments in the tech community.

“We need to get businesses that are good even better and get visibility beyond Delaware,” said Gates. “There are not a lot of companies that do later stage funding.”

“We rocketed through the ’90s and didn’t embrace technology,” said Paul McConnell of McConnell Johnson Real Estate and cofounder of 1313 Innovation. “But all the things you’re hearing are legacy issues that people are working on for change.”

He conceded that Wilmington would benefit from becoming more business- friendly, but local and state government bureaucracy hampers growth for area businesses.

“There’s more regulations, permitting issues,” said McConnell. “The City of Wilmington makes it difficult to open a business.”

The panelists agreed that while Delaware may not be seen as a tech player by its regional counterparts, the local community should bear more responsibility in branding itself to its neighbors.

“We have to participate just as much as we want them down here,” said Gates. “We need to spend time in the Philly metro market and pursue opportunities to collaborate.”

Rotsch said future TechForum events will include opportunities to connect with the Philadelphia tech community.

“Look beyond the borders for your company’s brand,” Gates told the audience of nearly 50 attendees. “We need to take part of the halo effect of the Philly area and embrace it and be a brand ambassador for Delaware.”

TechForum is Delaware’s premier organization for technology, business and entrepreneurial leaders. The group meets monthly and is dedicated to promoting technology business growth by helping businesses and individuals acquire the knowledge, relationships and resources needed to compete and succeed in today’s global economy.

Delaware Innovation Week took attendees on an immense nine-day trek through six tracks and a variety of venues as part of its inaugural event that showcased the business and entrepreneurial tech community in Delaware. The event was presented by 1313 Innovation and organized by Technical.ly Delaware.