Technology

Miami Herald

For South Florida firms, finding top tech talent still a challenge

BY NANCY DAHLBERG - NDAHLBERG@MIAMIHERALD.COM

03/04/2015 9:26 PM | Updated: 03/05/2015 10:00 AM

e-Builder President and CEO Ron Antevy, left, and recently hired employee Lisa Ruggieri, right, play foosball in the game room of the company office in Plantation.   NICK SWYTER / MIAMI HERALD STAFF

Ron Antevy knows a little something about the war for tech talent in South Florida. He's on the front lines.

Antevy is the CEO of e-Builder (http://www.e-builder.net/), a provider of program management software for the construction industry that has been growing 30 to 40 percent a year in revenues, he said. He has hired seven people in the tech industry since January and plans to hire at least 40 more employees before year's end.

"I feel like I am always behind," he said. "Those really awesome software developers are the toughest to find."

The market for tech talent is white hot nationally and locally, thanks to a recovering economy and growing entrepreneurial activity. According to the Bureau of Labor Statistics, the U.S. unemployment rate among software developers and engineers in the United States was just 2.5 percent in the fourth quarter of 2014, compared with an overall rate of 5.7 percent.

"It's starting to feel like 1999 again," said Alex Funkhouser, CEO of Miami Beach-based SherlockTalent (http://www.sherlocktech.com/), a staffing company that specializes in the tech industry. He says he has been seeing multiple-offer situations for the somewhat small pool of senior-level developers and systems engineers. Companies have to act faster than they are accustomed to, he said, and often have to go outside "their comfort zone" on salaries and benefits. Signing bonuses are back, too.

The competition is only going to become more acute: The Department of Labor forecasts that the United States will have 1 million more tech jobs than candidates to fill them by 2020 if trends continue.

To prime the local pipeline, several new initiatives — most spurred by Knight Foundation funding — are aimed at training and placing tech workers. The end goal: to develop a healthy technology ecosystem that attracts companies and churns out better paying jobs.

LaunchCode (http://www.launchcode.org/), a national nonprofit that officially launched (http://miamiherald.typepad.com/the-starting-gate/2015/03/launchcode-signs-up-102-companies-now-accepting-apprenticeship-applicants--1.html#)in South Florida Wednesday evening, matches promising candidates (http://www.miamiherald.com/news/business/article4541701.html) with companies for short-term apprenticeships in technology; many do not have experience or computer science degrees. The apprenticeships often lead to full-time jobs, and 102 South Florida companies, including Ultimate Software, Zumba, e-Builder, Burger King, Miami Children's Hospital, CareCloud, Republica, Rokk3r Labs and Univision, have already signed up to take on apprentices. The nonprofit, based at Miami Dade College's new Idea Center for entrepreneurship, is taking applications from potential candidates at launchcode.org/apply (http://www.launchcode.org/apply).

"The supply-and-demand forces are not working in technology," explained Jim McKelvey, co-founder of the mobile payment company Square and also founder of LaunchCode. For many companies, the sole strategy is to raid other firms for talent, he said. Compounding the problem is an education system not yet geared to generate the workers needed. "We have to get new talent into the system in the thousands, not the hundreds, thousands."

Other new apprentice and fellowship programs launching in Miami include the Beacon Council's Talent Development Network for internships and a variety of coding schools and youth computer education programs (http://www.miamiherald.com/news/business/biz-monday/article1961839.html)(see information at the end of this report.).

Still, a recent study shows Florida's tech industry lags behind other states by a number of indicators.

The nonprofit IT trade association CompTIA recently released its 2015 Cyberstates report (http://www.comptia.org/resources/2015-cyberstates), which provides a state-by-state analysis of the U.S. technology job market. The 122-page analysis found that Florida's tech industry ranked fourth in the country and employed 307,100 workers in 2014. These workers had an annual average salary of $80,400, which was 88 percent more than the average private sector wage across the state. Other findings: Between 2013 and 2014, 12,500 net jobs in tech were added — a number that's expected to continue to rise in 2015. And a tech payroll of $25 billion in 2014 ranked seventh nationwide, accounting for 8.6 percent of all private sector payroll in Florida

Behind these headline numbers is a picture that doesn't look so rosy. While Florida ranks high for tech establishments, it's also the third largest state by population; nearly 19 percent of Florida's tech workers are self-employed. When it comes to tech industry concentration, the state ranks in the bottom half — a significant stumbling block as the region tries to build a tech hub. (http://www.miamiherald.com/news/business/article2520764.html) Indeed, fear of not having options should a person lose their job is often cited as a reason to leave.

And while 5.5 percent of Florida's economy derives from the tech industry, 23 states rank higher. Florida also ranks ninth in the nation for number of patents issued, not only trailing California and Texas, but also New Jersey, North Carolina and Illinois.

That average tech-sector wage of $80,400 in 2014 trailed the national average of $100,400, and the state ranked 24th in the nation for wages (California and Massachusetts topped the list for average tech wages, at $139,500 and $121,000, respectively). One reason Florida's average tech wage is lower: the greatest concentration of jobs in Florida is in the IT services, where salaries are typically lower than engineering and development jobs.

The Cyberstates report did not include a breakdown by metro area, but the authors provided the Miami Herald with some data for the Miami-Fort Lauderdale area, and trends were similar. Tech job growth in Miami is slightly ahead of the state as a whole, at 4.6 percent versus 4.2 percent, from 2013 to 2014. IT services again accounted for the largest concentration of jobs. The Miami metro area was home to 8,150 tech firms, or about 30 percent of the state's total.

Funkhouser, the staffing specialist, has seen some upward momentum in salaries but agrees that South Florida salaries trail the well-developed tech hubs. The area's increase in demand escalated sharply in the fourth quarter of 2014. Now experienced developers are demanding salaries in line with what they are making or have made as a consultant — about $60 an hour or the equivalent of $125,000 a year. But local companies have been slow to come around to the new reality.

Brad DeRolf would agree with that. He has been working at Intel in Colorado in a senior quality assurance position because he couldn't find an opportunity in South Florida at the pay and benefits level he wanted. He still owns a home in Broward and hopes to return some day. For now, he is content to visit when he can.

"Too many employers seek employees that have done the exact job rather than look at the successes of the prospect and what they can bring to the company. Any programmer worth a dime can learn a new language rapidly. [Companies] should be more concerned with the overall aptitude and 'gets it' factor of new employees," said DeRolf, who has worked in the tech industry since 1980.

To fill their tech needs, South Florida firms are poaching from other industries, upping worker benefits and timing recruitment to take advantage of South Florida's greatest asset: the weather.

BrightGauge (http://www.brightgauge.com/), an enterprise management software provider co-founded by Eric and Brian Dosal, looks at the No. 2 person in bigger companies. BrightGauge, based in Coral Gables, is now a team of eight and expects to grow to 12 to 14 this year.

"We require the applicants to write why they want to join and why they feel they are a good fit. It's a good filter — we're not looking for people who just want a paycheck," said Eric Dosal. He said their latest recruits came from the audiovisual industry and medical research industry "and they are phenomenal. … We keep an open mind."

e-Builder added a game room, called the e-Scape, similar to what Silicon Valley companies provide their employees. Employees can chill out with a little Foosball, or teams can collaborate on a project over a game of pool. The Plantation company also holds internal events — such as go-kart races and talent shows — designed to help its 130 employees get to know one another better. "Once you have them, you have to keep them happy so they don't get recruited away," Antevy said.

About 20 percent of e-Builder's recruits are from outside of the area. For that, Antevy has perfected another strategy for other companies to employ, too: Recruit in the winter.

Other companies are looking to local training programs. MDLIVE (http://www.mdlive.com/), a telemedical company in Sunrise, has been on a hiring tear. The 2-year-old company has grown to about 200 employees, with about 50 in its IT department, and will be hiring more people every month, said CTO Bryan Dennstedt. It has partnered with Wyncode, the coding school, and has hired at least one technologist from each of Wyncode's classes of 15 to 20 students.

"We were there last week, and met with the class in small groups," Dennstedt said. "We're keeping our eye on them — we have our early favorites."

MDLIVE recently employed another strategy: acquiring talent, literally. MDLive recently purchased a small company in California in a therapy area it wants to enter and has been integrating those employees into its workforce. MDLIVE isn't alone. Funkhouser said he has been seeing more companies acquire other small companies specifically for the talent.

Meanwhile, brain drain continues to be a challenge, said long-time local tech worker Antonio Llanos, currently a manager at KLX Aerospace Solutions in Doral. Friends have moved to San Francisco and Seattle, and he has seen a steady stream of talented high school students leave for college and never come back.

But that is beginning to change.

"Developers like interesting work, they like working on big problems ... it has to be a cool project," he said. The new augmented reality technology company Magic Leap, heavily funded and said to be developing a new type of wearable technology, is creating excitement for the area (Magic Leap currently is advertising 101 jobs), Llanos said, and recently he has seen more tech companies move here from other areas, such as New York.

"I love this city," Llanos said, "and things are definitely picking up."

Follow Nancy Dahlberg on Twitter @ndahlberg.

This article includes comments from the Public Insight Network, an online community of people who have agreed to share their opinions with the Miami Herald and WLRN. Become a source at MiamiHerald.com/insight.

RESOURCES

Here is a small sampling of additional resources available to address a tech talent shortage and nurture future talent, in addition to programs and courses in local universities and high schools:

▪ Talent Development Network (https://tdnmiami.com/home.htm): An effort of the Beacon Council's One Community One Goal program, the internship network for Miami-Dade County high school students and college students is launching later this month for cohorts beginning this summer.

▪ LaunchCode (launchcode.org): New-to-Miami nonprofit matches promising workers with more than 100 partnering companies for short-term apprenticeships. Accepting applications now.

▪ Enstitute (enstitute.org): An apprentice program to match millennials with one-year apprenticeships in a variety of industries including technology, is coming to Miami and has already begun placing candidates, said co-founder Kane Sarhan. Watch for a launch event next month.

▪ Coding Schools: Wyncode (wyncode.co) and IronHack (ironhack.com) hold intensive in-person bootcamps lasting eight to nine weeks. Both offer courses in Miami; Wyncode also plans to hold cohorts in Fort Lauderdale.

▪ Youth coding programs: Code Fever, Code Now, Girls Who Code and Black Girls Code all offer coding workshops for youth. Venture Hive offers a summer camp for students as young as 2nd grade and a high school program with Miami-Dade County Schools. The Patricia and Phillip Frost Museum of science offers a number of programs and events around coding for kids, including FIU-sponsored CoderDojo clubs. The Flatiron School and Palmer Trinity are teaming up on a coding class bootcamp this summer for teens.