



Portland

Tech in Focus

2021 TRENDS REPORT: AN OPTIMISTIC OUTLOOK



TECHNOLOGY PROFESSIONALS

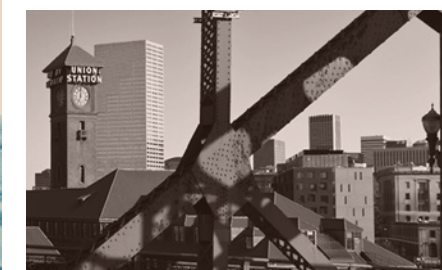
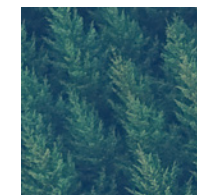
Our city. Our story.

Every day, **ProFocus Technology** talks to tech leaders and candidates across Portland, and there's a lot on your minds. From the talent market to tech investments, we designed the **2021 Trends Report** to examine the choices local companies are making with their time, energy, and budgets.

Based on an online survey of more than 260 technology professionals, some things surprised us. Executive opinions differ markedly from those of managers and individual contributors on IT-business alignment and remote work predictions. A not-inconsequential portion of employees would consider moving out of Portland if their jobs stayed permanently remote.

But one thing is not surprising at all:

The tech sector's resilience.

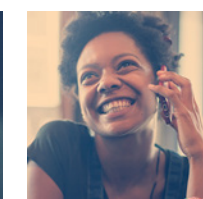
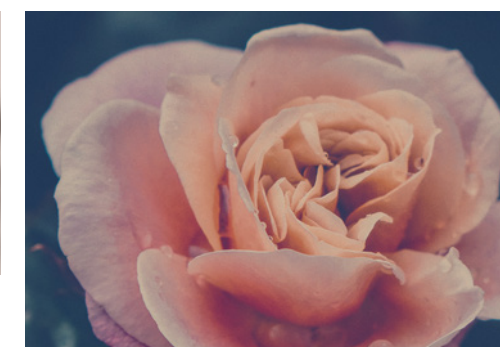
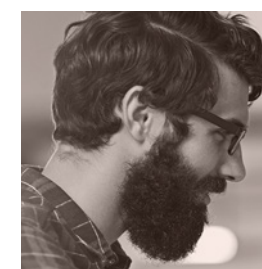


Coming up roses.

2020 is one for the books. As in Portland, communities across the country struggled with the fallout of the pandemic, economic downturn, and disruption of “normal” life. Yet, in spite of these challenges, we still find much to celebrate. Survey respondents give their firms high marks for innovation, vision, culture, and diversity, equity, and inclusion. And there's plenty of upside on job security and wage growth.

So, we raise our glass to you — most likely one full of Breakside Brewery ale or Freeland Spirits bourbon, favorites among our respondents — and invite you to take a closer look at what's on the horizon for Portland tech.

John Boone
Founder & President
ProFocus Technology



The realities and rewards of Portland tech.

From Zoom fatigue to long hours, working in tech during the pandemic brings its own set of challenges. And yet, there’s no shortage of innovation and opportunity.

We know, because a diverse group of engaged Portland tech professionals shared their perspectives and predictions with us. This report highlights key findings and themes to emerge from the survey data. From budgets to burdens, talent to team building, ProFocus explores what the future holds for technology professionals.

We encourage you to use the report to benchmark strategic priorities against industry peers, as well as to capitalize on insights into the employee experience. Let’s get started.

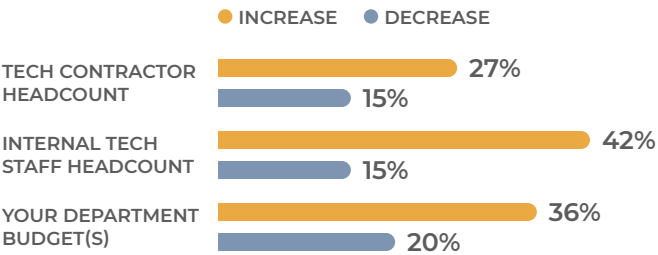
- 1 Economic Recovery
- 2 The Future of Work
- 3 Role of Small Firms
- 4 Leadership Strategies
- 5 Employee Support
- 6 Technical Innovation



Around the corner: Economic recovery.

Great news! Things are looking up across the Silicon Forest. About a third of respondents say their budget is increasing (36%) or staying the same (33%), compared to just 20% who expect a decrease. Plus—companies are hiring! Internal staff headcount is expected to increase for 42% of firms, or at least stay the same (32%). Contract employment is also bouncing back sooner than expected: 27% of firms expect it to increase in 2021. As confidence in the recovery grows, so does demand for talent. Growth of full-time employees is a particularly positive economic indicator, as that typically lags contractor growth following a downturn.

Predictions reflect positivity.



Tech talent is needed now.

There’s still plenty of work on the docket, and 45% agree that a tech skills shortage keeps their team from meeting key goals. Even with more pandemic-driven supply on the market, 63% agree their teams face upward wage pressure for talent. Firms of all sizes expect overall tech compensation to rise (41%) or stay the same (44%).

“Some hiring managers assume that higher unemployment rates will translate into flat or even declining wages,” says Jennifer Waldrip, ProFocus Technology VP of Client & Talent Services. “But techies are still very much in high demand in Portland, so we continue to see candidates getting multiple competitive offers and increases in pay across the board.”

A resiliency success story.

Taken together, these findings suggest that Portland tech remains insulated from the worst of the downturn and is likely to experience gains quickly. Employers stay locked in on securing high quality tech talent—and they’re willing to pay to get it.



“If adversity breeds ingenuity, 2020 will see evolution for five lifetimes.”

Jon Edwards
IT Director, The Standard

Compensation edges higher.

Percentage expecting overall tech employee compensation to change



2 The future of work. (Hint: It's remote.)

Many tech professionals now wonder *if* they'll be going back to the office, not just *when*. More than half of respondents (57%) report their company will mostly be remote after the pandemic. Among those, 29% suggest their company will convert workspaces to community space for team building and collaboration.

The C-suite is way ahead of the curve on both counts. A full 75% of executives say their firm will be mostly remote, compared to 52% of managers and 48% of individual contributors. And nearly a third of executives (31%) anticipate space conversion, compared to 20% of managers and 16% of individual contributors. The allure of a smaller real estate footprint and operating costs can't be denied, even as firms recognize the inherent challenges of managing remote employees.




Home sweet home.

Portland firms receive high marks for shifting to work from home. Among the 85% who agree their company is adapting well, nearly half strongly agree (49%). And 60% of small firms strongly agree. The pandemic has revealed an amazing capacity for agility.

"Now that almost everyone has gotten a taste of working remotely, there will be a systemic change in how we operate in the pursuit of the best customer experience possible," says Mark Paul, President & CEO, AutoAp, Inc.

Of course, as remote work increases, so do security risks. The move to decentralized networks exposes shortcomings, particularly among the 44% of companies who say their adoption of cybersecurity methodologies is still a work in progress or non-existent.



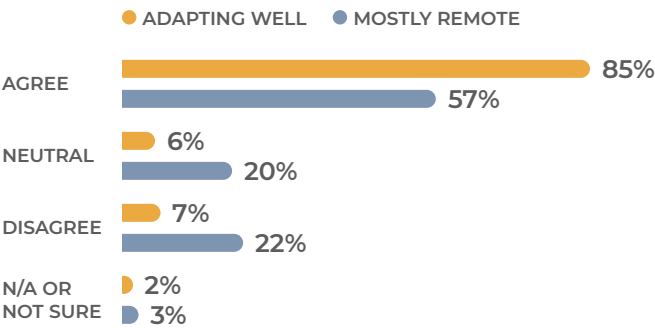
33%
OF RESPONDENTS
WOULD MOVE TO
WORK OUTSIDE
OF PORTLAND IF
PERMANENTLY
REMOTE

Option to move outside of Portland.

Remote work flexibility could have unintended consequences. Portland employees are keeping options open as the digital nomad lifestyle beckons. A third (33%) of respondents would keep their job and work outside of Portland if their firm goes permanently remote.

Adapting... but changing.

Pandemic response



"Tech companies need to start embracing new ways of working and new mindsets. They need to keep employees engaged and optimistic about their work and the future to prevent any burnout caused by our current climate."

Shaun Foran
Engineering Manager

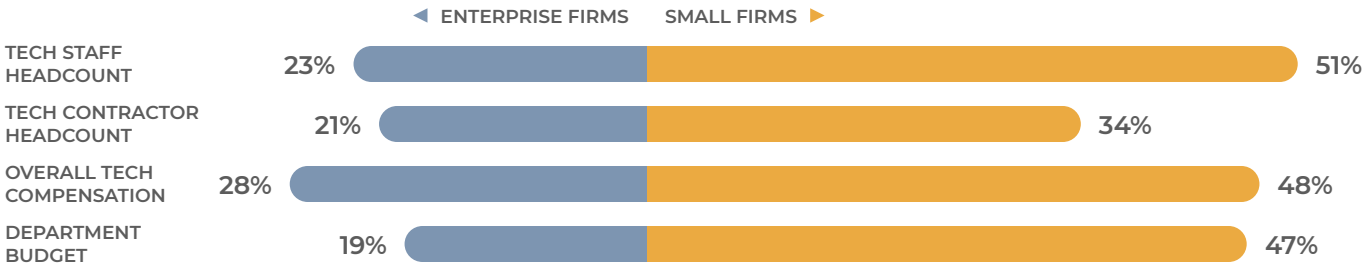
3 A lot to like: Growing appeal of smaller firms.

Portland has long cultivated a reputation as a vibrant hub for start-ups and small companies. Looking at our survey results, it's clear why. The headcount growth referenced in Section 1—both internal staff and contractors—will be driven by smaller firms. More than twice as many small firms say they will increase internal headcount than enterprise firms, 51% vs. 23%.

Smaller firms are also more likely to predict an increase in compensation than their enterprise counterparts (48% vs. 28%). That makes sense, as small and medium businesses often need to rely on higher initial salaries to attract employees who are relentlessly courted by name-brand employers.

Poised for growth.

Percentage predicting an increase in 2021



A hotbed of innovation.

There are other ways to attract talent beyond salary, and small firms are holding their own there too. They place a higher priority on developing new products and services than their larger counterparts: 48% rank that as a top tech driver, compared to 31% of enterprise firms. Their agile and cloud maturity are also on par with enterprise firms, although they lag behind in CI/CD, AI/machine learning, and microservices.

“Tech professionals often tell us that they are targeting working for smaller companies,” says Tyler Eastman, Android Engineering Manager, ClassDojo. “They realize they will have a bigger personal impact, work with new technologies, and learn a broader set of skills. We pride ourselves on our culture of innovation and it’s helped our recruiting strategy immensely.”

Innovation > Infrastructure.

Percentage of small firm employees ranking item as a top technology driver



In search of less stress.

Other key selling points for smaller firms include a lighter workload and fewer budget woes. At companies with fewer than 100 employees, just 12% strongly agree they’re overworked, compared to 28% at large and enterprise firms. And 15% strongly agree that budgetary uncertainty impacts their effectiveness, compared to 26% of enterprise firms.

Is your tech team overworked?

Percentage who agree



“Tech companies in Portland are having to adopt more competitive ‘California benefits’ to retain workers as the market becomes more saturated.”

Mat Bradley-Tschirgi
QA Engineer

4 Leadership strategies for the post-COVID world.

The only constant is change. In the midst of the pandemic and sociopolitical upheaval, it's a notion that rings especially true for Portland IT firms this year. Survey results point to organizational alignment as a critical leadership element to build resiliency and navigate adversity.

More than two-thirds of respondents (68%) give their company props for demonstrating a clear vision and mission. An ironic observation: the C-suite ranks their firms—and by extension themselves—higher in this regard (79%) than their employees (64%). Once again, small firms outperform larger firms (75% vs. 64%).

Getting more granular on the alignment issue, we uncover more potential risk. Almost a quarter (24%) disagree that business leaders and the tech team are aligned on top priorities. Here's where the disconnect really stands out: more than half of executives strongly affirm alignment (52%), compared to just 17% of employees. On a more positive note, 59% overall agree that alignment exists.

Cause and effect?

REMOTELY MANAGING, TRAINING, AND DEVELOPING EMPLOYEES WILL BE ONE OF MY BIGGEST CHALLENGES

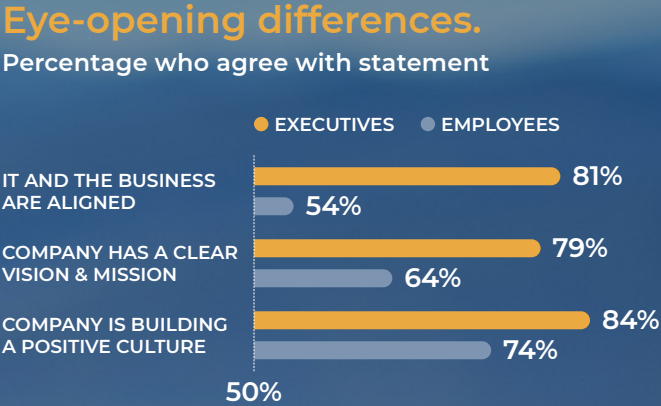
----- 49% -----

MY COMPANY WILL PLACE MORE EMPHASIS ON EMPLOYEE METRICS AND DELIVERABLES

Managing through the computer.

Working remotely exacerbates leadership gaps, and nearly half (49%) say that remotely managing, training, and developing employees will be one of their biggest challenges. Away from the office environment, leaders must rely on alternate methods to maintain productivity. One strategy is to rely more on metrics and deliverables, and close to half of respondents (49%) expect their firm to do just that.

"We adapted the frequency and methods we use to communicate with employees. In some ways, these challenges have improved our agility and ability to work together to overcome hurdles," shares Mark Molau, Director of Analytics and Data Engineering.



“We hear Portland tech teams have solid priorities, but it’s hard to reach full alignment across the enterprise. Common complaints are business leadership pushing unsuitable technologies and being unwilling to adopt agile methodologies.”

John Boone
Founder & President, ProFocus Technology

5 Beyond the headlines: Building unity.

Diversity, equity, and inclusion (DEI) have been in the spotlight this year, and rightfully so. Survey results reveal a renewed focus among Portland employers on this front: almost three-quarters of respondents (74%) say their companies are committing to DEI principles. What’s more, 85% of respondents from enterprise firms agreed—more than companies of other sizes—perhaps reflecting increased public scrutiny on bigger employers.

DEI a work in progress.

Although there’s little variation among racial and gender lines between those who say their firms commit to DEI, everyday experiences tell a more complicated story. As one respondent notes, “Diversity, equity, and inclusion is extremely difficult in the nation’s whitest city. Especially when companies are not truly vested.” Another offers a challenge to Portland firms: “Make a stand. Get plugged in early to BIPOC communities and make an investment in them. Avoid blaming the ‘pipeline’ when your teams are full of white males.”

Cultural considerations.

Portland tech firms have also been working hard to maintain a positive workplace culture, but it’s a struggle. Although 75% say their firm is effective in this regard, the same number also agree that team building and maintaining a strong culture will be one of their biggest challenges as work from home continues.

As one person explains, “In a time of COVID? Ugh... it’s tough. We’ve done virtual happy hours, but it’s not the same.” Socially distant team building suggestions ranged from book clubs to multiplayer digital games like Overcooked and Drawful. However, people relish the idea of “interacting with other humans in person” by returning to group outings at TopGolf, Forest Park hiking trails, escape rooms, and ropes courses, to name a few.



Look out for burnout.

Companies must pay close attention to their employees’ mental and physical health. More than 58% say their tech teams are overworked, and 38% expect the number of hours they work to increase next year. “Many leaders feel completely overloaded with video conference meetings all day long, and then they pick up again late to meet with offshore teams,” says John Boone, ProFocus Technology Founder & President. “There is no time to get any actual work done and managers are at their wit’s end about it.”

“Sitting on the fence is not the place to be. If we create a terrible environment, we will see our teammates spend more time trying to survive than doing good and meaningful work.”

Portland Senior Tech Leader

Holding steady despite challenges.
Percentage who agree

MY FIRM IS EFFECTIVE AT BUILDING A POSITIVE COMPANY CULTURE

75%

TEAM BUILDING AND MAINTAINING A HEALTHY CULTURE WILL BE ONE OF MY BIGGEST CHALLENGES

6 Waking up to innovation.

It's Portland's time to shine. Local tech employees actively seek out opportunities to innovate, and 62% overall say their firms are effectively using technology to disrupt their industry. What's more, 68% feel they can personally innovate in their job, although there's room for improvement, as fewer women than men agree (59% vs. 70%).

At all levels of the organization, improving the customer experience takes top priority as the biggest issue driving tech goals (UX professionals take note!). Keeping customers front and center in tech policy is good practice at any time, but especially in a downturn. The time is ripe for front line professionals and managers to build business cases around driving revenue by investing in innovation.

Enterprise out in front of trends.

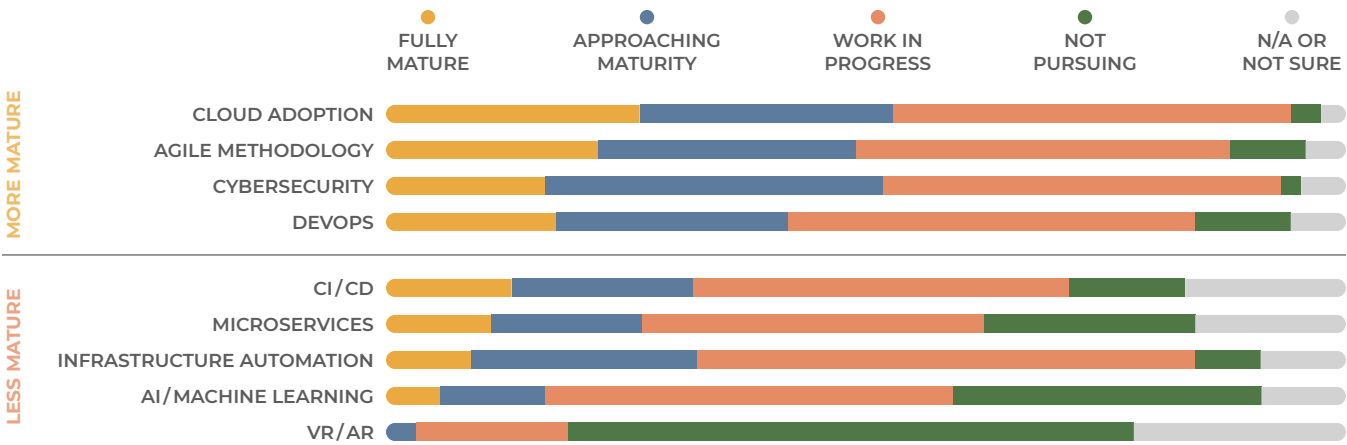
Enterprise firms display more mature adoption of best practice strategies and methodologies than their smaller counterparts. They're ahead—in many cases sweepingly so—in every single area measured: cloud adoption, agile methodology, DevOps, AI/machine learning, CI/CD, VR/AR, infrastructure automation, and cybersecurity.

62%
DISRUPTS
WITH
INNOVATION

68%
ALLOWED TO
PERSONALLY
INNOVATE

Upside for emerging technologies.

How mature is your company's adoption of these methodologies, practices, and trends?



A mixed message on skill building.

We see a disconnect when it comes to keeping employees out in front of tech trends. Eighty percent of executives think their firms' training, learning, and development programs are effective, compared to just 56% of managers and employees.

"In a tight labor market, developing tech skills in-house is imperative," says ProFocus Technology Vice President James Lund. "We've seen successful and proactive programs that encourage and pay for learning. We also see consultants coming in to both work on projects and transfer knowledge."

Business issues driving tech priorities.

62%
IMPROVING THE
CUSTOMER EXPERIENCE

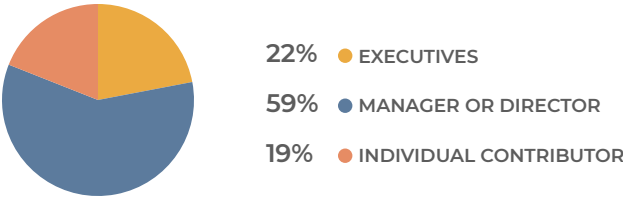
53%
DRIVING
REVENUE GROWTH

50%
INCREASING EFFICIENCIES
AND STREAMLINING
PROCESSES

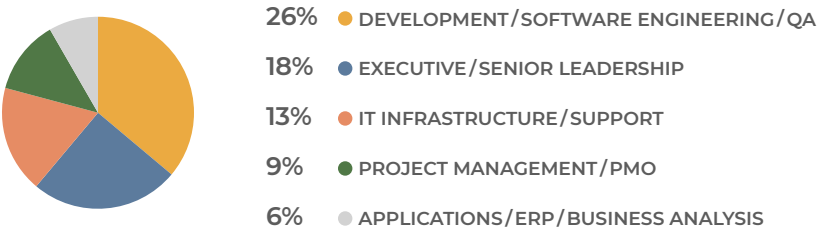
Survey demographics.

The ProFocus Technology Trends Report is based on 267 responses to an online survey of Portland IT professionals conducted between September 16, 2020, and October 9, 2020.

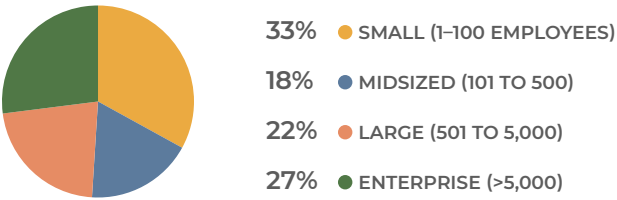
Job Level



Top 5 Disciplines (Across All Job Levels)



Business Size



Please note, some figures in the report do not add up to 100 percent due to rounding or question design (e.g., the ability to provide multiple answers). Some participant quotes were edited for clarity and length.

Get in touch.

Have questions about the report or want to know more? We'd love to connect about your view of Portland tech trends.

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