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NEWS

Brain gain

Monika Ullmann - contributing writer

It's a balmy Friday night and an 18th-floor penthouse on Barclay is filling up with people in sporty khaki shorts and T-shirts. In their 30s or younger, they're programmers working in the Vancouver software industry. Like the host, 39-year-old Diane Mueller-Klingspor, an ace software developer from Massachusetts, most are Americans. Mueller-Klingspor says she "fell in love with Vancouver"-the outdoorsy lifestyle suits her.

She plays golf, skis and rides her bike to work in Yaletown. "And the mountains are a lot higher than in Massachusetts," she jokes. She's decided to stay, even though the pace is slower, the taxes higher and the salaries generally lower. There are a host of reasons, not least of which is a mild climate, interesting job opportunities and scenery-which from this height is spectacular: the balcony offers a sweeping view of water and mountains in the distance. Just inside the open glass doors, an easel displays a work-in-progress by Mueller-Klingspor. Art is a serious hobby; like many software developers, she has a creative streak.

In the background, her pugs, Pompidou and Kaiser, romp with guests and grapple under the couch. Food, wine and conversation flow freely, punctuated by laughter. It's a rare evening of relaxation away from the pressure cooker of Vancouver's software industry.

Industry leaders, politicians and the media worry that B.C. is losing too many of those highly skilled workers to the U.S.-in a well-publicized speech earlier this year, Premier Gordon Campbell cited his New York-based son as an example. Concerns about the "brain drain" were reinforced by a Stats Canada survey of information technology occupations in the spring of 2000 that showed vacancy rates in the computer industry exceeding 20 per cent, with 35 per cent of those vacancies unfilled for four months or longer. The problem is exacerbated by quit rates of 14 per cent, considered high for workers at that level of training. But the reality of the so-called brain drain is more complicated: while some high-tech workers, such as Campbell's son, head to centres like New York for unique opportunities, others, like Mueller-Klingspor, are coming north to Vancouver.

In fact, when the Laurier Institution, an 11-year-old Vancouver-based think tank, did a web-based survey of 29 companies belonging to the B.C. Technology Industries Association, it showed that in 1998, more software workers came to B.C. than left. The survey, released in November 1999, was sponsored largely by the B.C. Science Council to look at migration trends in the high-tech industry. It found that of 312 software workers who joined various firms in B.C., 54 were from elsewhere in Canada, and 22 were from other countries, including the U.S. In that same year, of 53 workers who left their jobs, only five left for other companies in Canada and 13 for other countries, including the U.S. However, the report also shows that B.C. gets only 17 per cent of the high-tech immigrants to Canada-compared with 55 per cent for Ontario-and up to 44 per cent of technical and other highly skilled workers leave the province after graduation.

Roslyn Kunin, executive director of the Laurier Institution, says the figures are incomplete because there is no hard data on who leaves the country for good. "It's a free country, and we don't keep statistics on everyone who crosses the border," says Kunin, noting the biggest losses are among the best educated.

Stuart MacKay, a senior analyst with KPMG for 20 years and one of the authors of a competitiveness analysis for high-tech companies, says losing some of the best and brightest is normal- "The young turks will go where the action is." But MacKay, who recently spun off

his own consulting firm, called **MMK Consulting**, from KPMG with a partner from Australia who lives here because of the lifestyle, adds the picture is more complicated than it's often presented. "I've sat in a number of meetings where somebody goes on for 10 minutes about how they lost their best people to the U.S., and then the person next to me whispers in my ear that they've never lost anybody-it's all about how you treat people, and not really about money and tax issues."

Those who do move to high-tech enclaves like Silicon Valley often find their income on paper doesn't buy the lifestyle they had envisioned, MacKay says. "You could be making $100,000 US per year and live in a lousy one-bedroom apartment," he says. "Vancouver has a lot to offer people who could live anywhere, and money is just one factor in making those choices."

MacKay points to a Stats Canada graph illustrating migration of knowledge workers in Canada between 1986 to 1995, part of a report prepared for the provincial Information, Science and Technology Agency in January 2000. Called "Analysis of Competitiveness Issues for High Technology Firms," the report compares the costs of running those businesses in Vancouver with American cities such as Portland, Minneapolis and San Jose, concluding that costs here are generally lower than in the U.S. In the graph, the worker outflow line is practically level and the inflow line is on a steep rise, demonstrating that while the influx of high-tech workers has increased dramatically, the exodus has not. MacKay says interpreting such statistics can be frustrating. "We looked at that and couldn't agree on what to say about it, so we decided to say nothing."

There's no doubt Vancouver is considered a hotbed of software developers because it's close to Silicon Valley, Redmond and Seattle, and in the same time zone. And, although the Laurier Institution report cites after-tax incomes and more opportunities as the main reasons why people leave, for many who come here, Vancouver's charms more than make up for its tax inadequacies.

Take 30-year-old Shane Caraveo, originally from Kansas City. He's working for Active State, a Vancouver software company of about 60 employees, including 30 programmers, half of whom are from out of the country. Caraveo says he heard about the job at Active State through a friend who suggested he consider it because it meant reconnecting with people working on a programming language Caraveo helped develop. Caraveo prefers working here because of the "neat people" at Active State and "cool projects" the company is working on. "I get to work on new stuff, upcoming technologies based on open source web-scripting languages like PHP and XML. The industry here is relatively small, but they do interesting stuff and before coming here, I had no idea. That's the problem-people just don't know what's going on here." He came to Vancouver to interview for the job, and liked the city. "It's big enough to be interesting, yet not big and dirty, like Miami. It's a lot like New York, with all the different

neighbourhoods. But without the pollution and congestion." Caraveo doesn't see a lot of difference between Canadians and Americans-the taxes are higher, but so are his wages. He also likes the lack of racism here; half-Mexican, he had to endure racial and religious prejudice during his high school years. "I went to school in this small town where everybody was Mormon, and I was always the token Mexican."

Caraveo has only been here since January while Mueller-Klingspor has had five years to carve out a niche, but in many ways the two are typical of high-tech migrants. They're both keeping their American citizenship, but their emotional ties there are more with family and work than country. For this new breed of migrant, home is high technology, where political borders are increasingly irrelevant, and projects often involve working on-line with professionals in other countries.

Take Canadian-born Tim Bray, one of the leading architects of XML, the leading free software system that will allow the next generation of web services to be built. Practically all other high-tech companies, including Microsoft, Maketechnologies and Active State, are in the process of adopting it as the new standard in the industry. Bray is so well known, many people think he's American, but he was actually born in Edmonton and grew up in Beirut before returning to Canada to study. Even his family life is international-his wife, Lauren

Wood, a prominent figure in the local software industry who hails from New Zealand, is chair of the next international XML conference in December. Wood isn't a programmer; she's a nuclear physicist who studied in Australia and Germany. She came here because she married Bray, and considers herself lucky to have a paying job. "There are no jobs in my field," she says.

Currently director of product technology for Softquad, a Toronto based company that keeps a research office here, she has dual citizenship, and looks forward to raising their son here. Wood says living here has many advantages, although she wishes Canadians weren't so dominated by the U.S. "Australians have an advantage over Canadians in that they aren't so close to and easily overwhelmed by the U.S culture." Bray says the couple's decision to live in Vancouver rather than the U.S. has little to do with national identity. "We don't live in Silicon Valley because SC is an unpleasant place to live." Not to mention obscenely expensive, making even Vancouver's real estate prices look good.

Mueller-Klingspor is helping her partner, Laurence Kolf, a professional caterer from Paris, set up a table with food and booze at the new location Maketechnologies is taking over. Tonight is the first time the entire company of 28 people is having a look at the new space. En masse, they troop down the street to a 6,000-square-foot space that used to be inhabited by Stratford Internet Technologies before it became one of the dot.bombs. It's all massive wood columns supporting 16-foot ceilings, brick walls and glassed-in meeting rooms. A young woman sweeps through the empty space, waving what looks like a smoldering torch. "It's for purification, to get rid of all the bad karma," she explains with a grin. The founder and CEO, Christian Cotichini, 30, thinks it can't hurt. Maketechnologies is a two-year-old startup billing itself as a consulting engineering company that helps businesses deploy web-based products based on Open Standards software, like XML and Linux. Like all high-tech companies, it has problems recruiting, and being a start-up doesn't help. "We can't pay the big salaries, and since the meltdown, some people are looking for an unreasonable level of security. We offer joint ownership via stock options," says Cotichini. Despite the difficulties, the company has managed to attract plenty of talent: besides Canadians from all over, the staff includes people from seven other countries. One is American Oran Wiens, the quality assurance manager, who used to work in Seattle before marrying a Vancouver woman and moving here. He commutes daily to his home in Surrey, but in spite of the long days and high taxes, feels his quality of life is better because he feels safer here. "I like the small town flavour of Vancouver. "

Mueller-Klingspor's move to Vancouver started with a chance visit in 1996 on the way home from an extended holiday in India, where she'd been regrouping after burning out from a job in Massachusetts. She immediately took to the city and, feeling in need of a change, started applying for jobs. ACL Services, a company specializing in high level auditing software, immediately snapped her up. "They were great, got me landed immigrant status and made me feel like I was part of a family," she says. She worked there for four years, first as director of research, then as VP for a new product. She says that those years were "awesome" because she had the opportunity to work with the founder of the company, Professor Hart Will, whom she describes as "brilliant." "It was working with him and the fact that the company was willing to take some risks that kept me here initially." Later, she moved briefly to another company before landing at Maketechnologies earlier this year.

As VP for professional services, Mueller-Klingspor is responsible for the consulting and development side of the house. Primarily, she works with customers and coaches her team in solving problems as they arise. She usually starts work at a quarter to eight and doesn't come up for air until 6 or 7 p.m. Today begins with a 45-minute conference call involving Cotichini "on holiday" in Tofino, Maketechnologies' Chief Technical Officer David Green and a client. The rest of the morning is taken up with meetings about human resources needs and settling a philosophical dispute between the quality assurance people and developers, who are demanding more documentation. It's solved by using one of their own technologies, a self-documentation process that automatically provides the needed information at the touch of a button. In between, she's co-ordinating the move to the new building, talking to me and answering her instant messaging e-mails. "I've always been a multi-tasker," she says. Today, she won't get home until 8 p.m, because there's a party at Starbucks just down the road. "I mainline coffee, and they consider me family," she quips.

Although she no longer works "all the time," as she did in her 20s, she still manages to pull off an average 60-plus hours a week. She likes working at a management level and, in spite

of the enormous workload, she describes working in Vancouver as laid-back compared to the intensity of the Massachusetts high-tech industry. "I know I'm gonna get into trouble for saying this, but people here typically go home at 6 o'clock, and I don't. I know I'm a workaholic, but here I kind of stick out, where back home I would just be one of hundreds slaving away." She quickly adds that the slower pace is a good thing, and one of the reasons she likes working here-eventually, she hopes to earn her MFA from Emily Carr and write a book. "I have learned to balance work and life, and I'm looking forward to actually looking after my health when I'm in my 40s."

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