



**Flanders**  
State of the Art

# TECHNOLOGY SECTOR

# IN DALLAS

FLANDERS INVESTMENT & TRADE MARKET SURVEY



////////////////////////////////////

# TECHNOLOGY SECTOR IN DALLAS

August 2018

////////////////////////////////////

*This study was authored as noncommercial research. Copyrighted works reproduced in this study have been republished under fair use. This study is made freely available for download as a service of Flanders Investment & Trade, part of the Government of Flanders, Belgium. Flanders Investment & Trade is a government agency and does not profit from the distribution of this educational study.*

# TABLE OF CONTENTS

1.	Greater Dallas .....	3
2.	Key industries .....	3
2.1	Telecommunications .....	4
3.	Main players in technology .....	4
4.	Dallas initiatives .....	5
5.	Startups in Dallas .....	6
6.	Investment landscape .....	7
7.	Future predictions .....	7
8.	Advice for Flemish companies .....	8
9.	Appendix .....	9

////////////////////////////////////

## 1. GREATER DALLAS

---

With a population of 1,281,047 people, Dallas is the 9th largest city in the U.S. and the 3rd largest in Texas. Thanks to its strong economy and low labor rates, Dallas is one of the top event and meeting destinations in Texas. The labor rates in Dallas are 27% lower than the national average and the cost of doing business is 7% lower than the average. The population in the metro area has grown from about 5.8 million people in 2005 to over 7 million today.

Dallas got the nickname “Silicon Prairie” because it is one of the largest employment centers for high technology in the U.S. The city is mainly known as a center for telecommunications manufacturing employment in the U.S. There is an area in Richardson, north of Dallas, nicknamed the “Telecom Corridor” in recognition of the proliferation of telecommunications companies in a small section of the community.

According to the U.S. News rankings, Dallas-Fort Worth is the number 18 best place to live in the U.S., based on quality of life, the job market and the value of living and people’s desire to live there. The Dallas-Fort Worth metro area offers both the big-city experience and quiet, suburban living. The cowboy life is still there in Fort Worth, while people in Dallas enjoy trendy bars and retail shops. There are over 80,000 hotel rooms in Dallas, with 13,000 in Downtown. The city has two major airports with more than 2,200 flights every day from over 170 destinations and easy access to Downtown from both airports via DART light rail. Once in Downtown, you can enjoy free rides on D-Link and McKinney Avenue Trolley.

Here are some other interesting statistics about the Dallas-Fort Worth area<sup>1</sup>:

- The average annual salary: \$50,350
- The median age: 34.5
- The unemployment rate: 3.7%
- The median home price: \$210,181, while the average in the U.S. is \$222,408
- The median monthly rent: \$969
- Dallas is home to 25 of the richest Americans<sup>2</sup>

## 2. KEY INDUSTRIES

---

Dallas is home to many different industries, with technology industries in the lead. Major industries include defense, financial services, information technology and data, life sciences, semiconductors, telecommunications, transportation and processing. According to the Greater Dallas Chamber of Commerce, about 43 percent of Texas’ high-tech workers are from the Dallas-Fort Worth Metroplex.

---

<sup>1</sup> U.S. News Real Estate <https://realestate.usnews.com/places/texas/dallas-fort-worth> consulted on April 18, 2018

<sup>2</sup> The Business Journals Dallas [https://www.bizjournals.com/dallas/blog/morning\\_call/2014/03/25-of-the-worlds-billionaires-call-dallas-fort.html](https://www.bizjournals.com/dallas/blog/morning_call/2014/03/25-of-the-worlds-billionaires-call-dallas-fort.html) consulted on May 14, 2018



## 2.1 TELECOMMUNICATIONS

The Dallas-Fort Worth (DFW) region is home to several major telecom companies and the Telecom Corridor is home to about 600 companies overall. Companies present in the region include Cisco Systems, Fujitsu and MetroPCS. But the Telecom Corridor not the only telecom cluster in DFW. In 2011, Research in Motion (who changed names to Blackberry in 2013) moved to Irving. Both Ericsson and Alcatel-Lucent moved their U.S. headquarters to Plano.

There are more than 800 privately owned telecom companies in the region, and dozens of public companies with their U.S. headquarters in Dallas-Fort Worth. The most well-known example is AT&T<sup>3</sup>. In 2008, AT&T relocated from San Antonio to DFW, and now is among the largest high-tech employers in the region with more than 37,900 employees working in Texas as of June 2016<sup>4</sup>.

Mobile app development companies are also entering the DFW region. Communications companies are looking to expand their services to capitalize on the trend toward mobile apps and they are recruiting developers in North Texas. Cloud computing and other innovative technologies are also a growing presence in the region.

The strength and diversity of the telecom industry is projected to keep growing, with an increasing workforce and number of companies in the region<sup>5</sup>.

## 3. MAIN PLAYERS IN TECHNOLOGY

---

21 Fortune 500 companies have their headquarters in the Dallas area, including Exxon Mobil, AT&T, Texas Instruments and more. In addition, there are 13 privately-held companies with at least \$1 billion in annual revenues headquartered in the Dallas area<sup>6</sup>. We will briefly discuss the biggest players. More information on companies in the Dallas area can be retrieved from [Appendix 1](#).

- AT&T in Dallas

AT&T Inc. is an American multinational telecommunications company with a revenue of \$160.5 billion in 2017<sup>7</sup>. It is the second largest provider of mobile telephone services and the largest provider of fixed telephone services in the U.S..

---

<sup>3</sup> Dmagazine.com <https://www.dmagazine.com/publications/d-ceo/2011/special-report-dfw-technology/north-texas-telecom-dominance/> consulted on May 9, 2018

<sup>4</sup> AT&T's impact in Texas <https://engage.att.com/texas/impact/> consulted on May 9, 2018

<sup>5</sup> Chesmar.com <http://chesmar.com/dallas/dallas-todays-telecommunications-hub/> consulted on May 9, 2018

<sup>6</sup> City-Data.com <http://www.city-data.com/us-cities/The-South/Dallas-Economy.html> consulted on April 17, 2018

<sup>7</sup> AT&T financial data [https://www.sec.gov/Archives/edgar/data/732717/000073271718000002/ex99\\_1.htm](https://www.sec.gov/Archives/edgar/data/732717/000073271718000002/ex99_1.htm) consulted on April 18, 2018

- Texas Instruments

Texas Instruments Inc. is a technology company that designs and manufactures semiconductors and integrated circuits, selling it to electronics designers and manufacturers all over the world. Based on sales volume, Texas Instruments is in the Top 10 semiconductor companies in the world<sup>8</sup>.

- Jacobs

Jacobs is one of the largest and most diverse providers of technical, professional and construction services, including all aspects of architecture, engineering and construction, operations and maintenance, as well as scientific and specialty consulting.

- Gamestop

Gamestop is a video game, consumer electronics and wireless services retailer. They are the largest AT&T, Apple, and Cricket Wireless reseller. Gamestop owns thinkgeek.com, one of the world's largest sellers of collectible pop-culture themed products.

- Celanese

Celanese Corporation is a global technology and specialty materials company. They are a leading producer of acetyl products, which are intermediate chemicals for nearly all major industries. Celanese is also the world's largest producer of vinyl acetate monomer (VAM).

## 4. DALLAS INITIATIVES

---

### **DALLAS REGIONAL CHAMBER<sup>9</sup>**

The Dallas Regional Chamber (DRC), formerly known as the Dallas Chamber of Commerce, is a chamber of commerce that represents business and institutions in North Texas, including the Dallas-Fort Worth metropolitan area. They focus on leading economic development and growth, driving improvements in public education, and influencing public policy to meet the business community's workforce needs and raise the region's profile – across the U.S. and around the world. The DRC is driven by more than 90 members of the Board of Directors and supported by committees of more than 600 volunteer leaders.

---

<sup>8</sup> Statista.com <https://www.statista.com/statistics/283359/top-20-semiconductor-companies/> consulted on April 18, 2018

<sup>9</sup> Dallas Regional Chamber <https://www.dallaschamber.org> consulted on April 18, 2018

### **ATHENA AWARD<sup>10</sup>**

The Athena Award and Young Professional Leadership (YPL) Athena Award celebrate women who reach excellence in their professions, help the community in a meaningful way, and help other women reach their full potential.

### **SAY YES TO DALLAS<sup>11</sup>**

This Dallas regional chamber initiative is meant to attract and retain talent in Dallas.

## **5. STARTUPS IN DALLAS**

---

Dallas is an excellent place to start a business. It is an attractive location for entrepreneurs thanks to the growing talent pool due to business relocations, less expensive cost of living, code programs and colleges and universities. There are also more than 40 colleges and universities, including the Texas A&M University, University of North Texas, and University of Texas systems. These provide local companies and startups with a large talent pool<sup>12</sup>. According to Entrepreneur Magazine, an office space in Dallas costs more than 70% less than in New York City. In Dallas, you pay about \$15.62 per square foot, while in NYC, you pay about \$49.98. In addition, Dallas is centrally located with 2 airports, with DFW International Airport being within the top five busiest airports in the world.

Dallas has several startup news outlets, startup accelerators and coworking spaces. News outlets include the Dallas Business Journal TechFlash, LaunchDFW and D Magazine. Startup accelerators are Tech Wildcatters, RevTech and Unreasonable Labs. Coworking spaces are the Dallas Entrepreneur Center, The Grove, NoD Coworking, Common Desk and WeWork<sup>13</sup>.

### **DALLAS STARTUP WEEK<sup>14</sup>**

Techstars Dallas Startup Week is a five day event hosted in Downtown Dallas. It aims to connect the rapidly growing startup community with opportunities for mentoring, partnerships and friendships through common goals or struggles and achievements experienced in the entrepreneur ecosystem. The Dallas Startup Week is the opportunity to unite everyone for a week of networking and education. They focus on increasing awareness revolved around our local startup community and the opportunities to

---

<sup>10</sup>Dallas Regional Chamber <https://www.dallaschamber.org/get-connected/leadership/athena-award/> consulted on April 18, 2018

<sup>11</sup>Say yes to Dallas <http://sayyestodallas.com/jobs/entrepreneurship-in-dallas/incubators/> consulted on May 14, 2018

<sup>12</sup>G2 Crowd <https://blog.g2crowd.com/blog/technology-research/the-state-of-b2b-dallas-fort-worth-tech-in-2017/> consulted on May 15, 2018

<sup>13</sup>Startup Blink <https://www.startupblink.com/blog/dallas-startup-ecosystem/> consulted on May 7, 2018

<sup>14</sup>Techstars Dallas Startup Week <http://www.dallasstartupweek.com/> consulted on April 24, 2018



get involved. They want to inspire entrepreneurs, freelancers and small businesses and provide them with resources towards following their business ventures.

#### OTHER STARTUP RESOURCES:

- Tech FW, a non-profit organization, has been providing entrepreneurs with mentorship to help them launch and grow emerging tech companies.
- Tech Nest, a free weekly meetup held at Tech FW for entrepreneurs to share their experiences and learn from each other.
- BigDOCC, (Dallas Open Coffee Club) is a weekly chat about the latest in technology, startups, digital lifestyle and business<sup>15</sup>.

## 6. INVESTMENT LANDSCAPE

---

Though Dallas ranks far behind some of the country's venture capital hubs, it is still one of the top cities in the U.S. for investors looking for startups that will bring them sizable return. According to Pitchbook, which ranked 17 metros based on amount of venture capital invested and returns to investors, the average return on investment in Dallas-Fort Worth was 3.4 times, tied with Austin for 10th in the nation<sup>16</sup>.

A short list of possible investors can be retrieved in [Appendix 2](#).

## 7. FUTURE PREDICTIONS

---

The DFW economy is still a key driver of business activity in Texas. The area has many mature industries, including health care, logistics and technology. Dallas-Fort Worth and the surrounding area remains one of the best performing economic regions, a pattern expected to continue through the next five years.

Due to the large success of its startup community and the amount of Fortune 500 companies in the region, Dallas-Fort Worth is expected to continue to grow as a desirable city for businesses. Locals optimistically predict the area's 6.8 million residents could be doubled in 20 years<sup>17</sup>.

Dallas-Fort Worth is at the forefront of innovation and continued investment in startups and incubators by the metroplex business and community leaders will help ensure that it stays that way. This

---

<sup>15</sup> <https://blog.g2crowd.com/blog/technology-research/the-state-of-b2b-dallas-fort-worth-tech-in-2017/>

<sup>16</sup> Pitchbook <https://www.bizjournals.com/austin/news/2018/03/21/what-austin-lacks-in-sheer-vc-investment-it-makes.html> consulted on May 14, 2018

<sup>17</sup> Market Watch <https://www.marketwatch.com/story/most-business-friendly-city-in-us-is-dallas-2015-05-12> consulted on May 7, 2018

community investment combined with the favorable housing market, retail sales, average wages and a low unemployment rate contributes to the rapid growth of the region.

Telecommunications is predicted to remain the largest tech industry in Dallas-Fort Worth, with new companies and talent joining the region.

## 8. ADVICE FOR FLEMISH COMPANIES

---

Dallas has all the elements in place for Flemish companies in the telecom sector to set up a base for their U.S. operations, due to its status as a communications technology hub. Business Insider already ranked Dallas as the 11th “most high-tech city in the world” in August 2017 – climbing 17 spots in one year – due in part to its rapid increase in venture capitalists and “integration of technology into the city landscape”<sup>18</sup> the labor rates in Dallas are 27% lower than the national average and the cost of doing business is 7% lower than the average.

According to Entrepreneur Magazine, an office space in Dallas costs more than 70% less than in New York City. In Dallas, you pay about \$15.62 per square foot, while in NYC, you pay about \$49.98. In addition, Dallas is centrally located with 2 airports, with DFW International Airport being within the top five busiest airports in the world with more than 2.200 flights every day from over 170 destinations.

### COMPARISON<sup>19</sup>

You would need around 7,846.91\$ in San Francisco, CA to maintain the same standard of life that you can have with 4,200.00\$ in Dallas, TX (assuming you rent in both cities). This calculation uses our Cost of Living Plus Rent Index to compare cost of living. This assumes net earnings (after income tax).

- Consumer prices in San Francisco, CA are 50.36% higher than in Dallas, TX
- Consumer prices Including Rent in San Francisco, CA are 86.83% higher than in Dallas, TX
- Rent prices in San Francisco, CA are 147.63% higher than in Dallas, TX
- Restaurant prices in San Francisco, CA are 35.09% higher than in Dallas, TX
- Grocery prices in San Francisco, CA are 77.41% higher than in Dallas, TX
- Local purchasing power in San Francisco, CA is 23.26% lower than in Dallas, TX

---

<sup>18</sup> G2 Crowd, The state of B2B Dallas Fort Worth Tech in 2017 <https://blog.g2crowd.com/blog/technology-research/the-state-of-b2b-dallas-fort-worth-tech-in-2017/> consulted on May 15, 2018

<sup>19</sup> Numbeo [https://www.numbeo.com/cost-of-living/compare\\_cities.jsp?country1=United+States&country2=United+States&city1=Dallas%2C+TX&city2=San+Francisco%2C+CA](https://www.numbeo.com/cost-of-living/compare_cities.jsp?country1=United+States&country2=United+States&city1=Dallas%2C+TX&city2=San+Francisco%2C+CA) consulted on May 15, 2018

## 9. APPENDIX

## APPENDIX 1

**B2B Tech companies<sup>20</sup>**

- TeamSupport

TeamSupport is a leader in the help desk category. It is a customer support management and help desk application that allows users to focus on customer support. It helps you help your customers by offering a variety of customizable applications and integrations.

- Agile CRM

Agile CRM is a leader in the CRM All-in-One category. It makes it easy for users to automate and implement sales, marketing and services in one platform.

- Call Box

Call Box is an inbound and outbound call tracking software that helps businesses manage and analyze every phone call. They help your business manage conversion events and leads while protecting all sensitive data.

- MultiView

MultiView is a digital marketing company focused solely on solutions for the B2B market. This business solution helps companies create the right content to reach their audiences via advertising, targeting and social media marketing.

- Brich Grove Software, Inc.

Their product, ActivTrak, is an employee monitoring software helping businesses monitor and measure their employees productivity. The application securely tracks, records, reports and analyzes productive workflows across organizations.

<sup>20</sup> G2Crowd <https://blog.g2crowd.com/blog/technology-research/the-state-of-b2b-dallas-fort-worth-tech-in-2017/> consulted on April 17, 2018

## Best tech startups<sup>21</sup>

- Stackpath

StackPath is a platform of secure internet services built at the cloud's edge. Its services enable developers to build protection and performance into any cloud-based solution from SaaS to web publishing, gaming, media streaming and more, without the need of any cloud security and delivery expertise of their own. More than 800.000 customers, even Fortune 100 companies, are using StackPath.

- Compass Datacenters

Compass delivers your data center faster, with more features and personalization capability at a cost, that meets or beats competing alternatives, anywhere you want it to be.

- DriverUp

DriverUp is an online marketplace for automotive financing, powered by Sierra Auto Finance, a nationally recognized specialty auto finance company. They are the first platform that allows investors to easily participate in auto lending directly.

- Flywheel

Flywheel is an online platform that combines CMMS capabilities with energy and workforce management. It helps every employee run a better building. They connect customers to the data and insights they need to reduce operating costs, improve energy efficiency and optimize maintenance strategies.

- Homecare Homebase

Homecare Homebase develops mobile software solutions for home health and hospice agencies, using realtime data to reduce paperwork, streamline agency processes and boost productivity for expert patient care.

---

<sup>21</sup>The Tech Tribune <http://thetechtribune.com/10-best-tech-startups-in-dallas/> consulted on April 17, 2018

## 2017 Technology fast 500 ranking<sup>22</sup>

The companies who made it into this list are the 500 fastest growing technology companies in North America. Here are the ones from the Dallas-Fort Worth region who made the list.

COMPANY	PRIMARY INDUSTRY	CITY	GROWTH	CEO
<b>SPAR Information Systems</b>	Software	Plano	9.114%	Nagarjun G. + Pankaj Midha
<b>Alkami Technology Inc.</b>	Software	Plano	2.415%	Mike Hansen
<b>Koupon Media</b>	Software	Addison	809%	Bill Ogle
<b>Neos Therapeutics Inc.</b>	Biotechnology / Pharmaceutical	Grand Prairie	776%	Vipin Garg
<b>Blucora Inc.</b>	Software	Ivring	400%	John S. Clendening
<b>Simplifi.fi</b>	Digital content / Media / Entertainment	Fort Worth	301%	Frost Prioleau
<b>Wound Management Technologies Inc.</b>	Medical Services	Fort Worth	219%	J. Michael Carmena
<b>Valutrac Software Inc.</b>	Software	Flower Mound	166%	Clint Cornett

<sup>22</sup>Deloitte 2017 Technology Fast 500 <https://www2.deloitte.com/us/en/pages/technology-media-and-telecommunications/articles/fast500-winners.html?nc=1> consulted on April 18, 2018

## APPENDIX 2 - INVESTMENT

The Dallas Angel Network	<p>Links angel investors in Texas with entrepreneurs. Their angels consist of Dallas based investors as well as investors in Houston and Austin. They target startups and high growth companies in need of early stage private equity or venture capital.</p> <p><a href="http://dallasangelnetwork.com">http://dallasangelnetwork.com</a></p>
The North Texas Angel Network	<p>Provides the investment funds a company needs to grow. Their group includes more than sixty successful entrepreneurs and business professionals who love to invest in innovative products, as well as offer their considerable experience and expertise to growing companies.</p> <p><a href="http://www.northtexasangels.org">http://www.northtexasangels.org</a></p>
The Aggie Angel Network (AAN)	<p>Not-for-profit corporation dedicated to providing quality early-stage investment opportunities for accredited angel investors, and to assisting early-stage high-growth potential technology companies with fundraising and advisory services.</p> <p><a href="http://aggieangelnetwork.com">http://aggieangelnetwork.com</a></p>
The Baylor Angel Network (BAN)	<p>Investor network providing early stage capital to strong entrepreneurial teams with developed products or services and early customer traction.</p> <p><a href="https://www.baylor.edu/business/angelnetwork/">https://www.baylor.edu/business/angelnetwork/</a></p>
Central Texas Angel Network (CTAN)	<p>One of the largest and most active angel groups in North America and a significant source of early-stage capital to entrepreneurs from Texas and beyond. They invested \$93.4 million in 160+ companies since 2006.</p> <p><a href="http://centraltexasangelnetwork.com">http://centraltexasangelnetwork.com</a></p>



