



## BOARD OF DIRECTORS MEETING

Friday, September 22<sup>nd</sup>, 2023  
8:30 am – 10:00 am

Board Chair, Cy Morton  
Via Zoom

### AGENDA

- |  |              |
|--|--------------|
| 1. Call to Order (Cy Morton)                               | 8:30         |
| • Welcome new Board members (Meredith Murphy, PJ Ritter)   |              |
| 2. Approval of June 16 <sup>th</sup> Minutes (Cy Morton)   | 8:35 – 8:40  |
| 3. 2023 YTD Financial Report (Lonni Ranallo)               | 8:40 – 8:50  |
| 4. CEO Report (Jeff Tollefson)                             | 8:50 – 9:10  |
| • Membership Update (Jeff)                                 |              |
| • Talent Updates (Joel Crandall)                           |              |
| • Community & Events (Molly Doyle)                         |              |
| 5. New Tech Workforce Initiatives Discussion (Joel & Jeff) | 9:15 – 9:45  |
| 6. Governance Update (Amy Fisher)                          | 9:45 – 9:50  |
| 7. Other Business (All)                                    | 9:50 – 10:00 |
| 8. Adjourn Meeting   | 10:00        |

#### Next Board Meeting:

December 14<sup>th</sup>, 2023 10:00 am – 12:00 pm

**Metropolitan Ballroom**  
5418 Wayzata Blvd, Golden Valley, MN 55416



## **Board of Directors Minutes**

Board Chair Cyrus Morton

Jeff Tollefson Presiding

8:30 am to 10:30 am

Friday, June 16<sup>th</sup>, 2023

Meeting via zoom

**Present** Jeff Tollefson, Matt Bailey, Tawanna Black, Kevin Boeckenstedt, Robin Brown, Douglas Carnival, Julie Durham, Lucinda DuToit, Sarah Engstrom, Amy Fisher, Ed Foppe, Amka Hodzic, Karen Hudson, Sharon Kennedy-Vickers, Jake Krings, Wolf Lewis, Rebecca Martin, Cyrus Morton, Hany Omar, Tim Peterson, Matthew Reck, Christopher Rence, Sarah Seger, Jamie Thingelstad, Beth Tschida

**Absent:** Daniel Abdul, Sameer Badlani, Teddy Bekele, Andy Bingenheimer, Chris Howe, Josh Jabs, Tammylynne Jonas, Patrick Joyce, Sridhar Koneru, Rachel Lockett, Cyrus Morton, Anudeep Parhar, Rakhi Purohit, Ritu Sharma, Paul Weirtz **Guest:** Marc Majors **Staff:** Joel Crandall, Molly Doyle, Lonni Ranallo

### **1. Call to Order**

Jeff Tollefson called the meeting to order.

### **2. Approval of February 16<sup>th</sup>, 2023 Meeting Minutes**

Doug Carnival moved to approve the February 16<sup>th</sup> meeting minutes, Robin Brown seconded the motion, the motion carried, and the minutes were approved.

### **3. 2022 Financial Audit & May 2023 Financials**

Ed Foppe presented the 2022 Draft Audited Financials.

Ed made a motion to approve the audit, Doug Carnival and Amy Fisher seconded the motion, the motion carried and the 2022 audit is approved for filing.

Ed reviewed year to date financials through May. Membership is behind, management will address this later in the meeting. Programs and events are doing well and running to plan. Some variances in expenses due to contract support and marketing software updates and changes. We have booked a receivable for the Employer Retention Credit, with some offsetting expenses for filing. Net income running \$30K behind budget, mostly due to membership. The balance sheet is included in the packet, with cash and liquidity at \$620K.

### **4. CEO Report**

Jeff gave an overview of his written CEO report. Membership is running behind plan. While we have secured 21 new members through May, the corresponding dollars are low. Jeff shared efforts to get larger enterprises to join and some of the issues faced. Lonni Ranallo presented an analysis of open renewals with projections of how we hope to be within \$10K of our budgeted renewal number by year-end. Advocacy had a lot of activity this year and Jeff reviewed session highlights and outcomes related to tech policy. SciTech received \$2M for the

next two years. Doug Carnival gave a summary of the session and Jeff thanked Doug for all the work he does for MnTech at the Capitol. Discussion took place about the Computer Science bill. Molly Doyle gave an update on community programming, with an introduction to the Women Leading in Technology program and model. New WLIT board chair, Robin Brown, thanked Molly for her support and gave a presentation on the workings of the WLIT community. Molly gave an update on various community events, and the planning for the upcoming events. The Tekne awards will be held on November 16<sup>th</sup> and award categories were shared for board review. Sponsorship goals were reviewed, and a marketing improvement plan is underway. A suggestion for goals and objectives of events was brought up.

**5. Presentation: Workforce Initiatives at MN DEED – Marc Majors, Deputy Commissioner**

**6. MnTech Foundation/Talent Updates**

Joel Crandall gave an update and presentation on Talent initiatives. The MnTech Foundation activities are centered around “inspire and hire” with the Association activities centered on “develop and retain.” The ACE Leadership program is now halfway through its 18<sup>th</sup> cohort. We are sharpening the foundation’s programs with emphasis on being a coalition builder and sector partner for the inspire community. MnTech is an active member of the CS for All group and Joel gave an update on how efforts are aligned. Joel thanked Jeff and Lonni, and also Karen Hudson and Ed Foppe for their consultation and help.

**7. Governance**

Amy Fisher announced that this is the last meeting for Ed Foppe and Karen Hudson due to their retirements.

Amy Fisher and the Executive Committee made a motion to recommend PJ Ritter of PwC, and Meredith Murphy of Grant Thornton for election to the Board of Directors. The motion carried and PJ Ritter and Meredith Murphy were elected to the Board of Directors.

The additional Board members who have changed companies will be discussed at the September Board meeting.

**8. Other Business**

Jeff gave an update on office space and shared our lease has been extended through September as we look for a new location. Jeff thanked leadership team for their dedicated efforts so far this year.

**9. Adjourn Meeting**

The meeting was adjourned.

# Minnesota Technology Association Profit & Loss Budget Performance

August 2023

	<u>Jan - Aug 23</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>Annual Budget</u>
<b>Income</b>				
<b>Membership</b>				
New	58,550	125,834	(67,284)	140,000
Renewals	493,816	560,498	(66,682)	575,590
<b>Total Membership</b>	<b>552,366</b>	<b>686,332</b>	<b>(133,966)</b>	<b>715,590</b>
<b>Promotion / Events</b>				
Tech Talks	7,000	5,000	2,000	7,500
Communities of Interest	2,500			
ACE Leadership	97,250	105,000	(7,750)	210,000
Ad'l Event	5,000			
CIO Panel	0	0	0	45,000
Networking - L&L/ Tech on T	5,500	3,000	2,500	7,500
CIO Forum	10,000	10,000	0	20,000
Legislative Event	12,050	10,000	2,050	10,000
Tech Connect	155,988	133,400	22,588	133,400
TechTalent	0	0	0	40,000
Tekne Awards	0	0	0	170,000
Women Leading in Technology	39,020	46,875	(7,855)	62,500
Promotion Other	0	5,000	(5,000)	5,000
<b>Total Promotion / Events</b>	<b>334,308</b>	<b>318,275</b>	<b>16,033</b>	<b>710,900</b>
<b>Grant/STEM Programs</b>				
TIA Support	37,500	37,500	0	37,500
STEM Projects/Donations	0	0	0	10,000
Foundation STEM support	50,000	50,000	0	100,000
<b>SciTech Grant</b>				
SciTech Grant Match	337,123	410,688	(73,565)	589,000
SciTech Grant - Other	147,530	162,567	(15,037)	242,250
<b>Total SciTech Grant</b>	<b>484,653</b>	<b>573,255</b>	<b>(88,602)</b>	<b>831,250</b>
<b>Total Grant/STEM Programs</b>	<b>572,153</b>	<b>660,755</b>	<b>(88,602)</b>	<b>978,750</b>
<b>Other Income*Sales &amp; Marketing</b>				
Misc Contribution Income	230	200	30	740
Advertising Income (TechTues)	400	800	(400)	1,000
Interest earned	15,107	80	15,027	1,000
Miscellaneous Income	88,775	30,000	58,775	30,000
<b>Total Other Income*Sales &amp; Marketing</b>	<b>104,512</b>	<b>31,080</b>	<b>73,432</b>	<b>32,740</b>
<b>Total Income</b>	<b>1,563,339</b>	<b>1,696,442</b>	<b>(133,103)</b>	<b>2,437,980</b>
<b>Gross Profit</b>	<b>1,563,339</b>	<b>1,696,442</b>	<b>(133,103)</b>	<b>2,437,980</b>
<b>Expense</b>				
<b>Administration</b>				
Dues & Subscriptions	3,865	4,000	(135)	4,000
Leases - Equipment	3,142	3,056	86	4,580
Bank Charges	300	390	(90)	400
Board of Directors	614	750	(136)	1,000
Business Insurance	3,841	4,250	(409)	4,250

## Minnesota Technology Association Profit & Loss Budget Performance August 2023

	Jan - Aug 23	YTD Budget	\$ Over Budget	Annual Budget
Telecom	4,050	4,080	(30)	6,120
Storage	0	0	0	540
Courier	64	75	(11)	150
Postage	149	205	(56)	265
General Office Supplies	2,696	1,100	1,596	2,100
Office Rent- MGEX	34,521	34,000	521	51,000
<b>Pro. Services</b>				
Merchant Card Service Fee	13,662	13,370	292	17,000
Annual Audit	25,844	15,800	10,044	16,000
Payroll	2,185	2,255	(70)	3,500
401k	750	750	0	1,000
IT Service/support/subscription	18,883	11,100	7,783	20,000
Website Maintenance & Support	5,558	5,332	226	8,000
Consultants/Contract Services	58,267	56,000	2,267	84,000
<b>Total Pro. Services</b>	<b>125,149</b>	<b>104,607</b>	<b>20,542</b>	<b>149,500</b>
Misc	30			
<b>Total Administration</b>	<b>178,422</b>	<b>156,513</b>	<b>21,909</b>	<b>223,905</b>
<b>Association Staffing</b>				
Gross Wages	537,269	582,375	(45,105)	887,811
Tax Expenses	41,749	46,564	(4,815)	71,000
401K Discretionary contributio.	23,332	23,332	0	35,000
Bonus	47,868	47,868	0	71,800
<b>Insurance &amp; Benefits</b>				
Health	48,754	54,256	(5,502)	81,384
Dental	3,835	4,056	(221)	6,084
Vision	613	656	(43)	984
Disability	5,850	7,332	(1,482)	11,000
Life	1,574	2,080	(506)	3,120
Mobile phone/ Emp reim	3,749	4,000	(251)	6,000
Emp IT/Transportation Exp	3,291	4,800	(1,509)	7,200
Workers Comp	820	1,000	(180)	1,500
<b>Total Insurance &amp; Benefits</b>	<b>68,485</b>	<b>78,180</b>	<b>(9,695)</b>	<b>117,272</b>
Prof Dev Seminars/Education	1,500	1,100	400	3,000
Staff Recognition	345	550	(205)	750
<b>Total Association Staffing</b>	<b>720,549</b>	<b>779,969</b>	<b>(59,420)</b>	<b>1,186,633</b>
<b>Sales &amp; Marketing</b>				
Direct Marketing	12,000	1,500	10,500	5,000
Community Relations/Sponsorship	5,000	5,000	0	5,000
<b>Outreach &amp; Meetings</b>				
Meals	1,606	1,300	306	2,000
Mileage	384	50	334	100
Parking	364	325	39	400
Meals - Traveling	817	200	617	300
Lodging	2,947	130	2,817	130

## Minnesota Technology Association Profit & Loss Budget Performance

August 2023

	<u>Jan - Aug 23</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>Annual Budget</u>
Car	363	1,000	(637)	1,300
Airfare	2,340	1,000	1,340	1,500
Events/Dinners	424	840	(416)	1,500
Outreach & Meetings - Other	0			
<b>Total Outreach &amp; Meetings</b>	<u>9,245</u>	<u>4,845</u>	<u>4,400</u>	<u>7,230</u>
<b>Total Sales &amp; Marketing</b>	26,245	11,345	14,900	17,230
<b>Promotion / Event Expenses</b>				
Tech Talks	6,588	2,600	3,988	4,000
Communities of Interest	3,800	2,500	1,300	5,000
ACE Leadership	16,027	25,000	(8,973)	45,000
Ad'l Event	2,274			
CIO Panel	0	0	0	14,000
CIO Forum	0	0	0	500
Networking Event Sm.- L&L/TT	4,888	4,900	(12)	8,000
Legislative Event	5,118	6,000	(882)	6,000
Tech Connect	82,505	70,000	12,505	70,000
TechTalent	0	0	0	6,000
Tekne Awards	0	0	0	140,000
Women Leading in Technology	26,280	25,500	780	39,500
Event Registration	0	5,000	(5,000)	5,000
<b>Total Promotion / Event Expenses</b>	<u>147,481</u>	<u>141,500</u>	<u>5,981</u>	<u>343,000</u>
<b>STEM Program expense</b>				
SciTech general Expense	9,874	21,800	(11,926)	30,000
SciTech Co. Reim.	337,123	410,688	(73,565)	589,000
<b>Total STEM Program expense</b>	<u>346,997</u>	<u>432,488</u>	<u>(85,491)</u>	<u>619,000</u>
<b>Public Policy</b>				
Government Relations	30,667	30,667	0	46,000
<b>Total Public Policy</b>	<u>30,667</u>	<u>30,667</u>	<u>0</u>	<u>46,000</u>
<b>Total Expense</b>	<u>1,450,359</u>	<u>1,552,481</u>	<u>(102,122)</u>	<u>2,435,768</u>
<b>Net Income</b>	<u>112,980</u>	<u>143,961</u>	<u>(30,981)</u>	<u>2,212</u>

**Minnesota Technology Association**  
**Balance Sheet Prev Year Comparison**  
As of August 31, 2023

	<u>Aug 31, 23</u>	<u>Aug 31, 22</u>	<u>\$ Change</u>	<u>% Change</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
<b>Checking/Savings</b>				
Wells Fargo	13,925	12,695	1,231	10%
Merrill Lynch Savings	601,988	395,629	206,359	52%
<b>Total Checking/Savings</b>	<u>615,913</u>	<u>408,324</u>	<u>207,589</u>	<u>51%</u>
<b>Accounts Receivable</b>				
Accounts Receivable	270,317	415,579	-145,262	-35%
<b>Total Accounts Receivable</b>	<u>270,317</u>	<u>415,579</u>	<u>-145,262</u>	<u>-35%</u>
<b>Other Current Assets</b>				
Petty Cash Account	265	265	0	0%
Office Rent - Security Deposit	6,953	6,953	0	0%
<b>Prepaid Expense</b>				
WLIT prepaid expense	2,000	1,500	500	33%
Prepaid Tech Connect expense	3,500	0	3,500	100%
Prepaid Expenses Tekne Awards	11,363	20,850	-9,488	-46%
Other Prepaid Event Expenses	0	1,000	-1,000	-100%
Prepaid Expense - Other	1,189	724	466	64%
<b>Total Prepaid Expense</b>	<u>18,052</u>	<u>24,074</u>	<u>-6,022</u>	<u>-25%</u>
Allowance for Doubtfull Account	-2,000	-2,000	0	0%
Due From Foundation	1,264	0	1,264	100%
<b>Total Other Current Assets</b>	<u>24,534</u>	<u>29,291</u>	<u>-4,758</u>	<u>-16%</u>
<b>Total Current Assets</b>	<u>910,764</u>	<u>853,194</u>	<u>57,570</u>	<u>7%</u>
<b>Fixed Assets</b>				
Office Equipment	40,163	40,163	0	0%
Leasehold Improvements	9,254	9,254	0	0%
Website	91,503	91,503	0	0%
Accumulated Depreciation	-135,481	-129,456	-6,025	-5%
<b>Total Fixed Assets</b>	<u>5,439</u>	<u>11,464</u>	<u>-6,025</u>	<u>-53%</u>
<b>TOTAL ASSETS</b>	<u><u>916,203</u></u>	<u><u>864,659</u></u>	<u><u>51,545</u></u>	<u><u>6%</u></u>
<b>LIABILITIES &amp; EQUITY</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Total Accounts Payable	3,115	4,552	-1,437	-32%
<b>Credit Cards</b>				
Total Merrill Lynch Credit Card Accou	16,281	9,804	6,477	66%
<b>Total Credit Cards</b>	<u>16,281</u>	<u>9,804</u>	<u>6,477</u>	<u>66%</u>
<b>Other Current Liabilities</b>				
<b>Dues Paid In Advance</b>				
Advance New	8,234	17,925	-9,691	-54%
Advance Dues - beyond yr 1	0	3,750	-3,750	-100%
Advance Renewal	78,116	82,875	-4,759	-6%
<b>Total Dues Paid In Advance</b>	<u>86,350</u>	<u>104,550</u>	<u>-18,200</u>	<u>-17%</u>
Future Events Paid in Adv				

**Minnesota Technology Association**  
**Balance Sheet Prev Year Comparison**  
 As of August 31, 2023

	<u>Aug 31, 23</u>	<u>Aug 31, 22</u>	<u>\$ Change</u>	<u>% Change</u>
Tech Talks	5,000	0	5,000	100%
Communities of Interest	2,500	0	2,500	100%
CIO Forum Sponsorship	7,500	8,500	-1,000	-12%
TechTalent Liab	33,000	0	33,000	100%
WLiT	10,750	10,240	510	5%
Future Event Sponsorship	100	1,600	-1,500	-94%
Addl Event- tech on tap	7,460	2,500	4,960	198%
CIO Panel	25,000	27,500	-2,500	-9%
ACE Leadership	71,750	0	71,750	100%
Tekne Awards	70,725	70,000	725	1%
<b>Total Future Events Paid in Adv</b>	<u>233,785</u>	<u>120,340</u>	<u>113,445</u>	<u>94%</u>
Accrued Vacation	16,170	9,950	6,220	63%
Accrued Bonus	47,868	26,664	21,204	80%
Accrued Profit Share Contr	23,332	27,224	-3,892	-14%
<b>Total Other Current Liabilities</b>	<u>407,505</u>	<u>288,728</u>	<u>118,777</u>	<u>41%</u>
<b>Total Current Liabilities</b>	<u>426,901</u>	<u>303,084</u>	<u>123,817</u>	<u>41%</u>
<b>Total Liabilities</b>	<u>426,901</u>	<u>303,084</u>	<u>123,817</u>	<u>41%</u>
<b>Equity</b>				
Net Assets Unrestricted	376,323	335,607	40,716	12%
Net Income	112,980	225,968	-112,988	-50%
<b>Total Equity</b>	<u>489,302</u>	<u>561,575</u>	<u>-72,273</u>	<u>-13%</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>916,203</u></u>	<u><u>864,659</u></u>	<u><u>51,545</u></u>	<u><u>6%</u></u>





# Minnesota Technology Association

## CEO Report

Board of Directors Meeting  
September 22, 2023

As we approach the end of the third quarter of 2023, I find myself looking back with pride in what our small team has accomplished in terms of programmatic and event execution, yet also filled with disappointment in what we've not been able to achieve in the form of new membership growth. While we set an ambitious goal for the year and market headwinds have clearly played a role in our missing our mark, I regret not having driven harder with potential new members earlier in the year as the opportunity to impact 2023 revenue goals in the final quarter is more limited. That said, new memberships starting in Q4 have a significant impact for 2024 and we will be driving that hard in the coming months.

Net income for the eight months ended August 31<sup>st</sup> was \$113K versus a plan of \$144K, a \$31K shortfall. Without the net \$80K benefit from the Employee Retention Credit program we received this summer, the variance would have been much worse, almost entirely due to the \$134K negative variance in membership revenue to date. I'll cover what we're doing to close this gap in the next section. Events, SciTech, and overall expenses are otherwise mostly tracking to plan.

Looking ahead to 2024, we believe there is a tremendous opportunity to diversify our revenue streams through increased grant funding, thus reducing our reliance on membership dues and event margins to fund program growth. There are a number of grant opportunities tied to tech workforce training and development we are pursuing and look forward to discussing the relative merits of doing so with the board on Friday.

In the pages that follow, we have summarized the status of key initiatives and MnTech programming ahead of Friday's board meeting. We look forward to addressing any questions or concerns you may have at that time.

### **1. MEMBERSHIP UPDATE**

As you will see in the accompanying financial statements, we continue to track well below plan in membership revenue through the first eight months of the year, booking \$552,366 of revenue against a budget of \$686,332, a negative variance of \$133,966. This is evenly split between shortfalls in renewal income (\$67K) and new membership revenue (\$67K).

Today, we have 182 member companies listed on our web site. We've welcomed 29 new member companies in 2023, but have also had 13 choose not to renew their MnTech membership for a variety of reasons, with the most common being financial austerity mandates requiring reduction of non-essential expenditures and perceived lack of ROI on the membership investment. A listing of all new and non-renewing companies is included at the end of this report.

## Renewal Income

Member retention has proven to be more challenging this year than anticipated. Not only have we seen a number of large companies choose not to renew in 2023, payments for many of those that have renewed are coming in later than expected, resulting in the \$67K negative variance through August mentioned above.

We currently project ending the year with \$550K of renewal income versus our budget of \$576K, a shortfall of \$26K (4.5%). The detailed analysis is included as Addendum A to this report, but here are the highlights.

- We have already booked \$494K of membership renewals through August, which is 86% of the annual plan.
- There are 9 companies that have either paid in recent weeks or have committed to renewing that comprise another \$31K of renewal income.
- We have identified 12 outstanding renewals as likely to pay, but have discounted the total renewal income (\$20K) by 50% in our forecast resulting in an additional \$10K
- In the final four months of the year (Sept – Dec), there are just \$17K in renewals of which we budget to receive \$15K (using historical 12% attrition rate).
- Adding this up, we get to the \$550K renewal revenue forecast mentioned above.

Our biggest opportunities are tied to four member companies – Starkey, Toro, Genesis10, and Seagate. Currently, we have Starkey, Toro, and Genesis10 listed in the “Likely” column with their revenue potential discounted at 50%. If they renew as hoped, this would provide an additional \$7K for this year. We have not included Seagate in our forecast due to stated financial challenges impacting their ability to renew, but we have offered incentives that will hopefully result in a changed outcome. Seagate could add an additional \$6K to renewal revenue for the year.

There are clearly a lot of assumptions here, but I wanted to share that despite our current renewal shortfall, there is a path forward that doesn’t look so grim. We will keep you posted on collection efforts.

## New Member Revenue

Revenue recognized from new memberships was \$58,550 through August 31 versus a budget of \$125,834 - a significant shortfall from plan. While we have added 28 new member companies since the beginning of the year, these have been mostly smaller organizations with similarly smaller membership levels.

We have invoiced Horizontal (\$10K) and Health Partners (\$4K) for new memberships and based on recent conversations, expect Meta (\$12.5K) and Fredrikson (\$4K) to join starting in October as well. Promising conversations have been held with Data Recognition Corp, ECMC, Abbott, Polar Semiconductor, and SkyWater Technologies, and we hope to convert these into new memberships in the coming months.

We’ve also had the CIOs of seven companies tell us that they will be including MnTech membership in their 2024 budgets. While not helping with 2023 revenue, this could add \$60K to our 2024 budget if memberships start in January for Agiliti Health, Digital River, Tennant, Tactile Medical, Red Wing Shoe, Taft Law, and the MN Airports Commission. For enterprises that



were not able to join in 2023 due to financial constraints, we will continue to encourage them to include MnTech membership in their 2024 budgets.

In addition to our continued targeted outreach to large Minnesota companies that are not currently MnTech members, we are preparing to launch a new **“Connect to MnTech”** initiative that we hope will result in at least \$20K in new memberships before the end of the year. Target audiences are individuals who are attending our events (e.g. Tech on Tap) and/or engaging with our communications (e.g. TECHtuesday) but whose companies are not MnTech members. We will be hosting quarterly Connect to MnTech virtual events starting in October to share more about what we do, why we do it, and benefits of membership.

And finally, we are preparing a membership survey as a means for gathering feedback, understanding member needs, and identifying areas for improvement so that we can maintain member satisfaction and optimize our member value proposition. We plan to then follow up with targeted interviews with key members to get more nuanced feedback on specific issues as we build our 2024 operating plan.

## **OUR KEY PILLARS**

As has been our practice, program updates are aligned with our foundational pillars of Advocacy, Talent, and Community. The following is a brief update on each of these areas and look forward to addressing any questions or concerns you may have on Friday.

### **A. ADVOCACY**

Since the Minnesota Legislature adjourned on May 22<sup>nd</sup>, there hasn't been a lot of activity on the policy front as we absorb the ramifications of the \$72 billion budget that was passed for the next biennium (a nearly 40% increase from the previous state budget). This includes funding for new workforce initiatives which we will address in the next section and cover in some detail at Friday's meeting.

While the upcoming 2024 session is considered an “off-year” (Minnesota passes budgets for a two-year cycle beginning on July 1 of each odd-numbered year), these budgets can be modified in the off-year legislative session. To this end, our CSforALL consortium is now meeting weekly to plan for how we can best secure additional funding for expansion of computer science education opportunities beyond the relatively modest \$500K earmark approved in May.

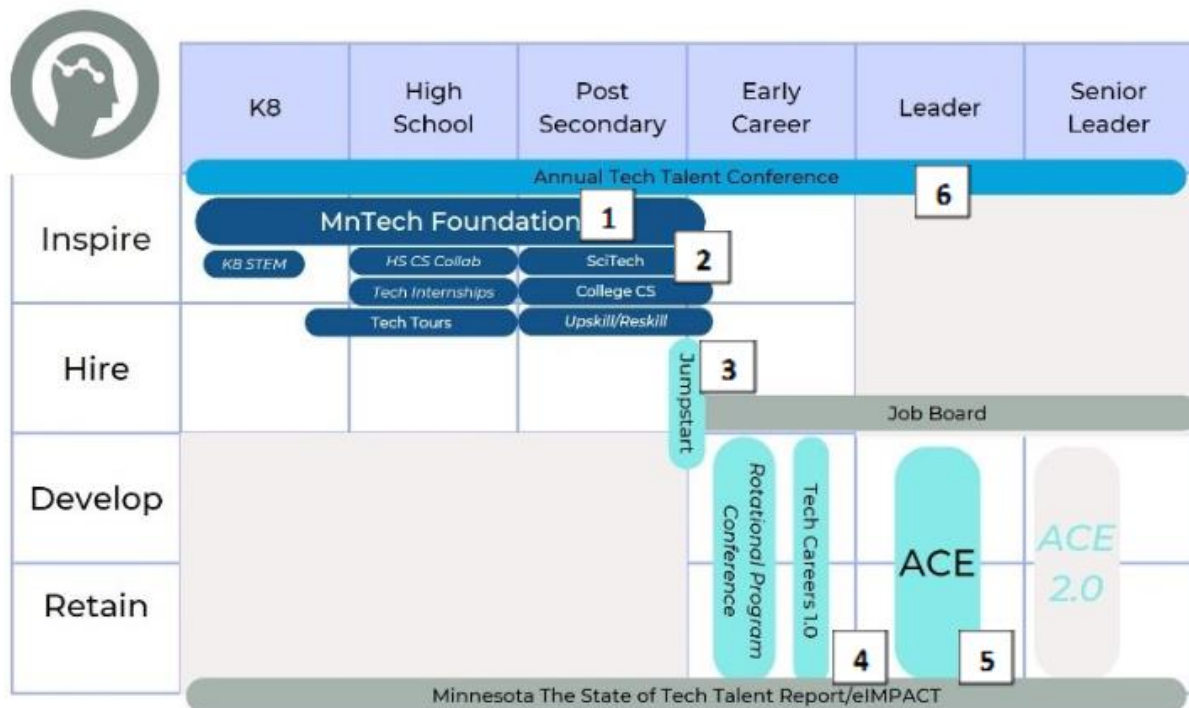
Certain lawmakers have already begun crafting proposed legislation that could impact our tech community. This includes policies that would restrict and limit applications of artificial intelligence, drive tighter regulation over data privacy and use of social media algorithms, and even rollback the tax exemptions that have helped finance the construction of data centers in our state. We wish to get ahead of these issues by convening (and expanding) our policy committee now so that we can more effectively educate and influence lawmakers on the unintended consequences of poorly crafted and misguided legislation. More to come on this in the coming weeks.

## B. TALENT

As highlighted in this just-released report from Lightcast and the MN Business Partnership titled [Minnesota's Vanishing Workforce](#), Minnesota faces a number of demographic challenges that will impact our ability to fill the jobs necessary to sustain and grow our economy. Developing Minnesota's future pool of digitally-skilled, employment-ready workers is not only critical to the future success of Minnesota's innovation economy, it is a key priority for the Minnesota Technology Association and where we can add real value for our member companies and drive significant impact for the state. This means going beyond just being a trusted convenor and unifying voice for tech-enabled companies in Minnesota and increasingly becoming a developer and operator of programmatic solutions as well.

It is this conversation we wish to have with the board as we look to widen our aperture in terms of focus and programming related to tech workforce development. Joel Crandall and I will share our initial thoughts in this regard and discuss opportunities to launch new talent initiatives with the support of available grant funding. We look forward to your insights and perspectives as to what this might entail as we make critical decisions as to resource allocations for the coming year.

In terms of talent updates, we are using the graphic Joel shared in the last board report highlighting where the work of MnTech currently aligns across the tech talent development spectrum as a guide for his updates below.



### 1. MnTech Foundaton

The Foundation is accelerating its work to serve as a backbone convenor for our community in tech talent development. Leveraging our unique relationships and credibility with educational

institutions, nonprofits, business, and civic leaders, we have identified a few early investments that the Foundation board will be evaluating at a board retreat in a few weeks.

- Aspirations in Computing: Preparations are underway for [Aspirations in Computing](#) to become a program of the MnTech Foundation. Aspirations has recognized over 1,000 girls and nonbinary high school students over the last 12 years as they pursue careers in technology. Ismail Ali is serving as project manager for this transition.
- Apprenticeships: Due diligence research into funding and viability regarding a shared apprenticeship approach have started. Verizon, Best Buy Social Impact, and the Minnesota Department of Employment and Economic Development are potential partners in this area of focus and we will share more about this on Friday.
- InspireTech: MnTech continues to plan and support technology tours, panels, and learning experiences for students. On October 9<sup>th</sup>, Salesforce will be training Career and Technical Education students in Minneapolis on app development.

## 2. **SciTech Internship Program**

The 2023 program year is now complete with a final total of 240 interns placed, surpassing our goal of 200 internships. This brings the total number of students placed to 2,939 over the last 11 years. 28% of the interns hired were women and 29% of the interns hired are students-of-color. The average wage paid to interns is \$20.47/hour.

Of the 161 students who applied this quarter, 71% were students of color and 36% were women and nonbinary students.

SciTech is pleased to welcome our new Student Outreach Manager, Ama Asantewaa, to the team. Now three weeks into the job, Ama is quickly familiarizing herself with our system and has already attended her first career fair. She has a full recruiting schedule lined up for the fall, with 10 career fairs over the next two months and a handful of on-campus info sessions and career development workshops.

Piper Cleaveland, SciTech's Program Director, has begun implementing her new company recruitment strategy to build our pool of employers and the number of jobs posted on our site. With our new goal of placing 325 students this year and next, we are advocating for more part-time opportunities in the fall, winter and spring, to better round out the year and more easily reach our placement numbers.

## 3. **Jumpstart**

MnTech's Jumpstart initiative supports boot camp students and recent graduates in their efforts to join Minnesota's tech workforce by providing career coaching, group mentoring, and professional networking opportunities every quarter.



Q2 Results: 86 attendees, most of them bootcamp students or graduates, received coaching on LinkedIn at an event hosted by SPS Commerce. Additionally, many attendees took advantage of the professional headshots offered and actively engaged in networking.

Q3 Event: Turnberry Solutions is hosting our final event of the year on October 17<sup>th</sup> with a focus on the Unwritten Rules of Networking.

Ask: If you know recruiters that are looking to speak with talent from bootcamps, or recent bootcamp completers that are looking for ways to connect and give back to others, please connect with [Ismail Ali](#).

#### 4. Tech Careers 1.0

Tech Careers 1.0 hosts quarterly gatherings for early-career professionals working in the technology sector. Target hosted our June event with more than 130 attendees discussing the power of mentorship. Building on the initial success of our Q1 event at Xcel Energy, our Q2 event was held in June at Target Commons with an energetic and diverse crowd of 137 attendees. The topic was “Reaching New Heights: Empowering Your Career with Mentorship” and featured Maria Vittone along with a facilitated panel of mentors and mentees. Special shout-out to Thomson Reuters for underwriting the cost of Tech Careers 1.0 this year.



Ask: If you have resource or affinity groups focused on early tech talent, or career development professionals that have this as a focus, please connect with us so we can include your teams in future events. We are also looking for host locations for Q3 and Q4 gatherings.

#### 5. ACE Leadership Program

We kicked off our second ACE cohort for 2023 last week at Padilla with an energetic group of 27 leaders. Thanks to those board members that have invested in developing their future leaders through ACE and for volunteering to coach or speak. While the total revenue generated through ACE was slightly less than what we had budgeted (\$187K versus \$210K), we still hope to finish the year on plan in terms of net margin.



The ACE program emphasizes awareness of different leadership styles, expands leaders' knowledge of the MN tech ecosystem, deepens core leadership competencies, expands participants' network, and more. Companies demonstrate a clear investment in their employees' development, while giving emerging leaders the tools they need to produce stronger outcomes and effectively lead within their teams.

Ask: Please consider recognizing rising stars in your organizations by honoring them with a nomination for selection into the ACE Leadership Program Spring 2024 cohort. More information is available on our [website](#)—and interested leaders or participants can contact Joel Crandall.

## 6. Tech Talent Conference

MnTech's annual [Tech Talent Conference](#) is returning on October 27<sup>th</sup> and will be held at Best Buy headquarters. The theme for this year is "**Eye on the Ball: Equitable, End-to-End, Tech Talent Development**" and we have described the basis for the theme as follows:

*The tech talent outlook in 2023 has radically shifted. Hiring that was 'off the charts' is now the slowest in 5 years. Employees who were leaving in record numbers are now staying. AI continues to impact every element of the hiring process. Amid these changes, investments in nontraditional talent strategies slowed. Equity investments in new hires and talent development strategies reduced. And education struggled to keep pace training talent prepared to work in the modern workforce. During the din and disruption of 2023, focus on our shared future is required. Eye on the ball. Equitable, end-to-end, tech talent development. Tech Talent 2023.*

The morning will kick-off with general sessions and speakers providing insights related to Minnesota's tech workforce challenges with 12 breakout sessions across four separate tracks to follow. A more detailed agenda with speaker information is being released in the coming days.

MnTech has also received a grant to host the EPICMn (Expanding Pathways in Computing Minnesota) conference in conjunction with Tech Talent. This will bring educators, administrators and education leaders into the room to discuss this important topic and share ideas for the statewide CS plan.

Ask: Please encourage HR, talent development, and hiring leaders within your organization to register and contribute to this important event.

## C. COMMUNITY

The following is a summary of key outcomes since our last board report and changes or improvements being made by Molly in the execution of our community events and programming. You will see intentional shifts in our approach to marketing and promoting our

events to better focus on our members and ensure an appropriate ratio of vendors to practitioners. This is only possible when we have the data from which we can segment our marketing efforts and we are pleased to report that we continue to make great progress on that front, with the official completion of our Pardot / Salesforce integration and efforts to optimize the use of our new tools.

### Tech On Tap

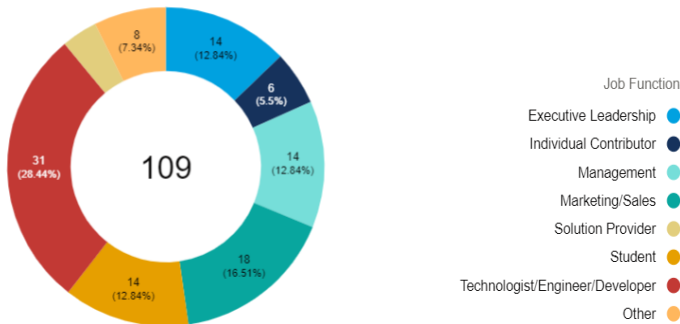
We shifted our marketing approach to accomplish our goal of ensuring we had an appropriate ratio of vendors to practitioners, and to continue to host more of our MnTech members. Tactics included charging a nominal fee for non-members, inviting members first via direct email marketing to key member accounts prior to a general announcement/open registration to all via Tech Tuesday newsletter.

We also changed our registration form to now require “job function” so that we can more accurately see who is attending based on role, and allow us to evaluate if we are achieving our audience target goals of this event:

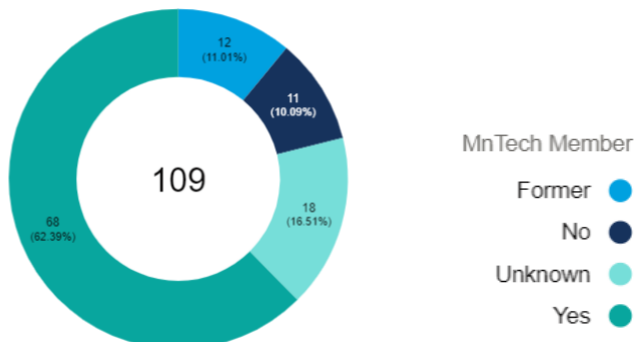
- Goal: less than 25% Marketing/Sales, Actual: 16%
- Goal: 25% or more Management and Executive, Actual: 25%
- Goal: 70% or more Members, Actual: 62%

This data has not been tracked historically so we cannot accurately say what has improved, but we will be able to do so after the baseline of our September event, as established in the charts below.

### September Tech on Tap – By Role Type



### September Tech on Tap – By Membership Status

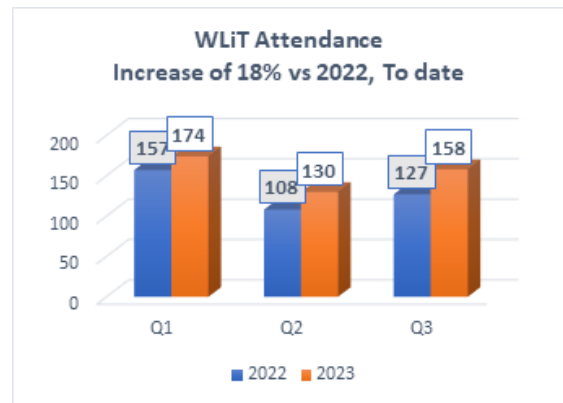




We continue to see strong interest in our Tech on Tap events, as evidenced by the 109 individuals who attended the September 7<sup>th</sup> gathering at Dual Citizen Brewing Company in St. Paul, our largest turnout to date despite charging non-members to attend. We have reached a level where we will increasingly need to close registration to ensure we do not exceed event location capacity, a good problem to have. Next year, we plan to host Tech on Tap every month as the demand is clearly there.

### Women Leading in Technology (WLIT)

Our annual summer happy hour on August 15<sup>th</sup> was a great networking event drawing 158 attendees and strong sponsor support. As you can see in the table to the right, attendance for the quarterly WLIT events is up 18% compared to last year.



As with Tech on Tap, we are leveraging our marketing tools to more intentionally target our audience and ensure a greater mix of executive leaders, practitioners, and vendor partners. We are working with Turnberry Solutions (pro-bono) to improve the social media and online presence of WLIT and gain insights that will elevate the impact of all our marketing efforts.

Please join us for our final WLIT event of 2023 the evening of October 10<sup>th</sup> at the Metropolitan Ballroom as Aimee Cohen – speaker, executive coach, trainer, and author – will deliver a presentation titled “**Woman Up! Manage Your Career Like a Boss**” that will be empowering and sure to inspire. Hope to see you there.

### 2023 Tekne Awards

We are thrilled to be well underway with the planning and execution of our 25<sup>th</sup> annual Tekne Awards. The judges have completed their evaluations, finalists (and award recipients) have been selected, and we look forward to announcing and celebrating Tekne finalists at the finalist reception event scheduled for September 28<sup>th</sup> and hosted by Robins Kaplan.



This year, we received 86 submissions applications across 12 award categories which were evaluated by 7 judging panels. There will be 3 additional awards that are selected by MnTech leadership (Career Achievement, Public Service, and Tech Educator of the Year) and we look forward to sharing the names of those that will be honored, along with the finalists in all other categories, on September 28<sup>th</sup>.

Our Tekne Awards celebration gala takes place the evening of November 16<sup>th</sup> and it's not to be missed, as technology leaders come together to honor the companies and people driving technology innovation in our state. This is the one event we ask all MnTech board

members to attend and hope you will choose to be an event sponsor as well. At a minimum, we hope you will purchase a VIP table for 10 guests and you can [learn more and make table purchases here](#).

### Tech Talks

We hosted our second ever Tech Talk on July 13<sup>th</sup> at Land O’Lakes on the topic of **Sustainability through Technology Innovation**. We had a truly impressive group of four presenters and thought-leaders sharing their exciting accomplishments, providing insights about lessons learned along the way, and challenging attendees to join the quest to address and solve urgent sustainability issues.

#### Presenters



**Chakra Sankaralah**  
Sr. Director of Technology  
Land O’ Lakes



**Srinivas Somayajula**  
VP Global Technology Partnerships &  
Development  
Ecolab



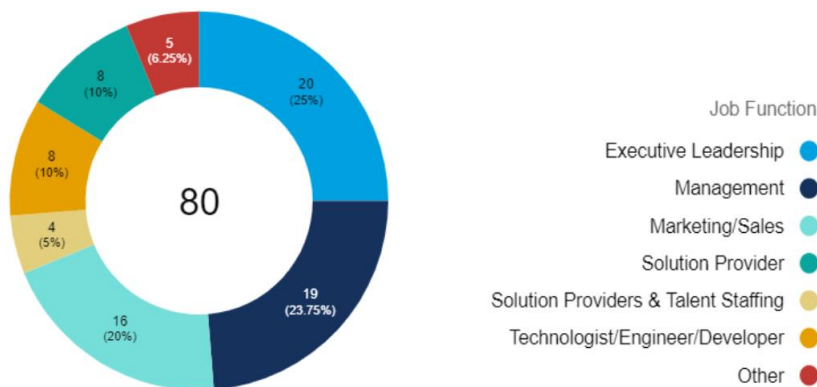
**Marcus Johansson**  
IT Director  
Xcel Energy



**Dave Rummier**  
Vice President of Sales  
EOS IT Solutions

We achieved our registration goal of 150, but with only 80 attendees had a lower conversion to attendance than we would typically expect (53% attendance rate compared to expected 80%). However, we were happy to see that 49% of attendees were in leadership roles (executive, manager) as you can see in the chart below.

#### July Tech Talk Attendees – By Role Type



Our final Tech Talk of 2023 will be held on November 2<sup>nd</sup> on the topic of **Cybersecurity – Preventing Risk and Managing a Crisis**. Presenters are being finalized and registration will open soon.

We will likely charge for this event starting in 2024 (likely \$40 for non-members and \$25 for members), so that registrants have some “skin in the game” for conversion to attendance and to continue to drive member value distinction through ticket cost reductions for members.

The cost of a higher quality video production has doubled the cost of these events versus our initial budget. In response, we have successfully doubled our sponsorship and are seeking a site host to hold down expenses. A site host will also allow us to reduce the effort related to logistics and support consistency in a higher-quality production and video capture of these events. We are at work on securing a permanent “home” for the Tech Talk and are excited that the Science Museum is considering our invitation to be our event host/sponsor for November and potentially all of 2024. Not a done deal yet, but fingers crossed!

### **Tech Leadership Forum**

Our Q3 Tech Leadership Forum will be held virtually the morning of Monday, September 25, from 8-9 am as I sit down with Brett Craig, CIO of Target Corporation, and reflect on his first year in the CIO role. We’ll talk about what onboarding support he received, what went well (and what didn’t), unexpected challenges and how the experiences of his first year has informed how he is approaching year two in the CIO chair. While I will lead the first part of the conversation, we will open up the forum to all invited tech executives and hope you will join us. Please [register for this invitation-only gathering here](#).



### **FINANCIAL REVIEW**

As shared in the introduction, net income for the eight months ended August 31<sup>st</sup> was \$113K versus a plan of \$144K, a \$31K shortfall to budget. This is almost entirely attributable to weaker membership revenue. Total membership revenue booked through August was \$494K versus a plan of \$561K, a negative variance of \$134K which is evenly split between shortfalls in renewal income (\$67K) and new membership revenue (\$67K).

We are working hard to collect outstanding membership renewals and believe we will reduce the negative variance to something closer to \$26K by the end of the year. We do not anticipate significantly reducing the negative variance attributed to new membership revenue and will likely end the year having booked only half of what we had budgeted for new member revenue last November (\$70K versus \$140K plan). Tighter corporate budgets made discretionary expenditures for things like new association memberships more difficult to justify and we’ve been leaning into those headwinds all year.

While the SciTech program shows an \$89K negative variance to plan through August, this is simply a timing issue related to wage reimbursements with a corresponding positive variance on program expenses of \$86K. We expect the program to end the year right on budget.



The key driver in closing our income gap this year was the receipt of \$89K of Employee Retention Credit funding. Taking into account an additional expense of \$9K to CLA for processing, this provided a net gain of \$80K versus the \$30K we had budgeted.

Total expenses are running below plan with the biggest contributor being nearly \$60K in staffing savings, mostly a function of not immediately filling the Director of Policy position. Event expenses have been running slightly higher than budgeted and our upcoming Tekne Awards event will come in well above budgeted costs, putting additional pressure on revenue generation from sponsorships and table sales.

The balance sheet as of August 31, 2023 shows a cash balance of \$616K with current assets comprising \$911K of our total \$916 in organizational assets. With current and accrued liabilities of \$427K, this results in net equity of \$489K.

Jan - August 2023 Outstanding Membership Renewal Analysis

Open Renewals Jan - Aug	Month Budgeted	Dues Level	Month Budgeted	Budgeted Dues Accrual	Committed	Likely	Still Working
Code 42	Jan	5,000	Jan	4,400	5,000		
Frontline Biotechnologies	Jan	300	Jan	264			264
Hentges AI, LLC	Jan	300	Jan	264			264
Intrique Enterprises LLC	Jan	500	Jan	440			440
ProActive	Jan	300	Jan	264			264
USI Insurance	Jan	1,000	Jan	880			880
Accessible360	Feb	500	Feb	403		403	
Concurrency	March	1,000	March	733		733	
Adventium Enterprises	April	1,000	April	660			660
Condux	April	2,500	April	1,650			1,650
Holmes Murphy	April	1,000	April	660			660
Repowered (TechDump)	April	1,000	April	660		660	
Securian	April	10,000	April	6,600	6,600		
Softvative Inc.	April	300	April	198			198
North Labs	May	1,000	May	587			587
Starkey Hearing Technology	May	12,500	May	7,333	-	7,333	
Equus Holding	June	2,500	June	1,283	1,283		
Genesis 10	June	5,000	June	2,567		2,567	
Seagate	June	12,500	June	6,417		-	6,417
Huntington Bank	June	7,500	June	3,850	3,850		
Appian	July	300	July	132		132	
Ecolab	July	12,500	July	5,500	5,500		
Emergent Software	July	1,000	July	440		440	
Microsoft Corporation	July	7,500	July	3,300	3,300		
Minnesota State Centers for Excellence	July	1,000	July	440	440		
Photonic Pharma	July	600	July	264		264	
Principal Financial Group	July	2,000	July	880		880	
State of Minnesota	July	1,000	July	440	440		
Renodis	Aug	2,500	Aug	917		917	
Fortra	Aug	12,500	Aug	4,583	4,583		
Toro	Aug	12,500	Aug	4,583		4,583	
Abdo, Eick & Meyers, LLP	Aug	2,000	Aug	733		733	
<b>Total</b>		121,100		62,326	30,996	19,645	12,284

Paid 9/15

Paid 9/15

50% uncounted

**Total Outstanding- Budgeted Available Jan - Aug**

**Total Outstanding- Committed Jan - Aug**

**Total Outstanding - Likely Jan - Aug**

**Shortfall**

	Remaining Renewal Dues	88%
September	10,417	9,167
October	2,750	2,420
November	3,900	3,432
December	83	73
	<u>17,150</u>	<u>15,093</u>

62,326  
30,996  
9,823  
21,508

**August financials show renewals \$67K behind plan as of 8/31. Our current forecast shows us ending the year \$26K behind plan as calculated below.**

**Actual renewals as of 8/31: \$493,816  
Plus Committed: \$30,996  
Plus Likely (50%): \$9,823  
Plus Remaining at 88%: \$15,093**

**Total renewals are forecasted at \$549,728 versus plan of \$575,600**

## 2023 Membership Cancellations Plus New Memberships (as of August)

2023 Membership Cancellations		2023 Financial	
		Annual Level	Impact
Horizontal	January	10,000	8,800
Cliektek	January	1,500	1,320
AVI	January	1,500	1,320
TriCom	January	1,000	880
Eckland & Blando LLP	January	1,000	880
Outsystems	February	750	605
C.H. Robinson	February	12,500	10,083
Delaget	February	1,500	1,210
S/BES LLC	April	450	297
Ovative Group	May	7,500	4,400
Seagate	June	12,500	6,417
Ameriprise	July	10,000	4,400
HTEC	August	7,500	2,750
		67,700	43,362

New Membership Revenue	Month	Annual Dues	2023 Recognized	
			Revenue	
2022 rollover	January	\$ 29,134	\$ 29,134	
Software for Good	January	\$ 1,000		in rollover
Tata Consultancy	January	10,000	10,000	
Micah Group	January	300	300	
Sunbelt Medical	January	500	500	
Westman, Champlin	January	500	500	
Brooksource ( Eight Eleven Group)	February	1,000	917	
Tech by Design	February	1,000	917	
BrickStuff	February	450	413	
Excel SoftServices	February	1,000	917	
Invest Northern Ireland	February	500	458	
Juniper Networks	March	300	250	
Nexient	March	1,000	833	
OneSpan	March	300	250	
Hennepin County	April	1,000	750	
RNXT Corp	April	300	225	
West Monroe Partners	April	5,000	3,750	
Ledelsea	April	1,000	750	
Lakeside Software	May	500	333	
DotSquares Tech	May	300	200	
Kettu Tech LLC	May	300	200	
Tuckpoint Advisory	May	500	333	
EOS IT	May	500	333	
York Solutions	June	7,500	4,375	
Yash	June	750	500	

WipeOS	June	450		225
Online Business Systems	July	450		225
Virtual Minds LLC	July	1,500		625
VAST Data	July	450		188
TensorIoT	August	300		150
			\$	67,784
			\$	58,551

**New Commitments:**

Health Partners	September	4,000		1,333
Horizontal	September	10,000	\$	3,333
Meta	October	12,500		3,125
Fredrikson	October	4,000		1,000
			\$	30,500
			\$	8,792

**Likely:**

Data Recognition Corp	October	5,000		1,250
Abbott	October	12,500		3,125
ECMC	October	4,000		1,000
			\$	21,500
			\$	5,375

**2024 "Putting In the Budget"**

Agiliti Health	\$10,000
Anaplan	\$1,500
Digital River	\$12,500
Metro Airports Comm.	\$4,000
Red Wing Shoe	\$10,000
Tactile Medical	\$10,000
Taft Law	\$3,500
Tennant Corp.	\$10,000
	<u>\$61,500</u>