

# Governor's Council for Workforce <u>AND ECONOMIC DEVELOPMENT</u>

**EDUCATION** 

**ECONOMIC DEVELOPMENT** 

**EMPLOYMENT** 

### STATE OF OKLAHOMA

2005 Business Services & Information Technology Cluster Analysis

### **DEFINITION OF INDUSTRY**

The Business Services & IT Cluster is composed of those business establishments that directly engage in providing business support services, such as consulting and administrative services, or information technology services to clients. There are thirty-six industries in the Business Services & IT cluster and their operations include activities as varied as software development, telecommunication services, consulting services and telemarketing.

### SIGNIFICANCE AND HIGHLIGHTS

Nationally in 2004, the Business Services & IT Cluster accounted for approximately 4.0% of total national employment. Comparably in Oklahoma, the Business Services & IT Cluster accounted for approximately 3.8% of the state's total employment. Since the proportion of total employment in the cluster is greater in the nation than the state, Oklahoma's 2004 location quotient in this cluster is less than 1.0. However within selected counties, the proportion is greater in the county than the state, and those counties have location quotients greater than 1.0.

Geographically, the Business Services & IT Cluster is concentrated in the state's two largest metropolitan areas with some counties in Southern Oklahoma and north central having large employment as well. The top five counties employ 45,173 people, or 82.1% of the total cluster employment. More specifically, Tulsa (21,045 jobs) and Oklahoma (18,387 jobs) counties employ 71.0% of the people in this cluster.

### DATA SOURCES

Data used for this analysis was obtained from the Oklahoma Employment Security Commission and included filings of Oklahoma employers as of December, 2004.

### CLUSTER STATISTICS

Employer Units	3,965
Number of Employees	55,571
Percent of Total Oklahoma Employment	3.8%
Net Employment Change between 2002 and 2004	-2,366
Average Annual Wages	\$40,811
Location Quotient	0.95
Change in Location Quotient 2002-2004	-3.8%

### TOP FIVE INDUSTRIES IN THE BUSINESS SERVICES & IT CLUSTER

The top five industries employ 26,697 (or 48%) of a total of 55,571 in the entire cluster.

NAICS	Industry	Employment	Percent of Cluster
561422	Telemarketing Bureaus	7,646	13.8%
517110	Wired Telecommuniactions Carriers	7,291	13.1%
561110	Office Administrative Services	5,069	9.1%
541611	Administrative Management & General Management Consulting Services	3,659	6.6%
517212	Cellular & Other Wireless Telecommunications	3,032	5.5%

<sup>(</sup>D) = Data suppressed for disclosure reasons.

### TOP EMPLOYERS IN THE BUSINESS SERVICES & IT CLUSTER

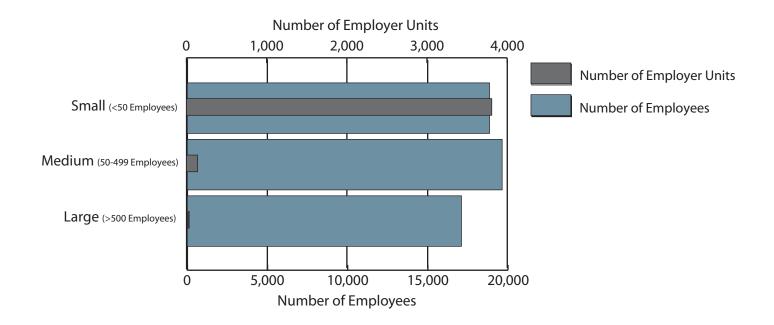
Company Name	Employee Range
Southwestern Bell	2,000 - 3,000
DecisionOne Corp.	1,500 - 2,500
EDS	1,000 - 2,000
AT&T Wireless	1,000 - 2,000
Cingular Wireless	1,000 - 2,000

### **INDUSTRY LOCATION QUOTIENTS**

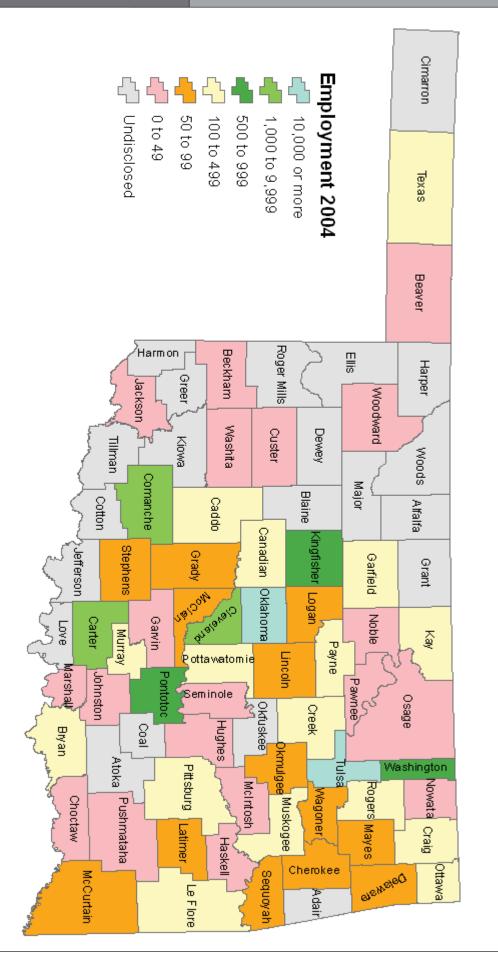
NAICS	Industry	Location Quotient	2002-2004
			LQ % Change
517910	Other Telecommunications	16.28 (D)	-0.1% (D)
517410	Satellite Telecommunications	5.02 (D)	-55.5% (D)
561422	Telemarketing Bureaus	2.23	-14.1%
541618	Other Management Consulting Services	1.98	-22.7%
517212	Cellular & Other Wireless Telecommunications	1.60	30.1%

### DISTRIBUTION OF EMPLOYER UNITS & JOBS BY EMPLOYER SIZE (DECEMBER 2004)

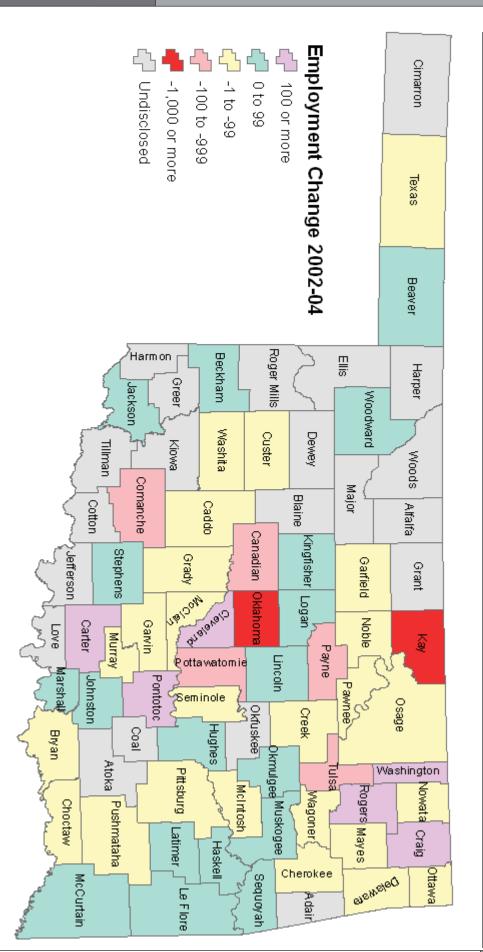
Range	Employer Units	Employees
Small (<50 employees)	3,807	18,845
Medium (50-500 employees)	142	19,631
Large (>500 employees)	16	17,095



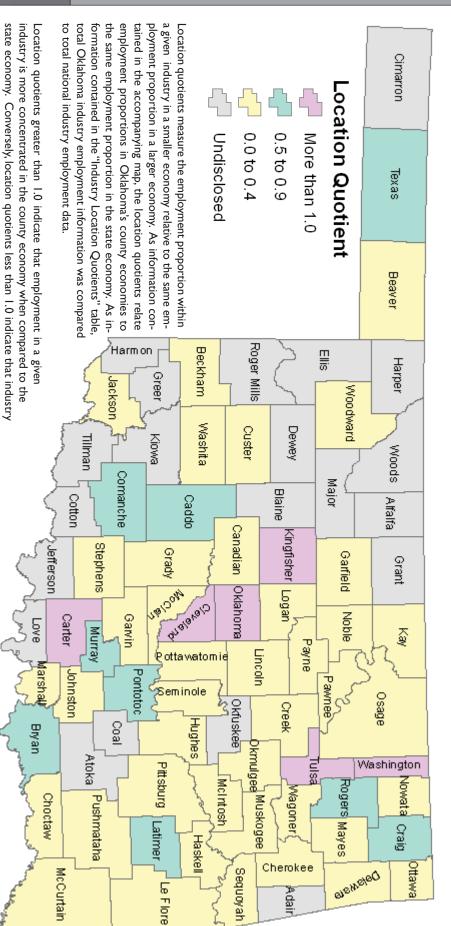
TOTAL BUSINESS SERVICES & INFORMATION TECHNOLOGY CLUSTER EMPLOYMENT BY COUNTY



**B**USINESS **S**ERVICES & INFORMATION TECHNOLOGY CLUSTER EMPLOYMENT CHANGE 2002-2004



# BUSINESS SERVICES & INFORMATION TECHNOLOGY CLUSTER COUNTY LOCATION QUOTIENTS



## Example:

employment is less concentrated in the county economy when compared to the state economy. Location

quotients equal to 1.0 indicate that the employment proportions within a given industry are equal in the county and the state econo-

In the Business Services & Information Technology cluster, Murray County's location quotient equals 0.80. This indicates that the proportion of people employed in the Business Services & Services & Information Technology in the state as a whole location quotient equals 1.32 which indicates that the proportion of people employed in the Business Services & Information Technology cluster in Cleveland County is 132% of the Business Information Technology cluster in Murray county is 80% of the Business Services & Information Technology employment proportion in the state as a whole. Conversely, Cleveland County's

ployed in this industry in Oklahoma is 502% of the same national proportion From the "Industry Location Quotients" table, the location quotient for the Satellite Telecommunications (NAICS 517410) equaled 5.02, which indicates that the proportion of people em

The most current national data available to compute location quotients is from the U.S. Bureau of Labor Statistics for 2004

### 511210 SOFTWARE PUBLISHERS

This industry comprises establishments primarily engaged in computer software publishing or publishing and reproduction. Establishments in this industry carry out operations necessary for producing and distributing computer software, such as designing, providing documentation, assisting in installation, and providing support services to software purchasers. These establishments may design, develop, and publish, or publish only.

### 516110 Internet Publishing and Broadcasting

This industry comprises establishments engaged in publishing and/or broadcasting content on the Internet exclusively. These establishments do not provide traditional (non-Internet) versions of the content that they publish or broadcast. Establishments in this industry provide textual, audio, and/or video content of general or specific interest on the Internet.

### 517110 WIRED TELECOMMUNICATIONS CARRIERS

This industry comprises establishments engaged in (1) operating and maintaining switching and transmission facilities to provide point-to-point communications via landlines, microwave, or a combination of landlines and satellite linkups or (2) furnishing telegraph and other non-vocal communications using their own facilities.

### 517211 PAGING

This U.S. industry comprises establishments primarily engaged in operating paging networks. The establishments of this industry may also supply and maintain equipment used to receive signals.

### 517212 CELLULAR AND OTHER WIRELESS TELECOMMUNICATIONS

This U.S. industry comprises establishments primarily engaged in operating cellular telecommunications and other wireless telecommunications networks (except paging).

### 517310 TELECOMMUNICATIONS RESELLERS

This industry comprises establishments primarily engaged in purchasing access and network capacity from owners and operators of the networks and reselling wired and wireless telecommunications services (except satellite) to businesses and households. Establishments in this industry resell telecommunications; they do not operate and maintain telecommunications switching and transmission facilities.

### 517410 SATELLITE TELECOMMUNICATIONS

This industry comprises establishments primarily engaged in providing point-to-point telecommunications services to other establishments in the telecommunications and broadcasting industries by forwarding and receiving communications signals via a system of satellites or reselling satellite telecommunications.

### 517510 CABLE AND OTHER PROGRAM DISTRIBUTION

This industry comprises establishments primarily engaged as third-party distribution systems for broadcast programming. The establishments of this industry deliver visual, aural, or textual programming received from cable networks, local television stations, or radio networks to consumers via cable or direct-to-home satellite systems on a subscription or fee basis. These establishments do not generally originate programming material.

### 517910 OTHER TELECOMMUNICATIONS

This industry comprises establishments primarily engaged in (1) providing specialized telecommunications applications, such as satellite tracking, communications telemetry, and radar station operations; or (2) providing satellite terminal stations and associated facilities operationally connected with one or more terrestrial communications systems and capable of transmitting telecommunications to or receiving telecommunications from satellite systems.

### 518111 INTERNET SERVICE PROVIDERS

ESTABLISHMENTS IN THIS INDUSTRY PROVIDE CLIENTS ACCESS TO THE INTERNET AND GENERALLY PROVIDE RELATED SERVICES SUCH AS WEB HOSTING, WEB PAGE DESIGNING, AND HARDWARE OR SOFTWARE CONSULTING RELATED TO INTERNET CONNECTIVITY. ESTABLISHMENTS IN THIS INDUSTRY MAY PROVIDE LOCAL, REGIONAL, OR NATIONAL COVERAGE FOR CLIENTS OR PROVIDE BACKBONE SERVICES (EXCEPT TELECOMMUNICATIONS CARRIERS) FOR OTHER INTERNET SERVICE PROVIDERS.

### 518112 WEB SEARCH PORTALS

Establishments in this industry operate web sites that use a search engine to generate and maintain extensive databases of Internet addresses and content in an easily searchable format. Web search portals often provide additional Internet services, such as e-mail, connections to other web sites, auctions, news, and other limited content, and serve as a home base for Internet users.

### 518210 Data Processing, Hosting, and Related Services

This industry comprises establishments primarily engaged in providing infrastructure for hosting or data processing services. These establishments may provide specialized hosting activities, such as web hosting, streaming services or application hosting, provide application service provisioning, or may provide general time-share mainframe facilities to clients. Data processing establishments provide complete processing and specialized reports from data supplied by clients or provide automated data processing and data entry services.

### 519190 ALL OTHER INFORMATION SERVICES

This industry comprises establishments primarily engaged in providing other information services (except news syndicates and libraries and archives).

### 541511 CUSTOM COMPUTER PROGRAMMING SERVICES

This U.S. industry comprises establishments primarily engaged in writing, modifying, testing, and supporting software to meet the needs of a particular customer.

### 541512 COMPUTER SYSTEMS DESIGN SERVICES

This industry comprises establishments primarily engaged in planning and designing computer systems that integrate computer hardware, software, and communication technologies. The hardware and software components of the system may be provided by this establishment or company as part of integrated services or may be provided by third parties or vendors. These establishments often install the system and train and support users of the system.

### 541513 COMPUTER FACILITIES MANAGEMENT SERVICES

This U.S. industry comprises establishments primarily engaged in providing on-site management and operation of clients' computer systems and/or data processing facilities. Establishments providing computer systems or data processing facilities support services are included in this industry.

### 541519 OTHER COMPUTER RELATED SERVICES

This U.S. industry comprises establishments primarily engaged in providing computer related services (except custom programming, systems integration design, and facilities management services). Establishments providing computer disaster recovery services or software installation services are included in this industry.

### 541611 Administrative Management and General Management Consulting Services

This U.S. industry comprises establishments primarily engaged in providing operating advice and assistance to businesses and other organizations on administrative management issues, such as financial planning and budgeting, equity and asset management, records management, office planning, strategic and organizational planning, site selection, new business startup, and business process improvement. This industry also includes establishments of general management consultants that provide a full range of administrative; human resource; marketing; process, physical distribution, and logistics; or other management consulting services to clients.

### 541612 Human Resources and Executive Search Consulting Services

This U.S. industry comprises establishments primarily engaged in providing advice and assistance to businesses and other organizations in one or more of the following areas: (1) human resource and personnel policies, practices, and procedures; (2) employee benefits planning, communication, and administration; (3) compensation systems planning; (4) wage and salary administration; and (5) executive search and recruitment.

### 541613 Marketing Consulting Services

This U.S. industry comprises establishments primarily engaged in providing operating advice and assistance to businesses and other organizations on marketing issues, such as developing marketing objectives and policies, sales forecasting, new product developing and pricing, licensing and franchise planning, and marketing planning and strategy.

### 541614 Process, Physical Distribution, and Logistics Consulting Services

This U.S. industry comprises establishments primarily engaged in providing operating advice and assistance to businesses and other organizations in areas, such as: (1) manufacturing operations improvement; (2) productivity improvement; (3) production planning and control; (4) quality assurance and quality control; (5) inventory management; (6) distribution networks; (7) warehouse use, operations, and utilization; (8) transportation and shipment of goods and materials; and (9) materials management and handling.

### 541618 OTHER MANAGEMENT CONSULTING SERVICES

This U.S. industry comprises establishments primarily engaged in providing management consulting services (except administrative and general management consulting; human resources consulting; marketing consulting; or process, physical distribution, and logistics consulting). Establishments providing telecommunications or utilities management consulting services are included in this industry.

### 541620 Environmental Consulting Services

This industry comprises establishments primarily engaged in providing advice and assistance to businesses and other organizations on environmental issues, such as the control of environmental contamination from pollutants, toxic substances, and hazardous materials. These establishments identify problems (e.g., inspect buildings for hazardous materials), measure and evaluate risks, and recommend solutions. They employ a multidisciplined staff of scientists, engineers, and other technicians with expertise in areas, such as air and water quality, asbestos contamination, remediation, and environmental law. Establishments providing sanitation or site remediation consulting services are included in this industry.

### 541690 OTHER SCIENTIFIC AND TECHNICAL CONSULTING SERVICES

This industry comprises establishments primarily engaged in providing advice and assistance to businesses and other organizations on scientific and technical issues (except environmental).

### 541710 RESEARCH AND DEVELOPMENT IN THE PHYSICAL, ENGINEERING, AND LIFE SCIENCES

This industry comprises establishments primarily engaged in conducting research and experimental development in the physical, engineering, and life sciences, such as agriculture, electronics, environmental, biology, botany, biotechnology, computers, chemistry, food, fisheries, forests, geology, health, mathematics, medicine, oceanography, pharmacy, physics, veterinary, and other allied subjects.

### 561110 OFFICE ADMINISTRATIVE SERVICES

This industry comprises establishments primarily engaged in providing a range of day-to-day office administrative services, such as financial planning; billing and recordkeeping; personnel; and physical distribution and logistics for others on a contract or fee basis. These establishments do not provide operating staff to carry out the complete operations of a business.

### 561410 DOCUMENT PREPARATION SERVICES

This industry comprises establishments primarily engaged in one or more of the following: (1) letter or resume writing; (2) document editing or proofreading; (3) typing, word processing, or desktop publishing; and (4) stenographic (except court reporting or stenotype recording), transcription, and other secretarial services.

### 561421 TELEPHONE ANSWERING SERVICES

This U.S. industry comprises establishments primarily engaged in answering telephone calls and relaying messages to clients.

### 561422 TELEMARKETING BUREAUS

This U.S. industry comprises establishments primarily engaged in providing telemarketing services on a contract or fee basis for others, such as: (1) promoting clients' products or services by telephone, (2) taking orders for clients by telephone, and (3) soliciting contributions or providing information for clients by telephone. These establishments never own the product or provide the services they are representing and generally can originate and/or receive calls for others.

### 561431 PRIVATE MAIL CENTERS

This U.S. industry comprises (1) establishments primarily engaged in providing mailbox rental and other postal and mailing (except direct mail advertising) services or (2) establishments engaged in providing these mailing services along with one or more other office support services, such as facsimile services, word processing services, on-site PC rental services, and office product sales.

### 561439 OTHER BUSINESS SERVICE CENTERS (INCLUDING COPY SHOPS)

This U.S. industry comprises (I) establishments generally known as copy centers or shops primarily engaged in providing photocopying, duplicating, blueprinting, and other document copying services, without also providing printing services (e.g., offset printing, quick printing, digital printing, prepress services) and (2) establishments (except private mail centers) engaged in providing a range of office support services (except printing services), such as document copying services, facsimile services, word processing services, on-site PC rental services, and office product sales.

### 561440 COLLECTION AGENCIES

This industry comprises establishments primarily engaged in collecting payments for claims and remitting payments collected to their clients.

### 561450 CREDIT BUREAUS

This industry comprises establishments primarily engaged in compiling information, such as credit and employment histories on individuals and credit histories on businesses, and providing the information to financial institutions, retailers, and others who have a need to evaluate the creditworthiness of these persons and businesses

### 561491 Repossession Services

This U.S. industry comprises establishments primarily engaged in repossessing tangible assets (e.g., automobiles, boats, equipment, planes, furniture, appliances) for the creditor as a result of delinquent debts.

### 561492 COURT REPORTING AND STENOTYPE SERVICES

This U.S. industry comprises establishments primarily engaged in providing verbatim reporting and stenotype recording of live legal proceedings and transcribing subsequent recorded materials.

### 561499 ALL OTHER BUSINESS SUPPORT SERVICES

This U.S. industry comprises establishments primarily engaged in providing business support services (except secretarial and other document preparation services; telephone answering and telemarketing services; private mail services or document copying services conducted as separate activities or in conjunction with other office support services; monetary debt collection services; credit reporting services; repossession services; and court reporting and stenotype recording services).