



News Release

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Montana's High Tech Industry Hits Milestone of \$1 Billion+ in Revenues, Expects to Add More Than 960 New Jobs that Pay Wages Twice the State Average

MISSOULA – High-tech companies are an important component of Montana's economy, generating more than \$1 billion in revenues in 2016 and growing at rates seven times faster than the statewide economy, according to a recent study conducted by the University of Montana Bureau of Business and Economic Research.

The study found that Montana High Tech Business Alliance members were responsible for \$1.09 billion in revenues, an increase from \$867 million in 2015, and responding nonmember firms generated an additional \$487 million.

The third annual survey, commissioned by the Montana High Tech Business Alliance, includes responses from members of the statewide organization with more than 300 high-tech and manufacturing firms and affiliates as well as responses from 82 non-member high-tech and manufacturing companies. It also includes new insights on Montana's business climate and beneficial business resources.

The high-tech sector expects to add 960+ new jobs in 2017 that pay average annual salaries of \$60,000 – more than twice the median earning per Montana worker, according to the study.

"Our third annual report shows once again the incredible opportunity for the high-tech industry to transform Montana's economy by bringing high revenues and high-paying jobs into the state," said

Christina Henderson, executive director of the Montana High Tech Business Alliance. “But this year’s survey also showed that Montana’s positive business climate and extensive network of business resources – from our universities and nonprofits, to mentor companies, banks and government – all play a crucial role in helping Montana entrepreneurs succeed.”

According to Greg Gianforte, board chair of the Montana High Tech Business Alliance and founder of RightNow Technologies in Bozeman, “This report shows that for the first time, Montana’s high-tech companies crossed \$1 billion in revenue in a single year, and high-tech remains our fastest growing industry sector. As a result, more Montanans won’t have to leave to find a high-wage job, and our economy is becoming stronger for all.”

This year’s survey added questions that examined respondents’ perceptions of the climate of Montana for new businesses as well as various resources within Montana that have been helpful to businesses as they start and grow. The data also will be used for a case study on entrepreneurial ecosystems to be completed in Spring 2017. The project is a partnership between the Montana High Tech Business Alliance, the Ewing Marion Kauffman Foundation, the UM Blackstone LaunchPad and MonTEC.

While starting a business in any state can be challenging, 77 percent of Alliance members and 63 percent of non-members would encourage someone to start a business in Montana, according to the survey. “Overall, this is a strong endorsement of Montana’s business climate,” said John Baldrige, BBER’s director of Survey Research.

Among Alliance members, the Montana High Tech Business Alliance was the most often cited beneficial business resource. Montana University System-based resources were cited by substantial proportions of both Alliance members and non-members and included Montana State University, University of Montana, the MSU and UM Blackstone LaunchPads, MonTEC and the Montana Manufacturing Extension Center.

Government resources and other Montana companies also were important to survey respondents for business, financial and legal mentorship and advice.

Survey respondents found the following financial resources most beneficial to their firms: bootstrapping (creating and sustaining a business based on sales and little external funding), private investors and banks. Alliance members were most likely to mention bootstrapping and non-members were most likely to mention banks.

For the third year in a row, the BBER survey found that Montana’s quality of life – its lifestyle, the work/life balance, the recreational opportunities, and the beauty of the landscape – provided significant advantages to doing business in the state. Survey respondents also mentioned Montana’s high-quality workforce as a major advantage.

“This new industry survey confirms what we already know – that Montana's fast-growing technology sector and high quality of life benefit our employees,” said Matt Rizai, Chairman and CEO of Workiva, a software-as-a-service (SaaS) company that has offices in Bozeman and Missoula. “We have been very pleased with the high caliber of technology talent in Montana, particularly software developers from Montana State University and the University of Montana.”

Tom Stergios, senior vice president of Strategy and Corporate Development and general manager of Advanced Technology Group’s Missoula office, said, “Missoula is particularly poised for growth due to the underemployment that is prevalent in our area. ATG is pleased to have hired 9 people already this year and plans to add 25 to 30 more jobs in 2017. The Montana University System programs, particularly Management Information Systems, have morphed and are producing instantly impactful employees, which is a significant foundational component to a growing tech economy. The 2017 survey shows the positive trend in tech and the definitive proof of the ability to significantly impact the Missoula community.”

As in previous years, respondents mentioned several barriers to faster growth, including attracting talent and hiring skilled technology workers, access to capital and finding new customers. For the first time, challenging market conditions were mentioned as a barrier to growth.

The third annual survey was sent to 242 Montana High Tech Business Alliance member companies in high tech and manufacturing and 304 non-Alliance member companies.

Interviews with the Montana High Tech Business Alliance and member companies can be arranged by contacting shannon.furniss@gmail.com or 406-360-7846. Photos and logos may be downloaded at <http://mthightech.org/media/press-kit/>.

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Additional 2017 Survey Press Release Quotes from Montana Companies:

Billings

“For the past three years, Montana’s high-tech companies have said in this survey that finding enough skilled technology talent is their number one barrier to growth. This report underscores the growing need for technology workers in Montana. But it also shows potential job candidates the strength of our tech industry and hopefully gives them more confidence to consider opportunities in Montana.”

Kathy Boelter, founder, Arrow Solutions Group, Billings

Bozeman

“This report presents invaluable data on Montana’s high tech sector and identifies advantages and challenges of doing business here. Finding good software engineers in Montana is highly important as high tech continues to grow rapidly in our state.”

Larry Stefonic, CEO and cofounder, WolfSSL in Bozeman

Dillon

"Southwest Montana has been fruitful for Helix's growth path. We have been blessed to call Bozeman and Dillon home, and we're finding the level of talent that our growing company has needed. We are consistently impressed with the caliber of associates we find in Montana."

Kevin Sherwood, CEO, Helix Business Solutions, with offices in Dillon and Bozeman

Flathead Valley

“ViZn Energy is proud to employ more than 50 scientists, hardware and software engineers, as well as marketing, finance and operations staff in Montana – jobs that pay between \$50,000 and \$150,000 per year. This report from the Montana High Tech Business Alliance is an important tool to help Montana’s decision makers understand the first order economic impact that high-growth businesses like ours are having in the state.”

Ron Van Dell, CEO, ViZn Energy, Columbia Falls

“As a Montana-based angel investor who has closely watched the tech community evolve in our state over the last 15 years, I can say that we have hit an inflection point in technology opportunities both on the investment and employment side. The Montana High Tech Business Alliance has coalesced the many businesses that depend on technology development and innovation for their future in a way that informs its members, our state and the world about what is happening in the last best place.”

Liz Marchi, [Frontier Angel Fund 2](#), Polson

Missoula

“Dorsey and Whitney has represented many technology startups in Montana over the last several decades, including Bozeman’s RightNow Technologies. Our law firm was excited to be a founding member of the Montana High Tech Business Alliance and offer our services pro bono to form the Alliance entity and establish its nonprofit status. It’s exciting to see the Alliance and BBER gather data that fully supports the changes we’ve been seeing on the ground working with entrepreneurs – including the increase in new startup companies, new venture capital investments, and new intellectual property being created thanks to the Internet, the cloud, and many smart and hard-working people in Montana.”

Jack Manning, Partner and Office Head, Dorsey & Whitney LLP, Missoula

“Jobs in the high-tech sector pay approximately 46 percent more than the median household wage in Missoula, which is why growing high-tech businesses is integral to improving Missoula’s economy. The Montana High Tech Alliance’s annual report has become a crucial tool for benchmarking this growth, and we rely on its findings to attract and retain high-tech businesses in the Missoula area.”

James Grunke, President and CEO, Missoula Economic Partnership

“Montana Code School's focus is to train the next generation of software development talent. Montana has a robust tech scene and our students, who usually have no prior programming experience, attend the school because they want to find work in the tech sector where wages are usually higher than other industries and where their skills are in demand. All of our graduates have found work in Montana because of the fast growth of high tech companies and their need for software developers.”

Amita Patel Greer, Executive Director, Montana Code School, Missoula and Bozeman

Lewistown

“This report is really a valuable data set for both those of us in the manufacturing sector as well as for those tasked with facilitating the growth of Montana’s economy over the coming years. It clearly documents the value of high-tech industry to our state, how those businesses are impacting the job and wage numbers, and what is projected for the future.”

Tom Spika, founder and CEO, Spika Design and Manufacturing, Lewistown