A Profile of Montana’s High Tech Industries

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Director
Bureau of Business and Economic Research, University of Montana
February 20, 2017
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Key Findings

This is the third annual report on the high tech industry in the state of Montana. The Montana High Tech Business Alliance (HTBA), formed in 2014, is a member-driven group of high tech businesses and other organizations statewide. The Alliance asked the University of Montana Bureau of Business and Economic Research (BBER) to collect information and insights from its members so that a better assessment of its economic footprint and its prospects for continued growth could be made. This report presents the findings of that research. The third iteration of this study adds responses from 82 non-Alliance, Montana-based, high tech businesses. It also includes responses to new questions focused on Montana’s entrepreneurial climate. These additions enhance the rigor and breadth of this report, and were made in collaboration with Dr. Yasuyuki Motoyama of the Ewing Marion Kauffman Foundation.

The BBER finds that on the basis of 138 HTBA member and 82 nonmember firm survey completions:

- Survey responses from Alliance member and nonmember firms are quite similar. In the few instances where there are significant differences they are noted. This similarity provides evidence that Alliance survey results do a good job representing the high tech industry sector as a whole.
- Alliance members expect to add a very substantial 963 net new jobs in 2017, a 19.2 percent increase, and a much stronger job growth than has occurred in the overall economy;
- Jobs at businesses who are Alliance members pay considerably more than jobs elsewhere in the economy. The average annual salary at HTBA businesses ($60,000) was more than twice as large as the median earning per Montana workers overall as measured by the Census Bureau’s American Community Survey;
- By essentially any measure, growth projected in high tech businesses vastly exceeds average statewide economic growth, and employment and revenues are expected to grow at rates that are nearly seven times the BBER’s projection of statewide growth;
- The high tech businesses that are regular members of HTBA expect to make at least $78 million in capital expenditures at their Montana facilities in 2017. This represents a substantial decrease from anticipated 2016 major capital expenditures ($123 million), however this level is still more than double the anticipated 2015 expenditures ($35 million);
- High tech companies that are HTBA members will raise wage rates by 5 percent in 2017, significantly faster than the 2.1 percent rate of growth realized in wage rates of all Montana employers in the most recent data;
- The Montana-based activities of HTBA members were responsible for $1.092 billion in gross sales in 2016, a significant increase over 2015 revenue ($867 million);
- For the third year in a row HTBA members reported that Montana’s quality of life – its lifestyle, the work/life balance available here, the recreation opportunities, and the beauty of the landscape – provides them a significant advantage in business;
- For the third year running HTBA members most often report that attracting talent and hiring skilled technology workers is their firm’s largest impediment to faster growth.
• Alliance members were roughly evenly divided in their perceptions of the ease or difficulty of starting a business in Montana. 30.7% of Alliance members said starting a business in Montana was at least somewhat easy, another 31.6% said it was neither easy nor difficult, and 37.7% said it was at least somewhat difficult.

• More than three-quarters of Alliance members (76.7%) would encourage someone to start a business in Montana.

• Montana University System-based resources were most often cited by Alliance firms as resources that were beneficial to their business. These resources included Montana State University (23.2%), University of Montana (18.8%), the Blackstone Launchpads (13%-14%), MonTec (13%), and Montana Manufacturing Extension Center (11.6%).

• Alliance members found the following financial resources most beneficial to their firms: bootstrapping (31.9%), private investors (29%), and banks (23.9%).

In addition to survey research, BBER also conducted research using data from federal statistical agencies. While these data can only be used as a benchmark of high tech economic activity, they are suggestive of the size of the high tech activity of businesses who are not members of the Alliance. These data indicate that activity in the Montana economy that fits a published high tech definition used in national-level research comprises about 5.2 percent of total wages, paying wages that are roughly double the overall average and higher than all but three other Montana industries. Based on this analysis, BBER concludes that the aggregated responses of HTBA members reported here greatly understate the actual size of industry activity in Montana. While no precise estimate is possible, it is likely that the true size of the industry is 2-3 times as large as what is reported in the survey results in this study.

Background of the Project

The Montana High Tech Business Alliance

Launched in April 2014, the Montana High Tech Business Alliance is a statewide membership organization focused on creating more high tech jobs in Montana. The Alliance currently has more than 300 member firms.

Full membership in the Alliance is available to for-profit firms engaged in high tech and manufacturing that have operations in Montana. High tech is defined as firms that make or sell high tech products, provide professional services or consulting related to high tech, conduct e-commerce, or engage in manufacturing using skilled labor.

Organizations that are not in the high tech industry such as law firms, banks, or economic development agencies may join as affiliate members.

The Alliance is recognized as a 501(c)(6) nonprofit trade association.

Benefits include:
- Connecting with tech leaders across the state at quarterly networking events.

- Promoting your company and Montana’s strong high tech and manufacturing sector through our e-newsletter, website and other communications channels.

- Accelerating growth by recruiting through our high tech jobs portal.

The Alliance’s members are located throughout the state of Montana, with more prominent concentrations found in Gallatin and Missoula counties, as indicated in Figure 1.

**Figure 1: Locations of 2017 HTBA Members**

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**The Bureau of Business and Economic Research**

The Bureau of Business and Economic Research is the primary research unit of the University of Montana’s School of Business Administration. Begun in 1948, the Bureau regularly participates in forecasting and economic analysis, survey research, industry studies, and information dissemination. Since its founding, BBER has conducted hundreds of survey research projects of both businesses and households, utilizing its state-of-the-art survey center.
About This Study
This is the third annual study conducted in order to objectively and accurately assesses the characteristics and the concerns of members of the Montana High Tech Business Alliance. Its findings illustrate the rapidly evolving activities and concerns of the membership. It also serves as an important assessment of one of Montana’s fastest-growing and highest-paying industry clusters, addressing a gap in information that is available from public sources. Because this is the third replication of this study, it is possible to observe some changes that have occurred among Alliance membership and in the high tech industry as a whole.

We begin this report with some insights on high tech activity in Montana that draw from public data on industry aggregates. We then turn to the findings of the survey of HTBA members, including data gathered on business activity as well as responses to open-ended questions on their needs and concerns. Information on the methods used to derive the results is found in an appendix.

The data presented here represent aggregated information on all HTBA members. BBER fully respects the privacy of individual companies, and no data that might reveal individual company information or viewpoints is contained in this report.

This year’s survey contains two new additions. First, questions were added at the request of the Ewing Marion Kauffman Foundation. The new questions examine respondent’s perceptions about the climate of Montana for new businesses. The new questions also describe various resources within Montana that have been helpful to responding businesses as they start and grow. Second, again at the request of the Ewing Marion Kauffman Foundation, 304 non-Alliance, Montana-based, high-tech firms were surveyed. This substantial addition in the number of responding firms deepens the insights this survey provides.
Measuring High Tech Business Activity

In this study we present the results of a survey of high tech businesses in Montana. It is instructive, however, to get a sense of the industry from the federal government statistical data before turning to the survey-based results. Adopting a nationally derived definition of high tech (defined in the paragraphs that follow), the data suggest that the presence of high tech economic activity in Montana is considerable, as shown below in Table 1. To put these broad estimates into context, Montana high tech companies accounted for 5.2 percent of total Montana wages, 3.2 percent of total Montana payroll jobs, and 5.0 percent of Montana business establishments in 2016. The data suggest that high tech companies here are relatively small-sized, but pay wages well above the state’s overall average.

Table 1: Characteristics of Montana’s High tech Industries, 2016

<table>
<thead>
<tr>
<th>Category</th>
<th>2016</th>
<th>2015</th>
<th>2016 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages ($ mill.)</td>
<td>$971.40</td>
<td>$915.46</td>
<td>6.1%</td>
</tr>
<tr>
<td>Employment</td>
<td>14,581</td>
<td>14,055</td>
<td>3.7%</td>
</tr>
<tr>
<td>Establishments</td>
<td>2,326</td>
<td>2,216</td>
<td>5.0%</td>
</tr>
<tr>
<td>Wages per Job</td>
<td>$66,622</td>
<td>$65,134</td>
<td>2.3%</td>
</tr>
<tr>
<td>Jobs per establishment</td>
<td>6.27</td>
<td>6.34</td>
<td>-1.1%</td>
</tr>
</tbody>
</table>


While broad, the estimates in Table 1 suggest that the high tech industry is a significant economic contributor. Furthermore, the publically available data suggest that the industry’s presence is growing. When compared to 2015, the total number of establishments in the state grew by 5.0 percent in 2016, while wages and employment grew by 6.1 and 3.7 percent, respectively. Montana’s high tech firms are becoming more numerous. They also are paying higher wages. Wages per job grew by 2.3 percent in 2016.

The data also suggest that Montana’s high tech employers pay considerably more in 2016 than the state average and rank among the highest paying Montana industries, as shown in Figure 2. The average wages per job in Montana high tech companies was $66,622 per year, or roughly two-thirds higher than the state average of $40,256 per year for all Montana industries. The wages do not include the value of benefits. As is clear from Figure 2 below, only three industries in the state paid higher average wages.
These data can only be considered as suggestive of the size of Montana’s high tech industry. Much more refined analysis and better defined data are needed to isolate and identify the characteristics of our state’s high tech producers. But the data clearly indicate that Montana’s high tech sector is a sizable source of economic activity in the state.
The direct measurement of high tech business activity in the economy has always been hampered by two issues: 1) the lack of a consistent definition, and 2) the shortcomings of publicly available data in adequately capturing whatever definitions are used. Simply put, estimates of high tech business activity derived from the standard sources for economic data shown above – the federal government statistical agencies – miss some activities that are clearly high tech and count other activities that are not.

A study by the U.S. Bureau of Labor Statistics in 2005 used a very conservative definition of the high tech industry, detailed in Table 2, to track national high tech growth. It was based on a national-level analysis that considered industries to be high tech if they:

- Employed a high proportion of scientists, engineers, and technicians,
- Had a high proportion of R&D employment,
- Produced a high tech product, or
- Used high tech production methods.

Table 2: 2005 BLS-Defined High Tech Industries

<table>
<thead>
<tr>
<th>NAICS Code</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>3254</td>
<td>Pharmaceutical and medicine manufacturing</td>
</tr>
<tr>
<td>3341</td>
<td>Computer and peripheral equipment manufacturing</td>
</tr>
<tr>
<td>3342</td>
<td>Communications equipment manufacturing</td>
</tr>
<tr>
<td>3344</td>
<td>Semiconductor and electronic component manufacturing</td>
</tr>
<tr>
<td>3345</td>
<td>Electronic instrument manufacturing</td>
</tr>
<tr>
<td>3364</td>
<td>Aerospace product and parts manufacturing</td>
</tr>
<tr>
<td>5112</td>
<td>Software publishers</td>
</tr>
<tr>
<td>5116</td>
<td>Internet publishing and broadcasting</td>
</tr>
<tr>
<td>5117</td>
<td>Telecommunications</td>
</tr>
<tr>
<td>5118</td>
<td>Data processing, hosting and related services</td>
</tr>
<tr>
<td>5413</td>
<td>Architectural and engineering services</td>
</tr>
<tr>
<td>5415</td>
<td>Computer systems design and related services</td>
</tr>
<tr>
<td>5417</td>
<td>Scientific research and development services</td>
</tr>
</tbody>
</table>


We use this definition to identify high tech in the public data. Clearly such discrete classifications miss some high tech firms and include others that are not high tech. It is certain that the classification does not match the composition of HTBA membership. Thus, we must examine the survey results to more fully reflect the composition of the high tech industry in Montana.
Results
The paragraphs that follow present the findings of the Montana High Tech Business Alliance that was conducted from December 2016 to February 2017. This section of the report is organized in the order that the questions appeared in the questionnaire, and the text of each question is provided to assist the reader.

Q1. Which high tech sub-industry best represents your company?
Figure 3 describes the members of the High Tech Business Alliance as of December 2016 by their type of business. HTBA consists of businesses from a wide range of traditionally defined industry sectors. The types of business of nonmember firms are also described.

![Figure 3: High Tech Business Types](image)
Q2. How many employees does your company have in total?
Q3. How many employees does your company have in Montana?
Three fourths (75%) of Alliance high tech firms employed 12 or fewer people in Montana. Figure 4 describes the distribution of employment sizes among the Montana High Tech Alliance firms and nonmember firms. HTBA members employed 5,014 Montana workers as of December 2016. Responding nonmember firms employed 1,835 Montana workers.

Figure 4: Employment Distribution among High Tech Firms in Montana

2016 Changes. The distribution of large versus small firms in the Alliance changed slightly from 2015 to 2016. The proportion of larger firms, those with 13+ employees, grew slightly, to 25%, in 2016. However, most of the change occurred among the smallest firms. A larger proportion of larger firms (13+ employees) was found among responding nonmember firms. Readers should keep in mind that the Alliance itself grew in 2016, it consisted of 250 member firms in 2015 and 300+ member firms in 2016.
Q4. What is your company’s average annual Montana wage?
The members of the HTBA and responding non-Alliance firms provide high paying jobs for Montanans. Figure 5 below illustrates that HTBA jobs and non-Alliance high tech jobs pay more than double Montana’s median annual earnings per worker.

Figure 5: HTBA Annual Wages

2016 Changes. Median annual wages paid by Alliance member firms increased by 5.6% from 2015 to 2016. The increase in median Alliance wages is slightly lower than the total wage increase of 6.1% found in publically available data for all 2,326 Montana high tech firms.¹ Nonetheless, Alliance annual wages increased at a rate that significantly exceed the 2016 national inflation rate of 2.1%.²

Q5. What were your company’s annual revenues in 2016?
Montana HTBA companies may also be considered a very important component of Montana’s economy in terms of revenue. The Montana-based portions of the HTBA firms generated an estimated $1.092 billion in 2016 revenue, and responding nonmembers generated an additional $487 million. Examining company revenue, Figure 6 shows that HTBA members range from start-ups with very little, if any, revenue to Fortune 500 companies.

Figure 6: 2016 HTBA Revenue by Firm

2016 Changes. Total Alliance firm revenue increased from $867 million in 2015 to $1.092 billion in 2016. The magnitude of this increase suggests that Alliance firms continue to grow at an impressive rate. This observation must be tempered by a bit by recognizing that again in 2016 the number of firms in the Alliance also grew.
Q6. By what percentage do you estimate your company’s annual revenues will increase or decrease next year (2017)?

Montana’s high tech companies still anticipate growing very quickly. Figure 7 demonstrates that Montana HTBA firms anticipate growing almost seven times faster than the Montana economy as a whole. This rapid growth rate was also anticipated by nonmember firms, which reported anticipated growth at more than five times the predicted growth of the Montana economy as a whole.

Figure 7: HTBA Growth Rate

![Bar chart showing HTBA growth rate compared to nonfarm earnings and projected member growth.]

Sources: UM Bureau of Business and Economic Research; BEA, U.S. Department of Commerce

2016 Changes. 2017 projected median Alliance revenue growth per firm (21 percent) increased slightly when compared to 2016 projected growth (20 percent). 2017 projected revenue growth aligns well with projected 2017 employment growth presented on the next page. The continuing anticipation of fast growth is an indication of the entrepreneurial nature of the firms in the Alliance.
Q7. About how many new jobs do you expect your company will create in Montana next year (2017)?
Montana’s HTBA firms will add an estimated 963 new jobs in Montana in 2017, while nonmember respondents will add an estimated 319. This annual employment growth rate (19.2% percent) is significantly faster than Montana’s 2015 total employment growth rate of 2.1 percent (see Figure 8 below).

**Figure 8: Annual Employment Growth Rate**

![Bar chart showing annual employment growth rates](chart.png)

**2016 Changes.** 2017 projected employment growth is essentially the same as 2016 projected employment growth. 2017 employment growth aligns well with projected 2017 revenue growth presented on the previous page. Given that UM Bureau of Business and Economic Research and Montana Department of Labor and Industry both view the Montana economy as nearing full employment, it is clear that many of these new jobs are likely to be filled by persons from outside Montana.

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Q8. **By what percentage do you estimate your company’s annual Montana wages may increase or decrease next year (2017)?**

The annual pay of Montana’s HTBA employees in 2017 is projected to grow significantly faster than that of all Montanans. Figure 9 shows that HTBA wages are projected to grow by 5 percent in 2017 while in 2015 Montana annual wages grew 3 percent. Alliance firms’ and nonmember firms’ estimates of 2017 employee pay growth matched exactly.

**Figure 9: Annual Pay Growth Rate**

![Annual Pay Growth Rate Chart](image)

Sources: UM Bureau of Business and Economic Research and MT DLI 2016 Labor Day Report

**2016 Changes.** 2016 projected Alliance annual wage growth per firm is slightly lower (5 percent) than 2015 projected wage growth (7 percent). However, readers should keep in mind that the Alliance again increased the number of firms in its membership.
Q9. About how much money do you anticipate your company will invest in major capital expenditures in Montana next year (2017)?
HTBA companies plan to make more than $78 million in major capital investments in Montana in 2017, which will add a significant number of additional construction and support jobs in the state. Nonmember firms that responded plan an additional $29 million in major capital investments (see Figure 10).

**Figure 10: 2017 Planned Capital Investments in Montana**

![Bar chart showing capital investments](chart)

**2016 Changes.** 2016 anticipated Alliance major capital expenditures ($123 million) increased significantly over 2015 anticipated major capital expenditures ($35 million). 2017 anticipated Alliance capital expenditures declined to $78 million, which still is more than double 2015’s planned expenditures.
Q10. What advantage does Montana give you in business?
HTBA members again reported that Montana’s quality of life – its lifestyle, the work/life balance available here, the recreation opportunities, and the beauty of the landscape – provides them a significant advantage in business. As Figure 11 illustrates, 33 percent of all responses to Q10, Alliance and nonmember, cited Montana’s quality of life. HTBA members and nonmembers also most frequently mentioned Montana’s high quality workforce (19.4 percent and 16.5% respectively.) Only 5.6 percent of members and 7.2% of nonmembers said that Montana actually provides them few, if any advantages.

Figure 11: Advantages Montana Gives Firms

The following are selected comments that provide the reader additional insight into HTBA members’ opinions.

- “We chose to start our company here due to the location for our work/life balance.”
- “Being based in Montana has provided us with many advantages. We have an extremely supportive community, and as a result we have had access to special loan and grant opportunities.”
- “Educated employees who are committed to the area due to the high quality of community and outdoor life.”
- “Good universities, excellent work force, great quality of life, great local investors.”
- “Sales tax free. Well educated tech/engineering personnel from MSU.”
- “Montana is a relatively inexpensive state in which to conduct business.”
Q11. What is your largest impediment to faster growth?
HTBA members (27.7 percent of all responses) most often reported that attracting talent and hiring skilled technology workers was their firm’s largest impediment to growth (see Figure 12). 28.6% percent of non-Alliance members cited access to capital (investors, cash, financing, or funding) as their firm’s largest impediment to growth. The third most commonly cited impediment to growth (13.4% and 9.3% for members and nonmembers respectively) was sales and marketing related, for example finding new customers or the visibility of their firm. Challenging market conditions were mentioned for the first time in the three years of this study by Alliance members, though only 7.6% of members and 9.5% of nonmembers mentioned this.

Figure 12: Largest Impediment to Firm Growth

<table>
<thead>
<tr>
<th>Impediment</th>
<th>Members</th>
<th>Nonmembers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attracting talent or hiring skilled workers</td>
<td>27.7%</td>
<td>28.6%</td>
</tr>
<tr>
<td>Access to capital</td>
<td>16.8%</td>
<td>13.4%</td>
</tr>
<tr>
<td>Finding new customers or firm visibility</td>
<td>9.5%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Market conditions</td>
<td>7.6%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Remoteness or low population density</td>
<td>5.9%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Airfare or travel cost from Montana</td>
<td>5.9%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Internal firm management issue</td>
<td>5.0%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Lack of high tech culture in MT</td>
<td>3.4%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Taxes</td>
<td>1.0%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Regulations</td>
<td>2.5%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Current internet infrastructure</td>
<td>1.7%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Real estate costs</td>
<td>4.8%</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

The comments displayed below give more perspective on HTBA members’ opinions.

- “It actually hinders our ability to attract outside talent. We are required to hire younger inexperienced engineers and train them which creates a 2-3 year window before they are fully trained to fill a position we have a need for immediately. We forecast our growth rate is reduced by 50% due to inability to attract talent.”
- “We need more grant funding. Washington biotech is growing at an exponential rate because they invest heavily. Biotech does not produce a product (typically) until later in the development process. We also need more access to VC/angel capital.”
Q12. How difficult or easy do you think it is to start a new business in Montana?
Alliance members were roughly evenly divided in their perceptions of the ease or difficulty of starting a business in Montana (see Figure 13). 30.7% of Alliance members said starting a business in Montana was at least somewhat easy, another 31.6% said it was neither easy nor difficult, and 37.7% said it was at least somewhat difficult. Non-Alliance members were more likely to say starting a business in Montana is at least somewhat difficult (45.3%) and they were less likely to say that starting a business in Montana is at least somewhat easy (14.1%).

Figure 13: Perceived Ease or Difficulty of Starting a Business in Montana
Q13. Would you discourage or encourage someone from starting a new business in Montana?

More than three-quarters of Alliance members (76.7%) and more than three-fifths of nonmembers (62.6%) would at least somewhat encourage someone to start a business in Montana (see Figure 14). Overall, this is a strong endorsement of Montana’s business climate. Only 10.3% of Alliance members and 10.9% of nonmembers would at least somewhat discourage starting a business in Montana.

**Figure 14: Would Respondent Encourage Starting a Business in Montana?**
Q14. Which of the following business resources have been beneficial to your company?

Among Alliance members (see Figure 15), the Alliance was by far the most often cited beneficial business resource (42.8%). University-based resources were cited by similar, substantial proportions of both Alliance and non-Alliance firms.

**Figure 15: Business Resources that were Beneficial to the Company**

<table>
<thead>
<tr>
<th>Resource</th>
<th>Member</th>
<th>Nonmember</th>
</tr>
</thead>
<tbody>
<tr>
<td>Montana High Tech Business Alliance</td>
<td>7.3%</td>
<td></td>
</tr>
<tr>
<td>Montana State University (programs or divisions not mentioned)</td>
<td></td>
<td>22.0%</td>
</tr>
<tr>
<td>University of Montana (programs or divisions not mentioned)</td>
<td>18.8%</td>
<td>19.5%</td>
</tr>
<tr>
<td>Blackstone LaunchPad - Montana State University</td>
<td></td>
<td>14.5%</td>
</tr>
<tr>
<td>Hellgate Venture Network</td>
<td>1.2%</td>
<td>13.8%</td>
</tr>
<tr>
<td>Blackstone LaunchPad - University of Montana</td>
<td>13.8%</td>
<td>13.8%</td>
</tr>
<tr>
<td>MonTEC</td>
<td>13.0%</td>
<td></td>
</tr>
<tr>
<td>Missoula Economic Partnership</td>
<td>13.0%</td>
<td></td>
</tr>
<tr>
<td>Montana Manufacturing Extension Center</td>
<td>11.6%</td>
<td></td>
</tr>
<tr>
<td>City of Bozeman (such as Economic Development Office)</td>
<td>3.7%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Montana Code School</td>
<td>4.9%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Prospera</td>
<td>7.2%</td>
<td>6.1%</td>
</tr>
<tr>
<td>City of Missoula</td>
<td>13.2%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Montana World Trade Center</td>
<td></td>
<td>8.5%</td>
</tr>
<tr>
<td>One Million Cups - Missoula</td>
<td>12.2%</td>
<td>8.5%</td>
</tr>
<tr>
<td>One Million Cups - Bozeman</td>
<td>5.1%</td>
<td></td>
</tr>
<tr>
<td>Business Startup Challenge (Business Plan Competition at the University of Montana)</td>
<td>4.3%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Montana Photonics Industry Alliance</td>
<td>3.6%</td>
<td>11.0%</td>
</tr>
<tr>
<td>TechRanch</td>
<td></td>
<td>6.1%</td>
</tr>
<tr>
<td>Northern Rocky Mountain Economic Development District</td>
<td>1.4%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>
Q15. Which of the following financial resources have been beneficial to your company?

Bootstrapping, banks, and private investors dominated citations of financial resources that were beneficial to both Alliance members and nonmembers (see Figure 16). Alliance members were most likely to mention bootstrapping (31.9%) and nonmembers were most likely to mention banks (32.9%).

Figure 16: Financial Resources that were Beneficial to the Company
Q16. Which banks have been beneficial to your company?
First Interstate Bank was most frequently mentioned (33.3%) by Alliance members as being beneficial to their company (see Figure 17). Glacier Bank was most frequently mentioned by nonmembers (16.7%). First Security Bank and Wells Fargo Bank were also cited by both Alliance members and nonmembers.

Figure 17: Banks that were Beneficial to the Company
Q17. Which of the following government resources have been beneficial to your company?
The Montana Department of Commerce (28.7%) and Senator Jon Tester (27%) were combined the most frequently cited government resources that were beneficial to their business (see Figure 18). Alliance members most frequently cited the Montana Department of Commerce (11.6%) and nonmembers most frequently cited Senator Jon Tester (18.3%).

Figure 18: Government Resource that was Beneficial to the Company
Q18. Which of the following Montana companies and/or individuals have been beneficial to your company?
Both Alliance members and nonmembers were most likely to cite Right Now Technologies (now Oracle) and Dorsey & Whitney as companies that were beneficial to their company (see Figure 19). Submittable was ranked third in mentions by both Alliance and nonmembers.

Figure 19: Companies or Individuals that were Beneficial to the Company

<table>
<thead>
<tr>
<th>Company/Individual</th>
<th>Member</th>
<th>Nonmember</th>
</tr>
</thead>
<tbody>
<tr>
<td>RightNow Technologies (now Oracle), founder Greg Gianforte, Bozeman</td>
<td>6.1%</td>
<td>17.4%</td>
</tr>
<tr>
<td>Dorsey &amp; Whitney, Partner Jack Manning, Missoula</td>
<td>6.1%</td>
<td>14.5%</td>
</tr>
<tr>
<td>Submittable, CEO Michael FitzGerald, Missoula</td>
<td>4.9%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Wisetail, founder Justin Bigart, Bozeman</td>
<td>1.2%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Agile Data Solutions, founder Joel Henry, Missoula</td>
<td>6.5%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Elixir, founder Andrew Hull, Bozeman</td>
<td>5.1%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Workiva, CTO Jeff Trom, Bozeman</td>
<td>4.3%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Advanced Technology Group (ATG), VP Tom Stergios, Missoula</td>
<td>4.3%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Bridger Photonics, CEO Pete Roos, Bozeman</td>
<td>3.6%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Audience Awards, founder Paige Williams, Missoula</td>
<td>3.6%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Zoot Enterprises, founder Chris Nelson, president Dennis Dixon, Bozeman</td>
<td>2.9%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Simms Fishing Products, CEO K.C. Walsh, Bozeman</td>
<td>2.2%</td>
<td>1.2%</td>
</tr>
<tr>
<td>LigoCyte (now Takeda), founder Don Beeman, Bozeman</td>
<td>2.2%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Scientific Materials (now FLIR), founder Ralph Hutchinson, Bozeman</td>
<td>1.4%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Mystery Ranch, founder Dana Gleason, Bozeman</td>
<td>1.4%</td>
<td>2.4%</td>
</tr>
</tbody>
</table>
Q19. What additional comments do you have? The Montana High Tech Business Alliance is particularly interested in your observations about improving Montana's business climate and creating new Montana jobs.

HTBA members most often directed their summary comments (see Figure 20) about improving Montana’s business climate to two subjects: 1) providing business development resources and communications (19.6%), and 2) educating Montana’s workforce for technology jobs (13.7%). Nonmembers most often cited educating Montana’s workforce for tech jobs (16.1%) and supporting efforts to provide and retain jobs with high pay and benefits (16.1%).

Figure 20: Additional Respondent Observations

The following comments illustrate respondents’ opinions in more detail. For an in-depth look at all of the responses to open-ended questions please see Appendix 4.

- “Finding start-up working capital has been very challenging. We are fully collateralized, however we haven’t had much luck finding banks that are interested in loaning us money for our bootstrap start-up at this time.”
- “I encouraged the local high school to teach CAD - particularly the software we use and they’re doing it - AND we’re doing a work-study for one of the students there who now wants an apprenticeship.”
- “Private sector led groups like the HTBA are essential for Montana to grow a real economy. I define economic development as effective public private partnerships for sustaining private investment.”
References


Appendix 1: Questionnaire and Topline Results

N = 220: 138 Alliance member responses and 82 nonmember responses

Q1. Which high tech sub industry best represents your company? Please click only one response.

- Advertising/Marketing 8.3%
- Aerospace/Automotive/Transportation 2.1%
- Biotechnology 4.0%
- Consulting 10.1%
- Consumer Products 4.0%
- Cyber Security 2.5%
- Data Analytics 1.2%
- Data Storage 0.3%
- Digital Media/Broadcasting/Publishing 2.1%
- Ecommerce 2.5%
- Education/Training 2.5%
- Energy/Extractive Minerals 0.9%
- Engineering 3.4%
- Financial Services/Payment Processing 0.9%
- Funding/Angel Investing/Venture Capital 1.5%
- Manufacturing 8.9%
- Medical/Healthcare Devices 1.8%
- Nanotechnology 0.3%
- Professional Services 6.7%
- Software/SaaS 19.6%
- Telecommunications 3.1%
- Other (please specify below:) 12.0%
- Construction 1.2%

Q2. How many employees does your company have total? Please include all states and countries. If self-employed, indicate one employee. Your best guess is ok.

- Total number of employees  MEDIAN = 8.0

Q3. How many employees does your company have in Montana?

- Number of Montana employees  MEDIAN = 6.0

Q4. What is your company’s average annual Montana wage?

- Average annual wage ($)  MEDIAN = $58,000

Q5. What were your company’s annual revenues in 2016? Your best guess is ok.

- Annual 2016 revenues ($)  MEDIAN = $905,000
Q6. By what percentage do you estimate your company’s annual revenues will increase or decrease next year (2017)? Your best guess is ok.

- Expected 2017 revenue increase (%) MEDIAN = +20%
- Expected 2017 revenue decrease (%)

Q7. About how many new jobs do you expect your company will create in Montana next year (2017)? Your best guess is ok.

- Number of new jobs MEDIAN = 2.0

Q8. By what percentage do you estimate your company’s annual Montana wages may increase or decrease next year (2017)? Your best guess is ok.

- Expected 2017 wage increase (%) MEDIAN = +5%
- Expected 2017 wage decrease (%)

Q9. About how much money do you anticipate your company will invest in major capital expenditures in Montana next year (2017)? Your best guess is ok.

- Major capital expenditures ($) MEDIAN = $25,000

Q10. What advantage does Montana give you in business?

See Figure 11.

Q11. What is your largest impediment to faster growth?

See Figure 12.

Q12. How difficult or easy do you think it is to start a new business in Montana?

- Very difficult 9.6%
- Somewhat difficult 30.9%
- Neither easy nor difficult 34.8%
- Somewhat easy 15.2%
- Very easy 9.6%

Q13. Would you discourage or encourage someone from starting a new business in Montana?

- Highly discourage 2.2%
- Somewhat discourage 8.3%
- Neither encourage nor discourage 17.8%
- Somewhat encourage 38.9%
- Highly encourage 32.8%
Q14. Which of the following business resources have been beneficial to your company? Please check all that apply.

- Blackstone LaunchPad - Montana State University 10.9%
- Blackstone LaunchPad - University of Montana 10.5%
- Business Startup Challenge (Business Plan Competition at the University of Montana) 4.1%
- City of Bozeman (such as Economic Development Office) 7.7%
- City of Missoula 4.5%
- Hellgate Venture Network 9.1%
- Missoula Economic Partnership 10.0%
- Montana Code School 7.3%
- Montana High Tech Business Alliance 29.5%
- Montana Manufacturing Extension Center 14.5%
- Montana Photonics Industry Alliance 6.4%
- Montana State University (programs or divisions not mentioned) 22.7%
- Montana World Trade Center 6.8%
- MonTEC 10.0%
- Northern Rocky Mountain Economic Development District 0.9%
- One Million Cups – Bozeman 4.1%
- One Million Cups – Missoula 3.6%
- Prospera 6.8%
- TechRanch 3.6%
- University of Montana (programs or divisions not mentioned) 19.1%

Q15. Which of the following financial resources have been beneficial to your company? Please check all that apply.

- Banks 27.3%
- Bootstrap Montana loan 2.3%
- Bootstrapping 29.5%
- Crowdfunding Website (i.e. Kickstarter) 3.6%
- Investment from or joint development with customers 7.3%
- Frontier Fund I or II 2.7%
- Goodworks Ventures 1.4%
- Montana-Idaho Community Development Corporation 1.4%
- Next Frontier Capital 3.6%
- Private Investors (friends, family, individuals) 26.4%
- Revolving loan fund 5.9%

Q16. Which banks have been beneficial to your company?

See Figure 17.
Q17. Which of the following government resources have been beneficial to your company? Please check all that apply.

- Big Sky Trust Fund Job Creation Grant 8.2%
- Federal Government Contracts or Partnerships 7.7%
- Growth Through Ag Grant or Loan 1.8%
- Job Service 7.7%
- Jon Tester, U.S. Senator from Montana 12.3%
- Max Baucus, former U.S. Senator from Montana, Ambassador to China 8.2%
- Montana Board of Research and Commercialization Technology Grant (MBRCT) 8.2%
- Montana Department of Commerce 13.6%
- Montana Department of Labor 4.1%
- Montana Governor's Office of Economic Development 9.5%
- Montana Trade Show Assistance Grant 6.8%
- Primary Sector Workforce Training Grant 5.0%
- Procurement Technical Assistance Center (PTAC) 3.6%
- Ryan Zinke, U.S. Representative from Montana 6.8%
- SBA (such as 504 or 7A guaranteed loan) 8.6%
- SBIR/STTR Innovation Grants 6.8%
- Small Business Development Center (SBDC) 9.5%
- Steve Bullock, Governor of Montana 9.1%
- Steve Daines, U.S. Senator from Montana 9.5%

Q18. Which of the following Montana companies and/or individuals have been beneficial to your company? Please check all that apply.

- Advanced Technology Group (ATG), VP Tom Stergios, Missoula 2.7%
- Agile Data Solutions, founder Joel Henry, Missoula 4.1%
- Audience Awards, founder Paige Williams, Missoula 3.2%
- Bridger Photonics, CEO Pete Roos, Bozeman 3.2%
- Dorsey & Whitney, Partner Jack Manning, Missoula 11.4%
- Elixir, founder Andrew Hull, Bozeman 4.1%
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- Submittable, CEO Michael Fitzgerald, Missoula 8.2%
- Wisetail, founder Justin Bigart, Bozeman 4.5%
- Workiva, CTO Jeff Trom, Bozeman 3.6%
- Zoot Enterprises, founder Chris Nelson, president Dennis Dixon, Bozeman 1.8%
Q19. What additional comments do you have? The Montana High Tech Business Alliance is particularly interested in your observations about creating new, high-paying Montana jobs. See Figure 20.
Appendix 2: Survey Methods

Data Collection Methods
The data for this survey were collected by administering a questionnaire via the Internet to a list of HTBA members provided by the Alliance. BBER used Qualtrics survey research software to manage this survey. The questionnaire invitation was transmitted by e-mail and respondents are asked to click on a hyperlink to access the on-line questionnaire. The questionnaire was developed by the HTBA. Data was collected during the period from December 2016 through February 2017. Ms. Christina Henderson, executive director of HTBA, assisted significantly by conducting additional non-respondent prompts and helping to manage the respondent list.

Data Collection Outcomes
BBER received 138 responses from HTBA members out of 242 asked to participate, yielding a response rate of 57 percent. BBER received 82 responses from non-Alliance members out of 304 asked to participate, yielding a response rate of 27 percent.

Data Processing and Analysis
Following receipt of the survey responses, the data entered were inspected to ensure no duplicate cases were included and to correct any obvious typos made by respondents. Appropriate variable and value labels were added to the data set. Appropriate composite variables and flags were added to the data set to facilitate the analysis process.

BBER conducted a statistical analysis of the survey data using statistical analysis computer software (SPSS version 23, Copyright 2015, IBM Corporation). BBER analyzed the data collected using frequencies, cross-tabulations, standard measures of central tendency (mean, median, and mode), sums and ratios.

Additional Focus on the Entrepreneurial Climate for Montana’s High Tech Firms
This iteration of the Alliance Survey included a new focus on the entrepreneurial climate for Montana’s high tech firms. This focus grew out of a unique collaboration that started in 2016 between the Alliance, Blackstone LaunchPad of the University of Montana, Montana Technology Enterprise Center (MonTEC), and the Ewing Marion Kauffman Foundation in Kansas City. These organizations partnered on a research project to examine Montana’s entrepreneurial ecosystems. Between June and October 2016, researchers from the partner organizations conducted interviews with 42 individuals across Montana. The sample included 16 interviews in Bozeman, 17 in Missoula, and 9 in other communities across Montana.

The team interviewed 12 startup companies, 18 high-growth firms, and 12 business support organizations. The sample included 27 individuals inside the networks of the sponsoring organizations and 15 interviews with companies and support organizations outside those networks. External sources such as websites, newspapers, Inc. magazine’s fast growing companies, and a database of venture capital backed companies were used to identify outside-network companies.
Among other questions, entrepreneurs interviewed were asked to name individuals and organizations that had been beneficial to their business. In the case of support organizations, interviewees were asked to name businesses and organizations with whom they worked. Using transcripts of the 42 interviews, the team created a list of the hundreds of beneficial resources named and then tallied the number of times each resource was mentioned. The four lists of resources ultimately included in the Montana high-tech industry survey were compiled based on the most frequently mentioned responses in the interviews. Groups included: a) non-profit business resources, b) financial resources, c) government resources, and d) companies and individual mentors.

Questions 12 and 13 in our survey asked respondents’ perceptions of business climate in the state, compatible with Thumbtack.com’s Small Business Friendliness Survey. While the original Thumbtack.com survey collected more than 12,000 responses nationally, there were only five responses from Montana, which was too small for statistical comparison. In this survey, we extrapolated the result by importing the same questions: How difficult or easy do you think it is to start a new business in Montana? (1: Very difficult – 5: Very easy), and Do you discourage or encourage starting a business in your state? (1: Highly discourage – 5: Highly encourage).
Appendix 3: UM Bureau of Business and Economic Research and the Researchers

The Bureau of Business and Economic Research is a research department within the School of Business Administration at the University of Montana, Missoula. We produce a variety of economic and industry data including annual economic forecasts for the United States as well as Montana, its industries, and counties. Six functional areas make up the Bureau of Business and Economic Research:

- Economic Analysis tracks the economic performance of all geographic areas in Montana.
- Manufacturing Research and Forest Industry Research focus special attention on these important industries in Montana and surrounding states.
- Health Care Industry Research examines markets, trends, industry structure, costs, and other high visibility topics to monitor the health status of Montanans.
- Publications, such as the Montana Business Quarterly, the Outlook Book, and other reports, include research and data that help Montanans better understand the state’s economic climate.
- The Survey Research Division regularly conducts research to gather local, state, tribal, and national economic data for both public and private sector studies.
- The Natural Resources and Energy Research program is devoted to understanding and tracking the growth and importance of Montana’s energy and natural resources sector.

In addition to these six areas, the Bureau also houses the Montana Kids Count Program, a collaborative effort to collect data concerning Montana’s children and families. The Bureau was founded in 1948 to monitor the state’s economic and business conditions. Over the years we have expanded from a staff of four to a research department of 18 full-time employees and more than a dozen part-time workers. Bureau data assists businesses, government agencies, and individuals across Montana.

The Bureau has over 35 years of experience providing a full range of survey services. With a staff of highly skilled researchers using advanced data collection systems and techniques, the Bureau offers broad-based survey services for public and private sector studies, including: survey development, data collection, and analysis and report writing.

Quality survey data are the foundation of thorough and reliable research and are critical to the success of our clients, which have included: City of Missoula, Missoula County, Confederated Salish and Kootenai Tribes, U.S. Congress, U.S. Department of Commerce, U.S. Department of Agriculture, USDA Forest Service, Montana Department of Labor and Industry, Montana Department of Public Health and Human Services, Montana Department of Transportation, NorthWestern Energy, and Blue Cross Blue Shield of Montana.
Researchers

Principal Investigator
Patrick Barkey is director of the Bureau of Business and Economic Research at the University of Montana, a 60-year-old organization with a distinguished record of timely, relevant research and information on the state and regional economies. He has been involved with economic forecasting and policy research for 26 years, both in the private and public sector. Before coming to Montana he served as director of the Bureau of Business Research at Ball State University in Indiana for 14 years. His recent research has been on the economic impact of higher educational attainment, the effect of alcohol abuse on the state’s economy, and the economic impact of trade with Canada.

He attended the University of Michigan, receiving a B.A. (’79) and Ph.D. (’86) in economics. Dr. Barkey is a professor in the School of Business Administration at the University of Montana.

Senior Economist
Brandon Bridge is a senior economist and the director of forecasting at the Bureau. His responsibilities include regional demographic analysis and forecasting. Other research interests of his include energy poverty, economic development, cryptocurrencies, and sports economics. He grew up in Montana, and before returning home to join the BBER team, Mr. Bridge studied economics at Brigham Young University (BA, 2010) and the University of New Mexico (MA, 2015; PhD, 2017 expected).

Director of Survey Research
John Baldridge is BBER’s director of Survey Research. Mr. Baldridge has an extensive background in survey research. His experiences were gained as an independent contractor in Montana and while in the employ of the University of Chicago’s National Opinion Research Center, the nation’s foremost non-profit, academically-based, survey research center. Mr. Baldridge is a graduate of the Irving B. Harris Graduate School of Public Policy Studies at the University of Chicago (’92), Simpson College (’90), and recently retired from the United States Army Reserve as a Sergeant Major.
### Appendix 4: Detailed Responses to Open-Ended Questions

**Q10. What advantage does Montana give you in business?**

- Member: panache  
- access to underemployed talent  
- exceptional client hosting opportunities  
- strong retention from quality of life

- Member:  
  1) Lack of sales tax;  
  2) Skilled workers with good work ethics;  
  3) Skilled contractors (electricians, plumbers, carpenters, etc.)  
  4) Great national image.

- Member: A community of enthusiastic people. Also, adequate transportation and communications infrastructure and moderately low tax rates.

- Member: A wonderful place to live for people who will both work in MT as well as telecommute and travel.

- Member: Access & connections

- Member: As a new business, Montana gives us a great support group to help us navigate the waters that can be challenging at times. We find that other Montanans want to see us succeed and do what they can to play a role in that. We also find that the state offers high caliber employees who are willing to work hard.

- Member: As of today I don't see any big advantage Montana giving me in business

- Member: authenticity  
- networking

- Member: Balance and lower overhead in multiple facets.

- Member: Beautiful scenery

- Member: Being based in Montana has provided us with many advantages. We have an extremely supportive community, and as a result we have had access to special loan and grant opportunities. Montana has affordable labor and VERY affordable office space, in a beautiful location. Our team enjoys the lovely office space right on the river downtown, and short commutes to the office. This helps us attract and retain excellent talent.

- Member: Cheap tech labor force

- Member: Cheaper rent, good workforce for less than coasts, better quality of life, easy access to state level decision makers.

- Member: clear skies  
- Conscience workers  
- Excellent quality of life

- Member: Credibility in certain categories of client such as travel and outdoor recreation. It's also attractive to certain workers for lifestyle reasons although it is also a negative to some--so probably a wash on that front.

- Member: Customers. A beautiful place to live.

- Member: Desirable place to live and work.

- Member: Devoted, passionate, well rounded workforce.

- Member: Don't know

- Member: Employee character

- Member: Employee culture and work ethic

- Member: Employees with strong work ethics, loyalty, problem solving abilities

- Member: Everything
<table>
<thead>
<tr>
<th>Member</th>
<th>Expanded access to angel capital limited partners and to Montana-based investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member</td>
<td>Founded Here - deep roots. Great community, offers much for outdoors enthusiasts which is consistent with our mission</td>
</tr>
<tr>
<td>Member</td>
<td>Good Telecommunications connectivity, low natural disaster risk</td>
</tr>
<tr>
<td>Member</td>
<td>Good Universities, Excellent work force, Great quality of life, great local investors.</td>
</tr>
<tr>
<td>Member</td>
<td>great hardworking employees; terrific support across the entrepreneurial community</td>
</tr>
<tr>
<td>Member</td>
<td>Great people that enjoy living and working in our beautiful state.</td>
</tr>
<tr>
<td>Member</td>
<td>great place to live  easy to recruit to recreation opportunities</td>
</tr>
<tr>
<td>Member</td>
<td>Great place to raise family, spend time outdoors, no traffic, clean air...</td>
</tr>
<tr>
<td>Member</td>
<td>Greater access to political leadership, quality of life factors for recruiting</td>
</tr>
<tr>
<td>Member</td>
<td>Hard working employees, well-educated employees, quality of life</td>
</tr>
<tr>
<td>Member</td>
<td>Hard working, well educated.</td>
</tr>
<tr>
<td>Member</td>
<td>Honestly? None, business was a bit better when I worked in the mid-west.</td>
</tr>
</tbody>
</table>

I have given up on the full-time self-employment thing and got a day job. I still am helping my better behaved clients weekends and evenings. Most people in Montana expect me to work for free or minimum wage, thus the full time day job doing web development.

<table>
<thead>
<tr>
<th>Member</th>
<th>I am currently located in Colorado. I am considering relocating to Montana.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member</td>
<td>Independence, low taxes</td>
</tr>
<tr>
<td>Member</td>
<td>It a beautiful place to live and raise a family. State law and tax code are not favorable for small business. Gianforte has been a tremendous development ‘force’ for the state, especially in high tech sector.</td>
</tr>
<tr>
<td>Member</td>
<td>It gives us a fresh new look on the Tech world and we are able to hire enthusiastic people who call MT their home.</td>
</tr>
<tr>
<td>Member</td>
<td>It provides the balance and calmer pace of life. For us, the biggest benefit is living in a beautiful community that provides access to recreation and a tight-knit community - all aiding in the calmer existence.</td>
</tr>
<tr>
<td>Member</td>
<td>It provides us a clean, scenic environment with ready access to outdoor activities as well as a good place to raise our families. Without the ability to hike, bike, hunt, fish (via Montana’s stream access law) and enjoy the public lands throughout the state there would be much less of a reason to live here.</td>
</tr>
<tr>
<td>Member</td>
<td>It seems like there is a readiness amongst many businesses around the state to do business with a start-up business. We have been well received and have been able to grow steadily through strong local support. We also have a great national business which we can support from Montana. Montana has several programs that we are pursuing in order to grow which help a small business like ours. Those programs are: Big Sky Trust Fund and Incumbent Workforce Training.</td>
</tr>
<tr>
<td>Member</td>
<td>It's a labor of love for the most part!</td>
</tr>
<tr>
<td>Member</td>
<td>it's where I want to live...I have retired after years in Colorado...a Montana native comes home</td>
</tr>
<tr>
<td>Member</td>
<td>It's a growing market, that is looking to do business with the rest of the USA and some International markets which suites our growth strategy as well.</td>
</tr>
<tr>
<td>Member</td>
<td>Lack of competitors, access to network</td>
</tr>
<tr>
<td>Member</td>
<td>Let’s us live a lifestyle that we want to live and still run a company with very low overhead.</td>
</tr>
<tr>
<td>Member</td>
<td>life style</td>
</tr>
</tbody>
</table>
Member Lifestyle
Member Lifestyle
Member Lifestyle, quality of life, quality of people
Member like to live here easier to do business all speak English easy to get to and from cost of living and overhead
Member Little, other than proximity to individuals we work with at MSU in Bozeman.
Member Local access to NGOs. Networking/Community
Member Located in Butte so I can work with Butte businesses and give them confidence in the work being done.
Member Location-location-location. A beautiful place to live and for people to visit.
Member Lots of high net worth people love the environment here
Member Love for Montana
Member Low competition for employees. Low employee turnover - we retain people that want to live in Lewistown. Being rural and building urban actually has a lot of advantages.
Member Low cost of office space.
Member Low cost, high quality workforce - both manufacturing and engineering
Member low overhead Quality of life No sales tax
Member Low regulation, easy operating environment.
Member Montana is a relatively inexpensive state in which to conduct business, the low population density avoids traffic jams, waits in lines, parking problems/fees, which allows more effective economic earning hours, and/or more leisure time. This results in two more advantages: lower stress levels and higher perceived "quality of life". Ultimately, quality of life is a non-monetary employee benefit that replaces dollar wages that must be paid elsewhere to attract employees, i.e. "level the playing field".
Member Montana is home to a determined and self-sufficient population that understand initiative, accountability, responsibility, and teamwork. It is largely free of attitudes that undermine the creation and maintenance of a robust culture of innovation and continuous improvement. Support for shared vision and the tenets of meritocracy seems more natural than artificial.
Member Montana provides us the lure of recruiting the right long-term candidates to the company who are attracted by our standard of living and recreational opportunities for sure, but mostly our entire founding team are lifetime MT citizens with no plans for leaving. Attracting the right team members who align with that vision only reinforces it. It's also helpful to be located in Missoula with a world-class university from which to find ideal job candidates.
Member Montana talent and work ethic uniquely matches our company culture.
Member networking, community
Member No sales tax is the biggest advantage that I can think of
Member None
Member None really, but we want to be here, so we are.
Member None. I plan to look at relocating the business to another state.
Our business operates at a national level. The biggest advantages we’ve experienced by being based in MT is the people the state attracts. Whether Montana natives or transplants, we’ve found to people to be hard working, innovative and passionate about what they do.

Our clients have a perception of honesty and integrity when they hear we are from Montana. People are interested in hearing our story because it is uncommon for them to work with a company from MT.

Peace and quiet, no commute problems, no sales tax, hunting, skiing, and other outdoor activities.

No longer .. AFFORDABLE HOUSING IS EVAPORATING .. STARTER HOMES OVER $200K adds cost pressures.

People - we have a long time affiliation with Montana University System and have established internships with various campuses. Not only do we give students exposure to the largest industry in the US (healthcare), we never have to post for a position. We have a constant flow of talented analyst that are exposed to our programs and processes all ready.

Profs at UM work with us to establish core curriculums - this collaboration is a real example of a true economic development initiative within the University System. Our office in Missoula helps.

Population wise, it’s a relatively small state, so there is a tremendous ability to network with other people and businesses.

proximity to customers, lower cost employees

Quality of employees and life. Customers love coming to MT!

quality of life

quality of life

Quality of life for employees. Attraction of some high level employees who value what Montana has to offer.

Quality of life is really important for our business. Especially as we market out of state, we will attract students to Montana because of the attraction of living in Montana. Plus, the tech community is pretty supportive and continues to boom in Missoula and Bozeman.

Quality of life, employee commitment and engagement

Quality of life, No sales tax

Quality of life.

Quality of life. Market niche consulting with small towns.

recruiting

Relatively low cost of living (although getting higher for our Bozeman residents). Good engineering talent from MSU. Small state population wise so the tech business community here is small enough for regular collaboration. Our companies (Xxxxxxxx and Xxxxxxxx), have a lot of exposure to government contracts so the close relationships with our Congressional Delegation are handy.


Soothing environment, low cost of living

Talented, loyal, hardworking employees at a reasonable price vs. major metro areas.
Member taxes are high not a lot of advantages
Member Tight knit network and good people. Networking gets you the business leads and connections to make great things.
Member We are geographically located and centered in Montana, so it's where we work.
Member We get to work in a beautiful place with great quality smart and hardworking people. There is a spirit of support & cooperation with the Montana community. People always want to help us.
Member We live and work in Bozeman for the quality of life this area provides. Our business is Internet based, so we are geographically independent.
Member Work ethic, quality of life
Nonmember We chose to start our company here due to the location for our work/life balance. This would be the only advantage.
Nonmember A great workforce and living life style.
Nonmember Access to government officials. Low cost of living (Butte). Qualified workforce.
Nonmember Access to research and collaboration at Montana State University
Support from Board of Research and Commercialization/ Department of Commerce
Agriculture commodities. Montana has the lowest cost grain in the US
Well educated work force
Nonmember As a state, none. As a place for good people, many. The median age is greater than elsewhere, but the added experience this age group provides is invaluable.
Nonmember At the current time NONE. Our landlord, MSU Foundation has refused to renew our lease on the only synthesis laboratory space in Bozeman/ Belgrade/ Livingston available to a company. We are therefore forced to go out of business.
Nonmember central location
Nonmember clean water
Nonmember clear air, soil and water
Nonmember Customers like to come here
Nonmember Dedicated employees
Nonmember Dedicated work force
Nonmember Dedicated workforce.
Nonmember Educated employees who are committed to the area due to the high quality of community and outdoor life.
Nonmember Emphasis on importance on the outdoors which is critical to our business. Strong group of outdoor companies in the area. Excellent access to funding for training purposes, we have received small grants via State of MT (www.fundingmt.org ) that have given us access to excellent council that is difficult for a small company to have on staff.
Nonmember Employees like to live here. Very good air service to the rest of the country (from Bozeman).
Nonmember Fantastic lifestyle and work balance
Nonmember Good paying jobs in a place where people want to live. Strong public/private partnership with the Montana University System.
Nonmember Good place to raise kids
Nonmember Good regional networking and support. Good technical support. Good grant support.
Nonmember Good workforce
Nonmember Great place to live.
Nonmember helps us recruit, differentiates us from our competitors.
Nonmember Helps with foreign sales since Montana has a mystique and is recognized by all of our distributors. Employees tend to be well-educated and have good work ethics.
Nonmember It would give us an advantage if business taxes were lower.
Nonmember It's not as expensive as the Bay Area and the quality of life is pretty world-class.
Nonmember Larger firms have not cornered the market in the industry for which I provide services.
Nonmember Life style
Nonmember Lifestyle
Nonmember Lifestyle to attract workers.
Nonmember Low cost of living and rent
Nonmember Low population density has kept competition on our rural markets low.
Nonmember Lower annual cost to operate, yet still a quality environment
Quick access to recreation to minimize the stress of startup life
Quality community and employee potential
Nonmember Lower cost, lower taxes; also an attractive location to which to recruit individuals from other locations
Nonmember Lower wage rates.
Nonmember Lower wages are expected.
Nonmember Loyal consumer base, lower overhead, good quality of life, vibrant downtown location.
Nonmember Montana is home. Wages are moderate.
Nonmember More loyal, hardworking, and dedicated employees.
Nonmember none
Nonmember None
Nonmember None.
Nonmember Not a layers between us and decision makers at our clients. Great Falls is great for affordable and loyal employees. Can live a balanced life. Easy to do business all over the country from MT.
Nonmember Not a lot really. Bozeman is an OK area to do a startup for some business but for technology related businesses being close to MSU has been the biggest advantage. Otherwise for technology, Montana is only OK. It is expensive to travel to and from here. Cost of living is high compared to salaries. More specifically for my business we make electronic products that require circuit board production. There is nowhere in Montana that can compete with circuit broad production. So I am forced to go outside the state and sometimes outside the country.
Nonmember Not really any advantage other than there are good people in Montana and they have technology needs to serve.
Nonmember Our employees have chosen to live here and put lifestyle above just making a paycheck. We also feel that being in Montana gives us a little bit more incentive to hustle in NYC and San Francisco against other tech marketing firms.
Nonmember outdoor lifestyle, quality of life
Nonmember Quality of life
Nonmember Quality of life
Nonmember Quality of life is an important part of employee's 'benefits package'.
Nonmember Quality of life plus quality communities that attracts talented people. Lower cost of living in comparison to major cities for housing.
Nonmember Rural values and work ethic.
Nonmember Sales tax free.
Well educated tech/engineering personnel from MSU.
City of Bozeman government is very supportive.
Environment makes for excellent marketing material.
Technology community in SW MT is 2nd to none.
Nonmember State does maintain a tiny fund for high tech grants, but the largest amount of the money goes to research at the colleges. Though we hire Montana graduates, the university does very little to prepare students for the workforce.
Nonmember The advantage Montana gives us is its people. Montana farmers, companies, and organizations have been willing to provide us access to their lands and equipment to test the sensor systems we are developing. Graduates from Montana State University have a strong work ethic and strong technical background, making them ideal employees. Other Montana business have been willing to share their technical expertise and partner with us on our current projects.
Nonmember The culture of upstanding business dealings and hand-shake deals has aligned well with our focus on providing ethical consulting services. The delivery of services unhindered by multiple contracts or legalese would be difficult to achieve in other locations.
Nonmember The MBRCT is a huge help. They have provided funding to help us advance our research and garner new funding.
Nonmember The State of Montana doesn't offer any real advantages to the organization. A principal of the company chooses to live in Montana.
Nonmember There's no business advantage. In fact, there are disadvantages
- travel is more expensive. I live here because it's home and I can (for now)
- High-tech in MT is a tight community with little opportunity for growth, more of a niche
- Salary ranges are low compared to other areas, including the Midwest where my company is based.
- Unskilled labor pool
- Inflated property valuations in the market attractive to our employees

Positives, that we haven't yet figured out how to leverage:
- Reduced government interference compared to other states is a big plus!
- No sales tax
- Lower property taxes
- Decent bandwidth in population centers

Nonmember Workers that want to actually work and are in Montana because they want to live here.
Q11. What is your largest impediment to faster growth?

Member
2015 & 2016 was bad luck and our two major markets were down. 2017 and 2018 we forecast faster growth will be our facilities current size. We can't fit more employees without expansion.

Member
A professional customer base.

Member
Ability to bid on new contracts and hiring cyber security

Member
Access to capital Education/training

Member
Access to capital. Capital seems tied to manufacturing and development parks, not growing businesses. Banks don't offer capital, private investors largely look out of state.

Member
Access to high-volume low-energy sales trips. Cost in both time and money to increase sales outside the state.

Member
Advertising and marketing

Member
Affording enough high quality employees to help us build our vision of what we want our company to look like.

Member
Air travel makes getting to and from Kalispell at least a half day each way to headquarters in CA

Member
Availability of capital

Member
Awareness of what I do and offer and trying to market my skills. Getting jobs to get started

Member
Better start-up climate in Montana

Member
Broadband

Member
Broader enthusiasm for excellence in education and technology development.

Member
capital

Member
capital

Member
Capital

Member
Capital (bootstrapping strategy for our business.)

Member
Capital. Skilled developers. Hi Tech culture in major MT cities.

Member
Certain technological skills and skilled, entry-level workforce

Member
Cost of commercial real estate is astronomical, renting commercial space is also extremely high. If I expand to a larger facility I have to increase my workforce which will be hard to find as well.

Member
Customer adoption of our new technology

Member
Customers that have high margin, high growth businesses in MT. We are a service, and there is a lack of business development in Montana. Businesses have smaller budgets, less awareness of marketing trends, and more tendency to play it safe. We have moved our biz dev and client base outside of MT and transportation and affordable, reliable direct flights from Bozeman has been another hurdle.

Member
Don't know

Member
Dramatic slowdown in the oil and gas industry due to low oil prices.

Member
Enrollment. We need to market outside of Montana to sustain our business model.

Member
Face-to-face meetings and networking is more limited and difficult.
Member Faster growth almost certainly would require us to seek and secure jobs/engagements out-of-state.

The relative paucity and higher costs of airline travel to/from Montana impedes such efforts.

Member Figuring out other markets that need our technology.

Member Financial resources

Member Finding and retaining talented workers.

Member finding good sales people

Member Finding local talent and not having to relocate someone.

Member Finding qualified candidates for senior leadership positions

Member finding qualified employees

Member Finding qualified resources

Member finding the right people

Member Finding well trained staff

Member finding, training the right people for the technical jobs

Member Funding

Member General inexperience of workforce compared to other tech centric regions.

Member Generating leads that become sales. Advertising and Marketing

Member Getting companies to truly understand what we can do for them in moving their needle forward. And then just really good experienced people.

Member Getting out of my own way. Trusting the process and not being afraid to tell clients, they can't have it “yesterday.”

Member Government regulation.

Member High cost of air travel

Member High speed Internet

Member I am self-employed and am not looking to grow but just to maintain my current business.

Member infrastructure

Member Internal industry issues. Not related to Montana

Member Internet speed, taxes

Member Investment

Member Investment capital.

Member Job offer for skilled employees and pool of skilled employees available, private investment

Member Lack of community coordination and support. Lack of large funding opportunities.

Member Lack of infrastructure financing for local communities.

Member Lack of local high tech companies that require our service.

Member Lack of proximity to customers

Member High cost of airline flights

Member High cost of experienced software developers

Member Lack of qualified candidates, particularly in rural areas

Member Lack of software developers

Member Limited partner investors that understand private placement investing. It is quite new here.
Member management
Member Market growth
Member Montana businesses seem to be slow to give startups a chance. I can't even get the governor's office to try our software.
Member Montana markets are too small.
Member Montana's relatively small GDP and business investment on an annual basis.
Member more sales people
Member Most of our clients are in larger markets so we are at a disadvantage as we are farther away and less known than our competitors.
Member My own initiative
Member my personality
Member NA
Member No major impediments.
Member none
Member Not being able to hire more people at a faster rate.
Member Our business is in the R&D stage and exists in a niche difficult to capitalize.
Member Our largest impediment to faster growth is finances to invest into research and development as well as our decision not to take large risks with our company.
Member people
Member qualified sales staff
Member Quality employees
Member Quality Employees and Taxes
Member regulations FCC regs
Member Remoteness
Member Sales and marketing
Member Sales, as always, with available skilled workforce a significant factor
Member Securing large-scale contracts with a core group of municipal clients since full product commercialization of our technology has been a typically slow process just given all the bureaucracy involved. Competing with established technologies in a long innovation cycle market space (wastewater treatment) has made the search for early adopters challenging as well. However, 2017 is going to be a watershed year for us with multiple sales efforts in various regions over the last couple years finally paying off with large project contracts expected.
Member Shipping rates out of and into MT. Work force seems 'unmotivated' - general lack of drive or not wanting to do tasks 'below' them.
Member Skilled people - I have to train people from the apprentice level
Member state employment regulations
Member State taxes
Member talent
Member Talent.
Member taxes
Member The economy xxxx; customers hurting for money, won't buy fairly-priced services, must charge too little to get business.
Member The fact that Montana is perceived as being too rural and lacks technology industries.
The university system is not currently training students with the hands-on technical skills that they need to succeed in our job roles. As a result we have to pay for training and certification from out of state companies. Fortunately we are able to use BEAR grants to offset some of this cost.

Since we don't have direct access to economies in larger cities, marketing in Seattle, CA, NYC, and other larger markets is a challenge. It would be really helpful if an economic organization had an “ambassador” program to help connect Montana businesses with other markets.

We are in a very specialized marketing technology field and we have to hire and train all our employees. Training employees. We are in a very specialized marketing technology field and we have to hire and train all our employees.

We do a lot of business outside Montana. Travel cost and the extra time to make flight schedules work in and out of Montana is a large impediment.

We have not figured out our working sales model yet, and we do not have a sales team.

We work day jobs in addition to our company and that is what holds us back from really taking off.

We are not looking to grow any faster than we currently are. We have found an appropriate growth pace that allows us to accomplish our business goals while at the same time nurture and grow our culture.

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<table>
<thead>
<tr>
<th>Nonmember</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonmember</td>
<td>Geographic isolation. Funding opportunities.</td>
</tr>
<tr>
<td>Nonmember</td>
<td>Getting prospect attention span.</td>
</tr>
<tr>
<td>Nonmember</td>
<td>Government regulations (very expensive and time consuming to bring new products to market), cut backs in spending by hospitals (so they will use cheaper alternatives), hard to find new employees in this area.</td>
</tr>
<tr>
<td>Nonmember</td>
<td>Hiring qualified people.</td>
</tr>
<tr>
<td>Nonmember</td>
<td>It actually hinders our ability to attract outside talent. We are required to hire younger inexperienced engineers and train them which creates a 2-3 year window before they are fully trained to fill a position we have a need for immediately. We forecast our growth rate is reduced by 50% due to inability to attract talent.</td>
</tr>
<tr>
<td>Nonmember</td>
<td>It’s very challenging to recruit smart experienced people if the public face of our tech industry promotes creationism and supports organizations that promote homophobia. Also the sense by the outside world that the state is home to white supremacy creates challenges. I’ve had 2 recent non-white executive hires back out because they were worried about raising non-white children in an unsafe environment. As a parent myself in hippie-Missoula, I was astonished the first time this happened, but when it happened a second time it just became depressing. If we don't start to correct the perception of our state and values by the outside world, I think building lasting tech companies in the state will always be a challenge. Also, the city council seems bent on turning Missoula in a Tourist zone by creating things like the new Tourist Home Ordnance, which allows landlords to turn any home in an AirBnB motel. This will only exacerbate the price of house which directly affects the value of wages we can pay. It also sends the message to businesses that the city values Tourists and the service-based jobs they bring with them over high-paying career jobs. We have recently made the difficult decision to start hiring remotely until we feel confident the city supports high-tech companies.</td>
</tr>
<tr>
<td>Nonmember</td>
<td>Labor, supply chain management, transportation</td>
</tr>
<tr>
<td>Nonmember</td>
<td>lack of ANY suitable laboratory space in the entire area for R&amp;D and manufacture of chemicals and therapeutics</td>
</tr>
<tr>
<td>Nonmember</td>
<td>Lack of available technically prepared and competent employees</td>
</tr>
<tr>
<td>Nonmember</td>
<td>Lack of experienced people. Lack of resources and other businesses in my space</td>
</tr>
<tr>
<td>Nonmember</td>
<td>Lack of qualified people</td>
</tr>
<tr>
<td>Nonmember</td>
<td>Lack of willing workers.</td>
</tr>
<tr>
<td>Nonmember</td>
<td>little to no capital available in Montana</td>
</tr>
<tr>
<td>Nonmember</td>
<td>Low population density.</td>
</tr>
<tr>
<td>Nonmember</td>
<td>Market considerations that have nothing to do with Montana.</td>
</tr>
<tr>
<td>Nonmember</td>
<td>Market factors and our slow pace of R&amp;D</td>
</tr>
<tr>
<td>Nonmember</td>
<td>Market growth</td>
</tr>
<tr>
<td>Nonmember</td>
<td>Marketing across a vast state and out of state.</td>
</tr>
<tr>
<td>Nonmember</td>
<td>Marketing and networking. Most competitors are located near major metro areas and are better able to establish organization to organization relationships.</td>
</tr>
<tr>
<td>Nonmember</td>
<td>Money and high cost of facilities.</td>
</tr>
<tr>
<td>Nonmember</td>
<td>Money or investment in our company.</td>
</tr>
<tr>
<td>Nonmember</td>
<td>My PhD Up to June 2016 I was attempting to run a company and obtain my PhD at the same time. I have completed the PhD and now have my main focus on the company. We have experienced significant growth in the last half of 2016.</td>
</tr>
<tr>
<td>Nonmember</td>
<td>N/A</td>
</tr>
</tbody>
</table>

UM Bureau of Business and Economic Research | Appendix 4: Detailed Responses to Open-Ended Questions
Nonmember  No local market for technology consulting services. All work I get is on the west coast.
Nonmember  Opportunities to perform our services
Nonmember  our business model, prof services
Nonmember  Outside sales force
Nonmember  People in regulating industries with a personal agenda to slow us down
Nonmember  Politics
Nonmember  Providing progressive solutions to small businesses that reduces risk overtime, and doing so without upfront expenses they can't afford
Nonmember  Recruiting and hiring the right teammates!! We've found it very challenging to find the talent and ambition that we need in BZN. Two of our employees have relocated from other places, and one independent contractor works for us remotely from California. This has challenged our efforts to scale.
Nonmember  Reduced funding from NIH
Nonmember  Remote location for retail and lack of competition for pricing contract sewing.
Nonmember  Skilled people
Nonmember  Slow internet speeds
Nonmember  Slow market worldwide
Nonmember  The lack of large businesses that call Montana home and thus would hire our services. We have to go to the coasts to work at the rates we need
Nonmember  Time
Nonmember  Very limited Montana based venture capital investment groups. Small clinical research capacity in Montana.
Nonmember  We need more grant funding. Washington biotech is growing at an exponential rate because they invest heavily. Biotech does not produce a product (typically) until later in the development process. We also need more access to VC/angel capital.
Q16. Which banks have been beneficial to your company?

Member American Bank
Member American Bank
Member Bank of America
Member Basin State Bank, (now purchased by Stockman) originally, now Opportunity Bank
Member Bear Paw Credit Union, Stockman Bank
Member CoBank
Member First Interstate Bank
Member First Interstate Bank
Member First Interstate Bank
Member First Interstate Bank
Member First Interstate Bank
Member First Interstate Bank
Member First Interstate Bank
Member First Interstate Bank
Member First Interstate Bank
Member First Interstate Bank, Wells Fargo
Member First Security Bank
Member First Security Bank
Member First Security Bank
Member First Security Bank
Member Glacier and Bank of Rockies
Member Glacier Bank
Member Granite Mountain Bank
Member Local
Member Rocky Mountain Bank, Stockman Bank
Member Stockman, First Interstate & Glacier Bank Corp.
Member US Bank
Member Wells Fargo - Bozeman
Member Whitefish Credit Union
Member Bank of Idaho
Nonmember Bank of Montana
Nonmember Big Sky Western Bank
Nonmember CoBank, Independent Bank, RUS, CFC, RTFC
Nonmember First Interstate Bank
Nonmember First Interstate Bank
Nonmember First Interstate Bank
Nonmember First Security
Nonmember First Security
Nonmember First Security of Bozeman
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<td>Glacier and Eagle banks</td>
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<td>Nonmember</td>
<td>Glacier Bank, Bank of Montana, Freedom Bank</td>
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<tr>
<td>Nonmember</td>
<td>Missoula Federal Credit Union</td>
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<td>Nonmember</td>
<td>Missoula Federal Credit Union-- amazing bank to work with.</td>
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<td>Wells Fargo</td>
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Q19. What additional comments do you have? The Montana High Tech Business Alliance is particularly interested in your observations about creating new, high-paying Montana jobs.

Member Airfare prices continue to be a challenge for sending our employees out and encouraging clients to visit us in MT.

Member Being an outsider and looking in, I would like to see more efforts at using people within the groups - its always easy to go outside the group to try and find resources that can help.

Member Better air transportation between Billings and Missoula will encourage firms in each location to better serve each other - also better air transportation out of Missoula - business/government incentives to encourage you to home office in Montana.

Member Christie Bell has been very helpful for developing SBIR applications.

Member Creating an awareness of the high tech industry in Montana is helpful because it creates attraction and reduces perceived risk for prospective employees. Thanks for working to accomplish this.

Member Data concludes that the biggest impediment to growth is a lack of talent/labor pool, yet many of these companies still do not invest in their digital marketing efforts to help attract prospects.

Member Didn't know could have used the resources.

Member Enjoy Montana High Tech Business Alliance networking.

Member Fast Internet access in both business locations and home locations around the state is the largest obstacle to growing in Montana. It feels like Montana is improving, but at a slower pace than the rest of the country.

Member Finding start-up working capital has been very challenging. We are fully collateralized, however we haven't had much luck finding banks that are interested in loaning us money for our bootstrap start-up at this time.

Member For xxxxxxx xxxxxxx, these are the issues:
1. Reduce corporate tax to incentivize bringing back manufacturing to the US - this would affect Applied manufacturing directly and also bring our customers back to the US.
2. Increase air travel direct to silicon valley.

Member I am mainly a contract software engineer. At some point I may create a product. Typically I work remotely as well as any co-workers I've had in the past.

Member I can't emphasize highly enough how important the environment and access to public lands is to our presence here. Almost all our revenue comes from outside Montana. Almost all our customers are outside Montana. We could benefit in certain ways from being in Portland or Salt Lake City. To us, part of creating new, high-paying jobs is supporting the conditions that attract entrepreneurs in the first place.

Member I do believe that reducing regulatory burden, both state and federal, is crucial for economic growth and prosperity. I believe we must be fiscally conservative as a state, but not hesitate to make sound investments in education, primarily blue-collar and high-tech skills development, to aggressively develop the near- and mid-term workforce. We need to invest in places like the MMEC, that returns invested dollars many-fold by facilitating manufacturing efficiencies and capabilities.

Member I encouraged the local High School to teach CAD - particularly the software we use and they're doing it - AND We're doing a work-study for one of the students there who now wants an apprenticeship.

Member I have heard more this year than previous years this comment "Well, I could go to China and get "this" product made for "x" price" I would love to add high paying jobs but it is a challenge when customers are comparing local prices with China pricing!

Member I have not taken advantage of any of the resources here in Montana. I did not know most of these options were even available to me or how they can help me. I intent to take this list and have a meeting with my guys to see if there is any way these programs can help us grow here in Montana.
Member: I really appreciate the Alliance's efforts to coordinate opportunities to network among other Montana companies. Just providing a platform to showcase my company and to learn about other companies is valuable and helps enable business opportunities. Not only do I see the other companies as potential customers, I also learn about the products and services they offer that our company can utilize and that may be able to help our business grow.

Member: I went to a Montana Code School open house. Great stuff.

Member: I would love to move my company's headquarters from Denver to Montana. There appear to be adequate numbers of IT folks in Bozeman, but water and energy analytics are less abundant. We own an office building in Ennis where I would like to move it, however, there is insufficient local housing to bring more than a handful of employees and there is not sufficient available local talent, IT or analytical. Further, it would be hard to get some of our best folks to move from Denver, although I suspect the knee-jerk negative reaction will dissipate as Denver continues to grow. Right now it would be a problem. I have not given up hope that at least some of it will be moved up here.

Member: I would love to take the free MT government classes that pertain to my business, but having to travel to Helena in winter weather makes it unsafe. A telecommute option would be ideal.

Member: I'd be curious to know what the impetus was behind the previous question about individual company founders. Is there an alternative program within our network that those folks are involved in volunteering time to other founders/companies? Just curious.

Member: I'm in a high growth market with the ability to add customers to sustain additional debt. Banks want assets and are unwilling to loan on cash flow. Investors are predatory and want too much control/return. Public money is largely focused to manufacturing. Unencumbered access to loan capital based on cash flow IS NECESSARY for growing a small business, and it isn't accessible. Public funds are often given to building projects based on the "if we build it they will come" approach.

Member: It xxxxxxx.

Member: It would be very important to talk with Legislators about giving Montana software development shops a clear opportunity to band together to create solutions for the state of Montana for RFPs rather than let out of state shops win the contracts. A cooperative effort would be wonderful.

Member: Keep doing the networking events!

Member: Keep up the good work.

Member: Keep up the great work. I'm always a strong reference and advocate.

Member: Lack of infrastructure is our biggest issue, including lack of affordable fiber broadband. Our towns look like the third world, not particularly prosperous or inviting investment for job creation or business startup.

Member: Montana companies need help getting products and services marketed outside MONTANA.

Member: No comments, other than we are still looking for the best partners to help us turn our software, disruptive healthcare ideas, and IP into a financially successful business.

Member: Obviously, MT needs higher paying jobs. However, those jobs need to be fueled by a balance of industries that operating together provide sustainability from a business standpoint. We work in a number of US locations where salaries are high, but they're also limited to a few industries. The lack of diversity within industry results in economic volatility, lay-offs and huge impact on the community at large. Feel is best to focus on long term sustainable growth/gains vs short term immediate gains.
Member Part of good business is affordable labor, as you keep pushing higher paying jobs you keep increasing the market on labor. We now also employ people from Sri Lanka and Bulgaria because affordable people are becoming harder to find in Montana. Work on keeping Cost of Living low and Jobs will flourish. Being proud that housing market has gone crazy blows the entire success model of Montana.

Also why did you not include COLLEEN RUDIO, CASCADIA BUSINESS DEVELOPMENT IN YOUR SURVEY, or at least allow us to add other people and companies!!!?

Member Private sector led groups like the HTBA are essential for Montana to grow a real economy. I define economic development as effective public private partnerships for sustaining private investment. Government has not been an effective leader for business in Montana. They don't measure the meaningful things like private investment, new tax base, wage growth, job growth.

Member quality of life offered is great

Member Seems like MT is reaching critical mass in terms of high-tech jobs, especially around Bozeman/Missoula.

Member Starting any business is damn tough; Regardless, if you are in Montana or not. A lot of variable have to be 'right' at the same time to get real meaningful traction for your company. Institution, alliances and association can only offer so much to a developing company. Ultimately its undaunted courage, vision, work ethic and God's grace that enable a company to succeeded and reach the next level.

Member State of Montana should invest in entrepreneurs by offering office space for start up to start in incubators or tax credits Better tax credits for start ups

Member Sxxxxxx xxxxxxxx is addressing a fundamental need that is of particular relevance to Montana, and as such, is ideally located for the arrival of affordable, personal, on-demand mobility. When small groups can travel over regional distances at comparable cost to driving, but six times as fast, Montana communities will enjoy the same benefits of literal connectivity as they've enjoyed through their digital connectivity...but without the traffic and population increase traditionally implied. Imagine trying to get from, say, Troy to Broadus with six people on short notice: in xxxxxxxx that twelve hour, deer-dodging expedition becomes a simple two hour tour of our state's vast scenic beauty...at less cost than driving. When any small community in North America can be on a last-second group itinerary, the beneficial business, community, and lifestyle implications are staggering. Responding to the vast global demand for comfortable, fast, affordable future smart planes that can deliver on such promise requires a scalable high growth strategy. The personnel requirements of our process match well to the resource profiles of Montana communities. Likewise, the training, advancement, and technological integrations of our breakthrough manufacturing solutions are a designed-in attribute of each community franchise we deploy. Suddenly, in a town where a mile of highway could only take us a mile, our forgotten mile of runway can take us anywhere. Montana is not only competitive on a global stage of that description, it is nearly unmatched.

Member Thanks for keeping the momentum rolling!

Member That is exactly what we are doing - and you are a part of that success/goal. Thank you.

Member The biggest boost we could receive would be getting "discovered" in larger markets. We're not large enough to afford or justify a sales person/rep. What if there were a sales rep who represented many small Montana firms and we chipped in to cover the cost?

Member The challenges here are:

1. the market for software is not in Montana (we are far from our customers)
2. airfare is very expensive
3. good developments are few and far between and very expensive ($120k+)

Member The cost for commercial fiber internet service is crazy high. $650/mo for 20 mbs upload and download. Plus $1700 install fee. A lot for a small start-up business.
The cost of doing business is higher when customers are located outside the state and travel is frequently required. It is generally offset by the productivity of employees who are conscientious and engaged.

The cost of living in the Bozeman area has become so high, that it is extremely difficult to bring new people into the area from either other parts of Montana or out of state.

The focus of this survey was on Missoula and Bozeman. I currently live in Flathead County and prior to that lived in Great Falls. I have successfully operated a technology consulting business in both places. The Great Falls Development Authority was helpful when I was starting out. Since relocating to the Flathead I've used resources at Montana West Economic Development and Whitefish Chamber of Commerce. I am a women owned business and I've also used the resources of the Montana Dept. of Transportation - Disadvantaged Business Enterprise Program.

There continues to be a perception that Montana lacks high speed broadband service or qualified, high-tech firms. This perception is largely inaccurate and I'd like to see the MT HTBA do some sort of messaging or PR campaign telling the world that Montana is open and ready for high tech businesses to emerge and relocate here.

This survey is heavily biased toward western Montana.

We are in Billings - which as far as Montana goes, seems to be a less desirable area than Missoula, Kalispell, or Bozeman. There isn't a strong IT program in Billings from either Rocky nor MSUB, so developing a talent pool requires attracting in from out of state, or stealing from other companies here in Billings. Both are difficult, the latter is leading the major development shops in Billings to get into "bidding wars".

We have a lot of connections with large companies through universities (IBM, Oracle, KPMG, Salesforce, etc.). It would be VERY helpful for small businesses if an economic organization acted as an "ambassador" and helped local businesses become partners or subcontractors with these already-invested organizations.

We have a nice revenue trajectory in our sights for the next couple years. We anticipate being a market leader not only in the Flathead Valley but across the state. We are planning to add up to 3 employees in 2017 and 2 in 2018. We have some very distinct offerings and a great culture that are going to make it a wonderful place to work.

We need to build a vision for a socio-economic environment that capitalizes on our people and natural resources, and build pathways for young Montanans to develop and ultimately to become the workers, entrepreneurs and leaders who implement that vision.

We need two things 1) the State to be attracting more experienced technologists 2) more computer science graduates

We strive to create video presentations of very high quality at a reasonable cost, and with intelligence and creativity. We see "corporate video" to be a rapidly growing sector, as it has now or will soon be viewed as required content on websites and for use in sales and training. The demand reflects society's changing preferences for personal learning/information gathering - - we don't want to read or look at photos - - we want video! To create those new jobs will require us to stay current in the equipment we use, and improve efficiency of work flow.

We, xxxxxxxxxx, would like to lead a seminar series around Montana helping qualified private placement investors understand how to support business formation in Montana this year. Partnering with MHBA and others will be part of this program.

When my business was located in Twin Bridges, I considered hiring a part-time employee. There was no one in the area who was qualified for even an entry level position. I'm hoping that by relocating to Bozeman, I'll be able to find qualified support staff when I need them (not at this time). But rural communities, particularly the school systems, need to step up to the game. Tech companies won't consider setting up operations if they can't find any locally qualified employees.

While I have networked with many of the MT business development networks you have listed, in all cases they have taken more time and money and have never produced any benefit. I don't think any of them are worth my time and I would discourage others from wasting their time with them.
Member

Why are SCORE and the BEAR program not listed in resources?
I don't see 'high paying' jobs in this state. If this is a relative term, perhaps its context should be better defined. Frankly I see a real gap in this state for career path, senior level, truly high paying jobs. There seem to be plenty of companies hiring cheap labor straight out of college but aren't interested in senior leaders that weren't groomed internally. There are exceptions of course, however, until there are more than just exceptions, top senior talent won't even look at Montana and the brain drain among the younger crowd will continue. In my personal experience, my 20+ years in high tech business has yet to be put to work in this state, in spite of 2+ years of networking and business mentoring through multiple organizations.

Nonmember

- We've found recruiting and hiring the right talent (especially more experienced hires) in BZN to be challenging -- this has challenged our efforts to grow with local talent.
- We would welcome the opportunity to participate in efforts to help develop that talent (through working with the university system; helping to develop the overall ecosystem of high tech jobs -- which should lead to a more vibrant/diverse group of experienced professionals in the state; and marketing Montana/Bozeman as a great place to live).

Nonmember

After reviewing the questions related to the various area of help for tech businesses it would be beneficial to have a publication, on-line resource available to businesses to tap those potential alliances.

Nonmember

Bullock's Main Street Montana business portal is helpful. Like the networking events he creates.

Nonmember

BZN Airport has received a lot of support from resorts, but is critical to high tech jobs. It would be good to see more airport support from outside of the resort community.

Nonmember

Costs are much lower here, expect perhaps in Bozeman, when it comes to starting a business. Also, you can find good employees at much lower wages than in high tech hubs. Nobody thinking about starting a business thinks about what taxes he may pay one day if he succeeds, so tax policy is a complete non-issue. Cutting taxes, if it means cuts to education or infrastructure, is VERT harmful. Please do NOT cut my taxes, or anybody else's either. Finally, the biggest barrier we have to restaurant entrepreneurship is our RIDICULOUS liquor law system. Worse than any Soviet quota system ever invented. Thank you.

Nonmember

Didn't even know the Alliance existed. What do you guys do?

Nonmember

For medical device manufacturers, there are few resources available--for example, not too many injection molders or extruders with cleanrooms, and there are no sterilization services anywhere in the northwest (Denver and Salt Lake are the closest). This means shipping costs are higher than regions with suppliers.

Nonmember

I am 75 years old, and made an important invention for embryology late in life. We need to pass the threshold of development to a marketable product quickly and sell the company.

Nonmember

I think you're fighting the same thing we've been fighting for most of the last 8 years and certainly the last 4. Federal overreach, miserable fiscal policy, burdensome programs (health care), and uncertainty have caused many industries to be extremely conservative in their hiring and spending. When costs and playing fields are constantly shifting and very difficult to forecast companies have to operate in survival mode so they haven't been growing and spending.

Hopefully that will change in the near future and is already starting to look up toward the latter half of 2016. When costs are more predictable companies will increase growth spending and jobs everywhere should start to look up.

My company needs skills and experience that are not in Montana because most of those people have had to leave to find good paying jobs. However, it's possible we could find funding for an internship in 2017.

Nonmember

Keep air and water clean

Nonmember

Keep MT sales tax free.
Work on bringing in more outside capital similar to Next Frontier.
Nonmember Montana agencies offer business startup services, yet there is no unified endeavor in the financially slim Montana environment.

Nonmember Montana Bioscience Alliance helped us establish connections with other biotech companies and resources in Montana.

Nonmember More access to risk capital, MT Board of Research and Commercialization is an excellent program which needs to be greatly expanded.

In general public investment in education, infrastructure and support for working people, ie affordable child care, health insurance,

Nonmember Most Montana companies do not think big enough. We have the talent and work-ethic but we often lack the network (or initiative) to get plugged into the Fortune 500 or enterprise companies that lead to high paying jobs.

Nonmember Need to improve the ecosystem of the many wealthy people in Montana and companies that have opportunity to grow

Nonmember No comments, thanks for your efforts!

Nonmember Payroll is my biggest expense. We managed to get financial assistance through Job Service a few years back when we were around 15 employees. They paid part of the payroll expense for the first six months of a new employee. Unfortunately, this program does not apply to businesses greater than 20 employees. Training is a huge expense for me and for some roles like web development and sales/marketing, it takes a year before the new hire is adding value to the company. I'd hire and experiment more in these areas if the training/trial expense was offset. We have two web developers and the newest hire is impressed at what he is doing (compared to his contemporaries) after 12 to 18 months of work. He has learned quickly because we challenged him, and he is now being given his second significant raise in less than two years. I could teach and challenge a third coder, but since the first 9 months are all training, I'm not in a position for such an expense. I imagine that great training is available for new coders, but finding people to pay them to learn is not so easy. Maybe a sort of internship scholarship could be created where businesses apply. The continuation of the program could be rated based on how much the coder learns during a 12 month period - there are easy online tests of a coder's proficiency.

Nonmember Simple: Entice new, younger talent to relocate to this great state. We who live here know the benefits of doing so, but getting the word out to potential talent is the challenge. We cannot compete with Silicon Valley, so stop trying. Simply market the differences and better way of outdoor life. Also, MOST IMPORTANTLY – find ways of increasing infrastructure efficiency and choices for those inclined to relocate (i.e. broadband internet for rural locations). No tech savvy engineer will want to come here without the proper tools to make their job easier. Period.

Nonmember Small private biotech/pharmacy needs more funding opportunities in the state.

Nonmember Thank you for allowing us to participate. Cost of housing is an impediment to attracting folks to mid-wage jobs. We cannot price our spirits as they are priced in urban markets because Montanans expect an affordable product. Growth is slow because of the cost to market nationally and cross-state, but we are on the right track.

Nonmember There has been very little to no support from this organization in our area of technology advancement.

Nonmember there is a great need for organic ag research and then getting the results of that out to the ag community as well as training of extension people to help farmers convert to organic ag - which is the future of ag and the major way which will allow the family farm to survive in Montana.

Nonmember We are able to pay a plumber/heat tech 25% when working in the renewable energies due to advanced training requirements. Unfortunately Montana has not showed the same desires as other states in supporting these technologies. John Tester was noticeable absent in his endorsement for the federal tax incentive bill.

Nonmember We are fortunate to have built a good team but wish the University had better programs to prepare students for high tech jobs in bioscience. Few have lab experience. Business majors seem to not have experience in business software used in small businesses etc.
Nonmember  We at xxxxxxxxxxx xxxxxxxxxx, Inc are being forced out of our laboratory space in the xxxxxxxxxxxxxx and there is no other suitable place to re-locate within hundreds of miles. Renting and remodeling typical commercial space in the Bozeman area is beyond the available resources of typical early stage companies. While the MSU Foundation’s Nopper Building/Advanced Technology Park “Innovation Campus” has always been an unsatisfactory facility for chemistry, biotech or pharmaceutical research labs, it is nevertheless the ONLY lab space available to a private company seeking to do wet-lab scientific R&D in Bozeman, Belgrade or Livingston. We would like to suggest that this area in Montana, and possibly many other places in Montana, are critically lacking in suitable facilities for supporting biotech research and development companies that spin out of public universities. MSU is currently leasing the Molecular Biosciences Building, and is scheduled to take over the only other relatively new high tech building (Takeda formerly Ligocyte) even marginally suitable for chemical, pharmaceutical or biotech R&D. Both buildings are unavailable by law for lease to private companies wishing to pursue cutting edge wet-lab R&D in Bozeman or environs. Plans for an MSU Foundation large scale Innovation Campus have been stalled for the past 5 or more years, actual accomplishment in the near term is not foreseeable, and no new lab structures are on the drawing board. Facilities built using private capital would be a valuable addition to space controlled by the MSU Board of regents that are unavailable to private companies.

A potential economical solution that would greatly facilitate the creation of a thriving scientific research and development community here would be to build cost-effective modular space that would house several companies seeking to design and carry out technically innovative scientific projects. Many such companies exist here, struggling to survive.

Nonmember  We need high tech jobs in places other than Bozeman, Missoula, and Billings.
Nonmember  We need more incubator spaces in the state. See TED X Talk whitefish (Nitopi)
Nonmember  We plan to use MMEC this year for work force development