



## News Release

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### **Montana's High Tech Companies are Growing Nine Times Faster than Other Sectors, Reach Record \$1.7 Billion in Revenue**

**MISSOULA** – High-tech companies continue to be an important component of Montana's economy, generating nearly \$1.7 billion in revenues in 2017 and growing at rates up to nine times faster than the statewide economy, according to a recent study conducted by the University of Montana Bureau of Business and Economic Research.

The study found that Montana High Tech Business Alliance members continue to grow, with Montana employment of just under 6,000 and paying an median annual salary of \$63,000, a five percent increase over 2016.

High-tech survey respondents expect to add more than 1,200 new jobs in 2018, an 18.5 percent increase over 2017. According to the study, high-tech pays more than twice the median earning per Montana worker and represents the third highest-paying industry in Montana.

The fourth annual survey, commissioned by the Montana High Tech Business Alliance, includes responses from 134 members of the statewide organization that has more than 320 high-tech and manufacturing firms and affiliates as well as responses from 55 non-member high-tech and manufacturing companies. It also includes new insights on hiring and the high tech labor force in Montana, as well as trends in Alliance member wages, employment, revenue, and capital expenditure over the four years the study has been conducted.

"The growth trajectory of Montana's high-tech industry has far exceeded our expectations when we began collecting this data in 2015," said Christina Quick Henderson, executive director of the

Montana High Tech Business Alliance. “The removal of geography as a barrier to doing business, Montana’s attractiveness as a location for startups and second offices, and the economic success of companies like RightNow Technologies in Bozeman and onX in Missoula have all converged to create billions of dollars in revenue in a state with just over one million people. This data tells a new and surprising story about what is possible not just for our state, but for other rural communities across America.”

According to Lance Tinseth, board chair of the Montana High Tech Business Alliance and CIO of Murdoch’s Ranch & Home Supply in Bozeman, “This report confirms that Montana’s tech companies are continuing to grow at a record pace, ensuring that Montana natives and expatriates will be able to find rewarding, high-paying jobs right here in their home state. It also indicates that the Montana tech community is vibrant and invested in growing Montana’s economy as a whole.”

Montana high tech companies expect to increase wages by 5 percent in 2018, significantly faster than the 1.6 percent growth of all Montana employers in the most recent data. According to the study, growth in Alliance member and nonmember firms “vastly exceeds” average statewide economic growth. Employment and revenues are expected to grow at rates that are nearly nine times the BBER’s projection of statewide growth for member firms, and four times projected statewide growth for nonmember firms.

Eric Siegfried, CEO of [onX](#), said Montana has been a key component of his company’s growth, which [just closed a \\$20.3 million growth equity investment led by Summit Partners](#). “We launched onX in 2009 from my wife’s scrapbooking room in our Missoula home. Since then, the company has moved into much larger offices in Missoula and opened an office in Bozeman to house almost 70 employees. Over the past nine years, tens of millions of dollars in revenues and investment from out of state have flowed through onX and into Montana. This state’s culture, people, and landscape all played a major role in that growth story. Today’s report reinforces that Montana is the ideal place to build enduring tech companies.”

Mike Myer, CEO & Co-Founder of [Quiq](#), said, “Montana is a great place for entrepreneurs looking to start their own company, even though places like Silicon Valley get most of the credit. There is a ton of high-quality talent from the computer science graduates in the state and the work-life balance is really key. Companies are realizing more that startup life exists outside the mainstays, and that companies can be built almost anywhere. When companies are places where their employees’ quality of life is better, they’re going to have happier and in turn, better employees.” Quiq, formerly Centricent, closed a \$6.5 million round led by Venrock in 2016.

This year's report included survey data from the last four years to show Alliance member trends in wages, employment, revenue, and capital expenditure. Reported median wages paid by Alliance members have been increasing each year since the 2014 reported median wage of \$50,700. Total Montana employment of all Alliance firms is increasing each year, from 2,742 in 2014 to nearly 6,000 in 2017; BBER notes that it is important to remember the number of Alliance members has increased each consecutive year. Total annual Montana-generated Alliance member revenue has been growing steadily each year, from \$632 million in 2014 to \$1.4 billion in 2017. \$86 million in total capital expenditures in 2017 in Montana shows a slight increase from 2016, but the overall trend appears to be more volatile.

The 2018 survey added questions on the ease or difficulty of hiring in Montana and of obtaining new capital in Montana. Substantially more high tech businesses, 28 percent of members and 48 percent of nonmembers, reported that it was harder to hire more qualified new employees in Montana in 2017. More than two-thirds of survey respondents said there was no change in their ability to acquire capital in 2017. This data, analyzed by Dr. Yasuyuki Motoyama of the University of Kansas, indicated that companies with higher annual revenue were more likely to report that it was harder to hire in 2017 than firms with lower revenue and that very small, start-up companies were more likely to find it harder to obtain capital in 2017.

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

High tech companies reported that attracting talent and hiring skilled technology workers are their firm's largest impediments to growth. Alliance members added that visibility to customers is a new, but significant, impediment to growth.

The fourth annual survey was sent to 270 Montana High Tech Business Alliance member companies in high tech and manufacturing and 290 non-Alliance member companies.

Interviews with the Montana High Tech Business Alliance and member companies can be arranged by contacting [katy.spence@mthightech.org](mailto:katy.spence@mthightech.org). Photos and logos may be downloaded and a list of members by location may be found at <http://mthightech.org/media/press-kit/>. The full 2018 Montana High Tech Industry report can be downloaded at <https://mthightech.org/surveys/>.

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**Additional 2018 Survey Press Release Quotes from Montana Companies:**

## Billings

"It is very exciting and encouraging to see the growth in High Tech companies in Montana. Ultimately, regardless of our individual company needs, a strong, growing and vibrant IT environment in Montana is good for all of us." John Adams, AVP, Information Systems, [Kampgrounds of America](#)

"We are proud to be affiliated with MHTBA as they carry the banner to increase awareness and promote growth in Montana's High Tech business sector." Aaron Ramage, VP of Projects & Administration, [Diamond B Companies](#)

## Bozeman

"The latest survey about Montana's fast-growing tech industry confirms what we've come to expect from doing business in Montana: a high quality workforce, opportunities for growth and a supportive environment in which to do business." Matt Rizai, Chairman and CEO, [Workiva](#)

"Montana continues to be a vibrant location to start and grow a technology oriented business. Elixiter started seven years ago at a kitchen table and now operates a multi-million dollar marketing technology consulting company employing nearly fifty employees of which fifty percent are Montana natives and sixty-five percent are products of our state university systems. We continue to focus on hiring, growing and expanding our operation in Montana because of our employee's intelligence, work ethic and attention to client success." Andrew Hull, President & Founder, [Elixiter](#)

"We've noticed that people from out of state realize there is a technology industry here in Montana that is building credibility and trust." Luke Mauritsen, President and Founder, [Montana Instruments](#)

"What we have experienced here at AED in the last two years certainly corroborates the findings in this report. Our average annual growth rate since 2015 is 23%, and while trying to keep up with the amount of work coming in is a good problem to have, it is a problem that we've been mediating by hiring within the state. In the last 18 months, we have increased our staff by 56% and expect to see additional growth in the future. I believe organizations like the Montana High Tech Business Alliance provide a means for networking within our industry and can help businesses increase their visibility, not only among potential clients but to similar businesses for project collaboration." -Bryan Robertus, President, [Advanced Electronic Designs, Inc.](#)

"Montana has proven to be an incredibly fertile place to grow our high tech business. Since our founding in 2014 we have tripled in size and revenue each year with an incredibly talented and dedicated workforce supporting that growth. The talent and work ethic of our local populace has been the critical

edge we have had over competitors in other regions. We are proud to call Montana home and look forward to continued growth rooted firmly in our community. The MTHA has been a wonderful resource for our enterprise as we have navigated the challenges of growing a high tech business in Montana." Tim Sheehy, CEO, [Bridger Aerospace](#) and [Ascent Vision](#)

"Montana is a great place for entrepreneurs looking to start their own company, even though places like Silicon Valley get most of the credit. There is a ton of high-quality talent from the computer science graduates in the state and the work-life balance is really key. Companies are realizing more that startup life exists outside the mainstays, and that companies can be built almost anywhere. When companies are places where their employees' quality of life is better, they're going to have happier and in turn, better employees." Mike Myer, CEO & Co-Founder, [Quiq](#).

"Once again, this study provides solid evidence that the Montana high tech sector is a thriving economic force. Among many great statistics, this report highlights high wages, 2018 capital-improvement spending in excess of \$85 million, and shows that 77% of Alliance-member hiring was made from inside the state." Rob Gilmore, Executive Director, [Northern Rocky Mountain Economic Development District](#)

### **Flathead Valley**

"This year's Profile of Montana's High Tech Industries confirms what we have observed in northwest Montana-- high tech business are growing faster than most other industries in Montana and paying higher wages. Economic development organizations in the Flathead Valley recognize that much of today's manufacturing requires technology and that it continues to be difficult to find skilled employees. To help address this problem, we created the Making Montana Expo to connect students to manufacturing and tech business owners, who can help them identify the necessary skills for well-paid careers right here in Montana. Work-based learning in the form of 21st century apprenticeships and internships is one important tool for addressing workforce issues and taking control of our future." Kimberly Morisaki, Business Development & Marketing Director, [Montana West Economic Development](#)

"The high-tech industry continues to be a strong catalyst for job creation throughout Montana. More skilled workers are choosing to come to our state because of the unique combination of career growth opportunities and quality of life." said Rick Plavidal, General Manager, [Applied Materials](#)

### **Livingston**

"We believe we are in the perfect place, in Livingston, MT, at the more-than-perfect time to be a part of the explosive growth in the Montana tech scene. We expanded our team by 128 employees and opened

our doors to the Indiana tech scene by establishing a second HQ for our operations on Eastern Standard Time. The growth within Montana now positively affects other job markets too.” Andrew Field, CEO, [PFL](#)

## **Missoula**

“Blackfoot is proud to be a member of the Montana High Tech Business Alliance and is excited to play a part in building an ecosystem that supports new jobs in our high tech industry. Over the past two years, we have welcomed more than 50 employees to support our fiber optic network investments and growing customer base across Montana and Idaho. Along with a new technology innovation program, we know attracting talent is the key to reaching our goals.” Jason Williams, CEO, [Blackfoot](#).

"We launched onX in 2009 from my wife’s scrapbooking room in our Missoula home. Since then, the company has moved into much larger offices in Missoula and opened an office in Bozeman to house almost 70 employees. Over the past nine years, tens of millions of dollars in revenues and investment from out of state have flowed through onX and into Montana. This state’s culture, people, and landscape all played a major role in that growth story. Today’s report reinforces that Montana is the ideal place to build enduring tech companies." Eric Siegfried, CEO, [onX](#)

“99 percent of our customers are outside the state, but Missoula continues to be an ideal place for our tech business. The University of Montana provides a steady pool of well-educated, diligent applicants, and the area’s recreational and cultural opportunities are very attractive to talented out-of-staters. After all, who doesn’t want to work and live in paradise?” Jason Corbally, President, [Education Logistics \(EduLog\)](#)

"Not only is it fantastic for LMG Security to contribute to the impressive growth that Montana is experiencing in this industry, it’s especially exciting to be a part of the vibrant Missoula high-tech business community. We have always been proud to call Missoula home and are continually impressed with the level of talent and commitment we find in our team members. We have no doubt that our city will continue to be one of the top communities in the nation for high-tech business growth.” Sherri Davidoff, Founder and Senior Security Consultant, [LMG Security](#)

“A business is nothing without happy employees. The lifestyle Missoula affords our team is a big part of why we’re able to attract and retain local and national talent. As geography becomes less and less of a limiting factor, we can focus on growing in a community and landscape that attracts the kind of people we want to work with, which just so happens to be the kind of people our clients want to work with.  
-Ryan Hansen, CEO, [LumenAd](#)

"As a software company at the intersection of technology and tourism, being based in downtown Missoula is a natural fit. Returning to Missoula after three years in Silicon Valley was not only a breath of fresh (big sky) air, but it was clear that Missoula has more to offer than your traditional tech hubs. This has been made even more evident after creating 20+ jobs in the first 14 months of business with world-class people. We are attracting talent that could make it in the Valley, but they are a better fit here. When you have the work-life balance Missoula affords, only then are you able to unlock the greatest personal and professional potential in people." Evan Tipton, Founder/CEO, [TOMIS](#)

### **Statewide**

"Today's report continues to show the increasing impact of Montana's growing high-tech industry, which is a driver of our state's economy and creates high-paying jobs for Montanans. It's not surprising that our outstanding quality of life and the strength of Montana's workforce lead high-tech companies to locate and expand here. Montana's high-tech industry is maturing into a strong economic force allowing more Montanans to prosper." – Congressman Greg Gianforte