

High Tech Boom

BY CHRISTINA QUICK HENDERSON

A 2016 report by the Bureau of Business and Economic Research at the University of Montana, based on a survey of 200 Montana High Tech Business Alliance members, found high-tech and manufacturing companies were projected to grow seven times faster than the overall Montana economy and pay average annual salaries of \$57,000 – more than twice the median Montana wage. The sector shows no signs of slowing down in 2017.



Since acquiring RightNow Technologies in 2011 for \$1.8 billion, Oracle has maintained hundreds of high-paying jobs in Montana and is building a new operations center in Bozeman. RightNow alumni are leveraging their knowledge and resources to scale new high-growth ventures. Bozeman tech firms launched by former RightNow employees include Foundant Technologies and Elixiter, both are on the 2016 Inc. 5000 list of fastest-growing companies.

Venture capital investments in Montana are on the rise. Centricent, a Bozeman software company started by former RightNow CTO Mike Myer, closed a \$6.5 million round in 2016 led by Venrock (the venture capital arm of the Rockefeller family) and followed by Bozeman's Next Frontier Capital. In 2016, Next Frontier participated in rounds for Missoula's Clearas Water Recovery (\$4 million) and Orbital Shift (\$1.25 million).

Montana-grown companies are expanding rapidly across the state, including GTUIT (Billings), ViZn Energy (Columbia Falls), onXmaps (Missoula), Ascent Vision (Bozeman), Loenbro (Great Falls), Montana Precision Products (Butte), and Spika Design and Manufacturing (Lewistown).

The quality workforce has prompted large out-of-state firms to locate manufacturing and development sites in Montana, including Applied Materials (Kalispell), Workiva (Bozeman), and SoFi (Helena). Companies like Advanced Technology Group (Missoula), FICO (Bozeman), Helix Business Solutions (Dillon), Kount (Whitefish) and Deloitte (Helena) are hiring scores of people for technology services roles.

Montana's quality of life is a magnet for retaining talent. When GlaxoSmithKline recently moved research and development to Maryland, 15 researchers from GSK's Hamilton lab formed their own biotech firm rather than leave the state. Inimmune launched at MonTEC in Missoula in 2016, in partnership with the University of Montana, keeping over \$20 million in National Institutes of Health research contracts in Montana.

Montana has been the No. 1 state for startup activity for four straight years, according to the Kauffman Entrepreneurial Index. Supported by the Blackstone LaunchPad and business schools at the University of Montana and Montana State University, more Montana startups are earning spots at highly competitive accel-

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erator programs. In 2016, Montainer, a Missoula firm that builds tiny houses in shipping containers, attended the 500 Startups program in Mountain View and Bozeman's HERO app to reduce drunken driving attended a Techstars accelerator.

Entrepreneurship is also creating wealth and jobs in Montana's tribal communities. S&K Technologies in St. Ignatius won a \$4.2 billion Air Force contract in 2016. S&K has returned more than \$25 million in dividends to the Confederated Salish and Kootenai Tribes since 2002 and employs 500 people – 50 in Montana. Island Mountain Development Group in Harlem has a high-tech call center and supports 50 jobs and \$1.4 million in payroll for the Gros Ventre and Assiniboine Nations.

Remote workforce is a growing trend, with tech firms hiring people on farms and ranches in towns like Cut Bank, Big Timber, Two Dot and Roundup. Rural communities are gaining new vitality by attracting remote workers, but fast broadband is a requirement.

Finding enough talent remains the No. 1 barrier to growth for Montana high-tech firms, particularly in computer science. Joint efforts to train workers and promote Montana jobs will help fast-growing companies fill positions and allow more Montanans to make a good living in the state they love.

Look for Montana's high-tech sector to add more firms and more high-paying jobs in 2017. ■

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