



A New FRONTIER:

ENTREPRENEURSHIP ECOSYSTEMS IN BOZEMAN AND MISSOULA, MONTANA

by Yasuyuki Motoyama, Christina Henderson, Paul Gladen, Emily Fetsch, Sharah Davis

OUR RESEARCH COALITION

This report is a result of joint research by three academic researchers and three local support organizations (Montana High Tech Business Alliance, MonTEC, and the Blackstone LaunchPad at the University of Montana, Missoula) and is funded by the Ewing Marion Kauffman Foundation, a nationally leading philanthropic organization on entrepreneurship. Our findings are primarily based on 42 interviews of local entrepreneurs and support organizations and a survey of 178 companies in the region.

HIGH LEVELS OF ENTREPRENEURIAL ACTIVITIES IN MONTANA

Our analysis, as well as various other data, demonstrate that both Bozeman and Missoula present a very high level of entrepreneurship:

- The proportion of Inc. high-growth firms is particularly high in Bozeman, higher than Denver (9th in the nation) and almost compatible with Washington, D.C. (1st in the nation).
- Montana has been quite successful bringing in external venture capital investment considering its scale, but it accelerated even more in the mid-2010s, particularly after the establishment of a local source, Next Frontier Capital.
- Compared with [thumbtack.com's nationwide survey](#), the perception of business climate in Montana is highly favorable.
- Montana further demonstrates vibrant a) spinoff activities originated from RightNow Technologies and b) clusters of photonics companies.
- [Research by other scholars](#) also highlights that Missoula and Bozeman ranked 9th and 12th highest in startup rates among 394 areas in the country.

UNIQUE LOCAL ASSETS BOOST ENTREPRENEURSHIP LEVELS

- Montana's high level of entrepreneurship is leveraged by **dense networks** of active local support organizations (non-profits, university-related, government, and individuals), which were well perceived and utilized by entrepreneurs.
- Entrepreneurs in Montana seek out resources, participate in events, meet mentors **beyond their hometowns**, often 200-300 miles away.
- Entrepreneurs in Montana have **diverse backgrounds**, coming from all over the country, with Silicon Valley or international experiences.
- With exception of a few companies specifically working in the local environment, Montana companies **target national and international markets** and procure their inputs globally.
- Montana companies enjoy the **high level of workforce** locally with a high retention rate built upon the quality of life offered in the region.

RECOMMENDATIONS

- **Keep building the Montana-unique ecosystem for Montana companies.** Do not imitate Silicon Valley, Denver, or other places because Montana companies enjoy different and unique Montana assets.
- **Identify regional strategies for recruitment of qualified employees.** While many companies were satisfied with the quality of recruited workers, other companies expressed concerns over hiring specific kinds of workers or recruitment on a large scale. However, there is a range of identified and needed skills by different companies (such as software engineers, managers, young talent, experienced talent, etc.), and it is rather unrealistic to expect local universities to produce the talent, especially in the short term. If Montana companies decide to recruit the talent externally, the region needs to embrace an environment to accommodate diversity, including foreign-born workers and entrepreneurs.
- **Review air access.** Limited air access and high airfare prices may hinder the connections of Montana entrepreneurs. Various options should be discussed between users, government, and airlines.
- **Expand the support networks beyond political boundaries.** Our survey identified four kinds of communities within the region. While it is natural to provide referrals and support people you know, these four identified groups seemed to reflect somewhat political divisions within the state. We should not limit our support system based on such political divisions because entrepreneurship will benefit the whole economy.

Read the full report at :

<https://mthightech.org/montana-entrepreneurship-ecosystems/>

IN THEIR VOICES: SUPPORT NETWORK.

"The good thing about Montana being a small town is I know the governor, I know Sen. Tester. Because it's a small town, you get access to your leaders. And they really help support you in any way that they can and also talk about you a lot."

-Paige Williams, founder and CEO, The Audience Awards

...

EXCELLENT WORKFORCE.

"I think Montana is unique in the sense that you can take highly educated, well-informed people and combine them with people who maybe have no academic background but are just brilliant, hard-working, willing to get it done. You put those two together - one is kind of a boots on the ground, let's move some dirt, and the other is kind of the academic, more structured, know-how behind it. Those two coming together is unique in my experience"

-Jordan Lind, CEO, Clearas Water Recovery

...

QUALITY OF LIFE.

"People are outside walking their dogs, mountain biking, hiking, on the river, surfing on their lunch break. That is a celebration of balance that we don't work to live and live to work, but both."

-Molly Bradford, cofounder and CEO, GatherBoard

...

GROWTH THROUGH BOOTSTRAPPING.

"We've always been, I don't want to say anti-VC. That's not correct. It's just a lot of times outside funding, the interests aren't aligned. I never wanted our company to be beholden to short-term financial decisions and have shareholders demanding a return on something that was so blatantly harmful in the long term to our company. And as a result, we didn't take a dollar for two years."

-Tim Sheehy, founder and CEO, Bridger Aerospace

We would like to thank Advanced Technology Group for sponsoring the printing of this summary.

 advanced
technology
group
<https://atginfo.com>