



MATTERS™

MASSACHUSETTS TECHNOLOGY, TALENT,
AND ECONOMIC REPORTING SYSTEM

MATTERS executive competitiveness insight survey

Spring 2017 vs. Fall 2016

Analysis deck

Charles Garbowski
Senior Director, Research

April 20, 2017





Objectives and methodology

Objectives and methodology

Objectives

- To gather perspectives of CEOs and senior executives regarding the business climate in Massachusetts, and to find trend data in those perspectives over time
- Assess the following:
 - Business environment for Massachusetts technology and other industries
 - Factors posing potential risks

Methodology

- Web-based survey on behalf of the Massachusetts High Technology Council conducted March 2017 by KPMG
- Total number of participants:
 - Spring 2017: 37
 - Fall 2016: 60



Executive summary

Executive summary

- Massachusetts is considered a good/excellent place to create, operate and expand high technology businesses
- The business environment for Massachusetts technology and related industries is seen as holding steady or improving
- There is sufficient access to capital in Massachusetts to commercialize innovative ideas and fund start-ups
- High cost of doing business is the greatest potential risk to their business
- H1B is acknowledged as significantly important in recruiting and retaining highly skilled employees



Key findings

Key findings

- More than three quarters (78%) rate Massachusetts as a good/excellent place to create, operate and expand high technology businesses
 - Up from last year (2016: 72%)
- Most (81%) feel the business environment for Massachusetts technology and related industries is holding steady or improving
 - Less optimistic outlook than last year (2016: 90%)

- Massachusetts is considered as a good/excellent place to create, operate and expand high technology businesses
- Business environment for Massachusetts technology and related industries is holding steady or improving

Key findings

- Significant Majority (61%) agree that there is sufficient access to capital in Massachusetts to commercialize innovative ideas and fund start-ups

Statements	Spring 2017	
	% rating (8 – 10)	Mean
There is sufficient access to capital in Massachusetts to commercialize innovative ideas and fund start-ups	61 percent	7.2
Massachusetts provides my business with access to specialized research facilities (e.g., science labs, university and federal research institutions, and technical libraries)	50 percent	6.8
The overall quality of life in Massachusetts makes recruitment and retention of employees easy	38 percent	6.6
Considering all of the significant factors, including government, industry, and quality of life, Massachusetts is more competitive than other states with regard to attracting and retaining talent	35 percent	6.4
My business is able to successfully hire for key technology positions	31 percent	6.4

1 = Strongly disagree and 10 = Strongly agree

- Many (73%) believe ‘high cost of doing business’ is the greatest potential risk to their business
 - Significantly fewer think the ‘unavailability of skilled workers’ is a risk in 2017 (2017: 32%, 2016: 45%)
- Significant majority acknowledge the importance of H1B to recruit (65%) and retain (62%) the highly skilled employees

- There is sufficient access to capital in Massachusetts to commercialize innovative ideas and fund start-ups
- High cost of doing business is the greatest potential risk to their business
- The importance of H1B to recruit the highly skilled employees is significantly acknowledged

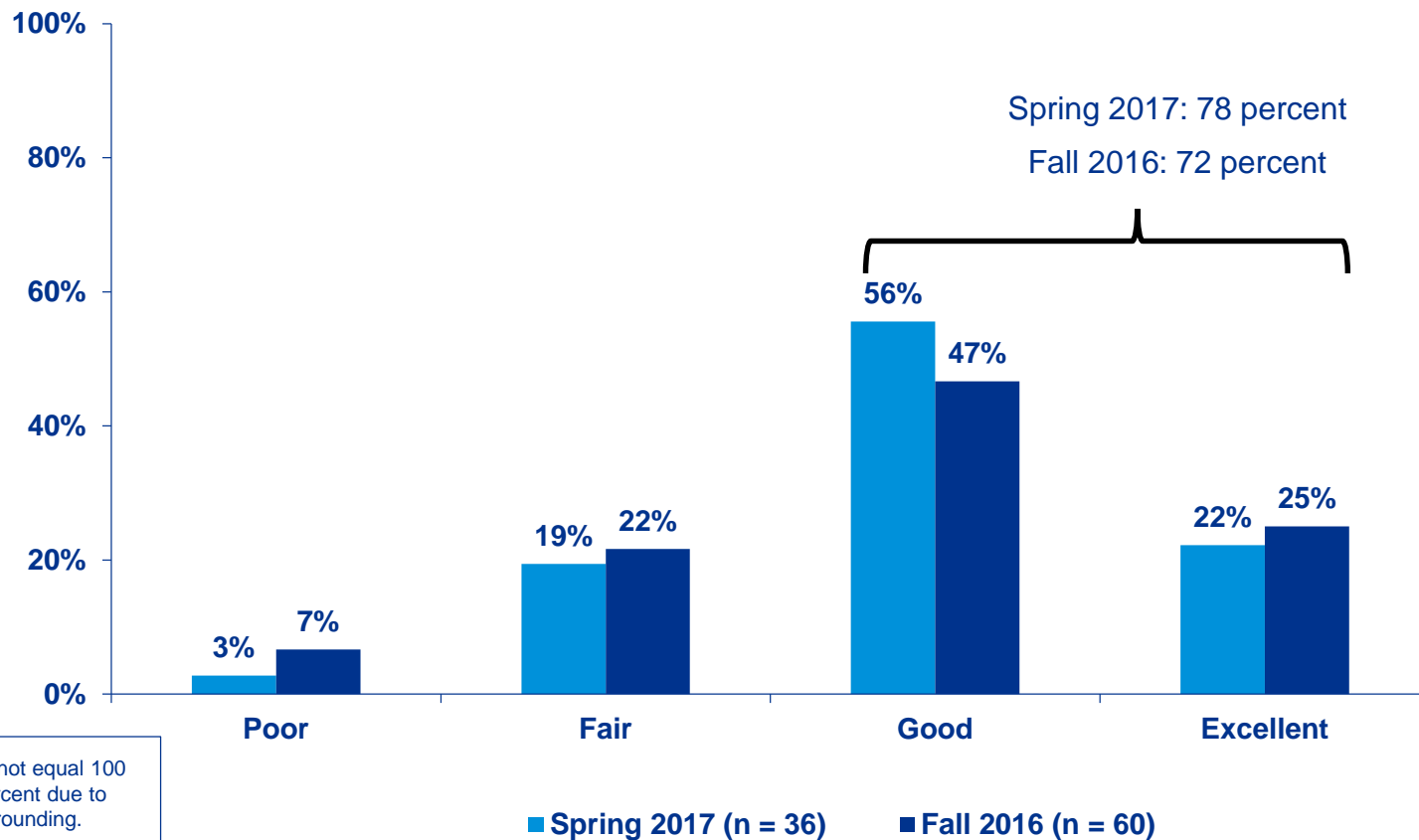


Appendix: Detailed findings



Technology environment

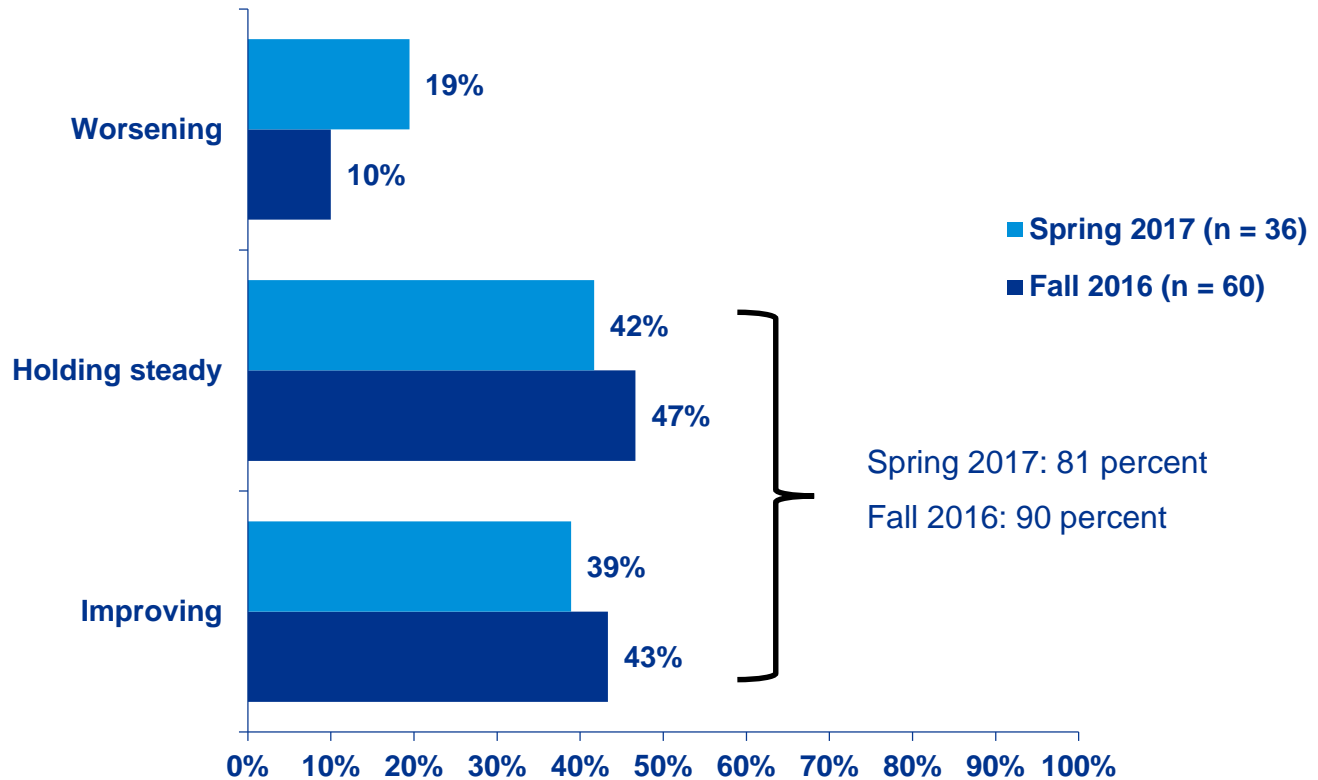
More than three quarters rate Massachusetts as a good/excellent place to create, operate and expand high technology businesses



Q. How would you rate Massachusetts today as a place in which to create, operate and expand high technology businesses?



Most feel the business environment for Massachusetts technology and related industries is holding steady or improving; but down from last year



May not equal 100 percent due to rounding.

Q. In which direction does the business environment for Massachusetts technology and related industries seem to be moving?





Important aspects of the Massachusetts business environment

Significant Majority agree that there is sufficient access to capital in Massachusetts to commercialize innovative ideas and fund start-ups

Statements	Spring 2017		Fall 2016	
	% rating (8 – 10)	Mean	% rating (8 – 10)	Mean
There is sufficient access to capital in Massachusetts to commercialize innovative ideas and fund start-ups	61 percent	7.2	54 percent	7.1
Massachusetts provides my business with access to specialized research facilities (e.g., science labs, university and federal research institutions, and technical libraries)	50 percent	6.8	48 percent	6.9
The overall quality of life in Massachusetts makes recruitment and retention of employees easy	38 percent	6.6	28 percent	6.5
Considering all of the significant factors, including government, industry, and quality of life, Massachusetts is more competitive than other states with regard to attracting and retaining talent	35 percent	6.4	27 percent	6.3
My business is able to successfully hire for key technology positions	31 percent	6.4	30 percent	6.2
Massachusetts vocational and higher education programs effectively train the labor force to meet my business' needs	27 percent	5.9	41 percent	6.2
The high costs of energy in Massachusetts are incidental to my business	40 percent	5.8	28 percent	5.7
Skilled labor is readily available	32 percent	5.8	24 percent	5.8
State government's overall responsiveness to the needs of business is high	24 percent	5.7	17 percent	5.9
MA business tax and regulatory policies are fair and equitable	14 percent	4.8	5 percent	4.5
The quality of Massachusetts's public infrastructure (public transportation, air, shipping, broadband connectivity, roads/bridges) fully satisfies my business needs	11 percent	4.8	15 percent	4.6
The comparatively high cost of employee healthcare coverage is a only minor concern to my business	25 percent	4.5	13 percent	4.1
My ability to attract and retain talent is not affected by the cost and availability of housing in the Commonwealth	14 percent	4.5	10 percent	4.1

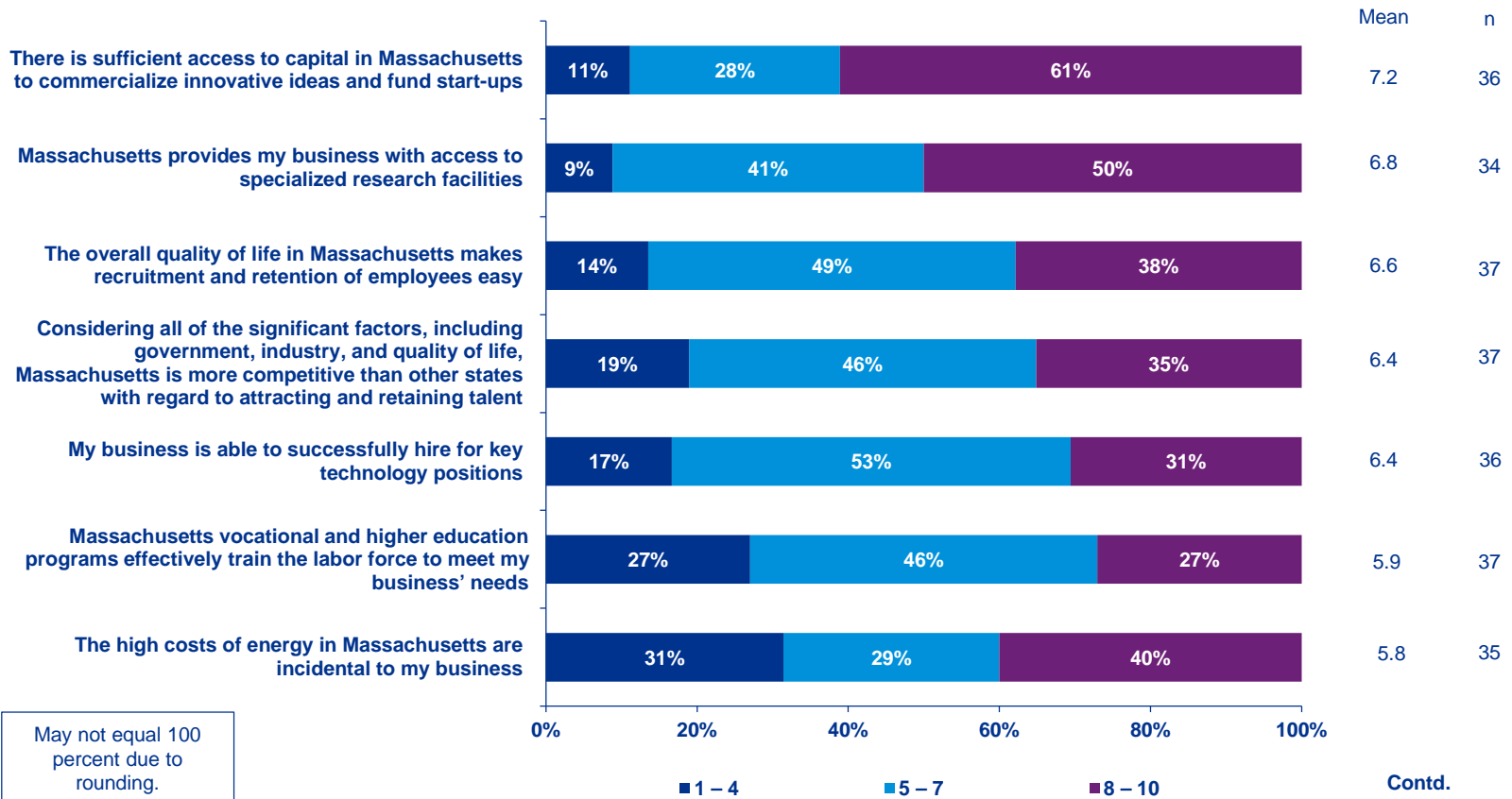
Q. Please indicate the degree to which you agree or disagree with each of the following statements about the conditions in Massachusetts:

1 = Strongly disagree and 10 = Strongly agree



Level of agreement with various statements about the conditions in Massachusetts

Spring 2017

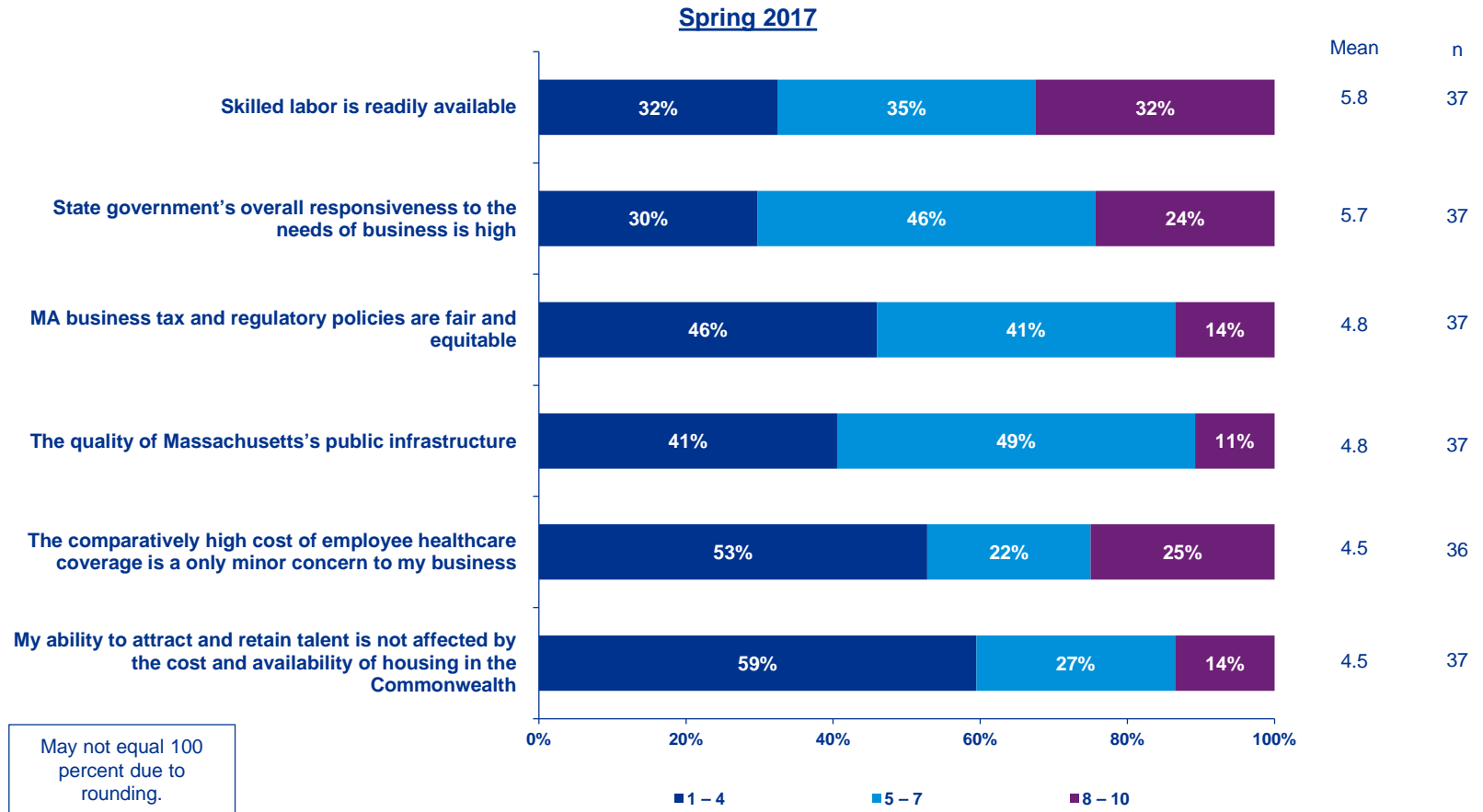


Q. Please indicate the degree to which you agree or disagree with each of the following statements about the conditions in Massachusetts:

1 = Strongly disagree and 10 = Strongly agree



Level of agreement with various statements about the conditions in Massachusetts

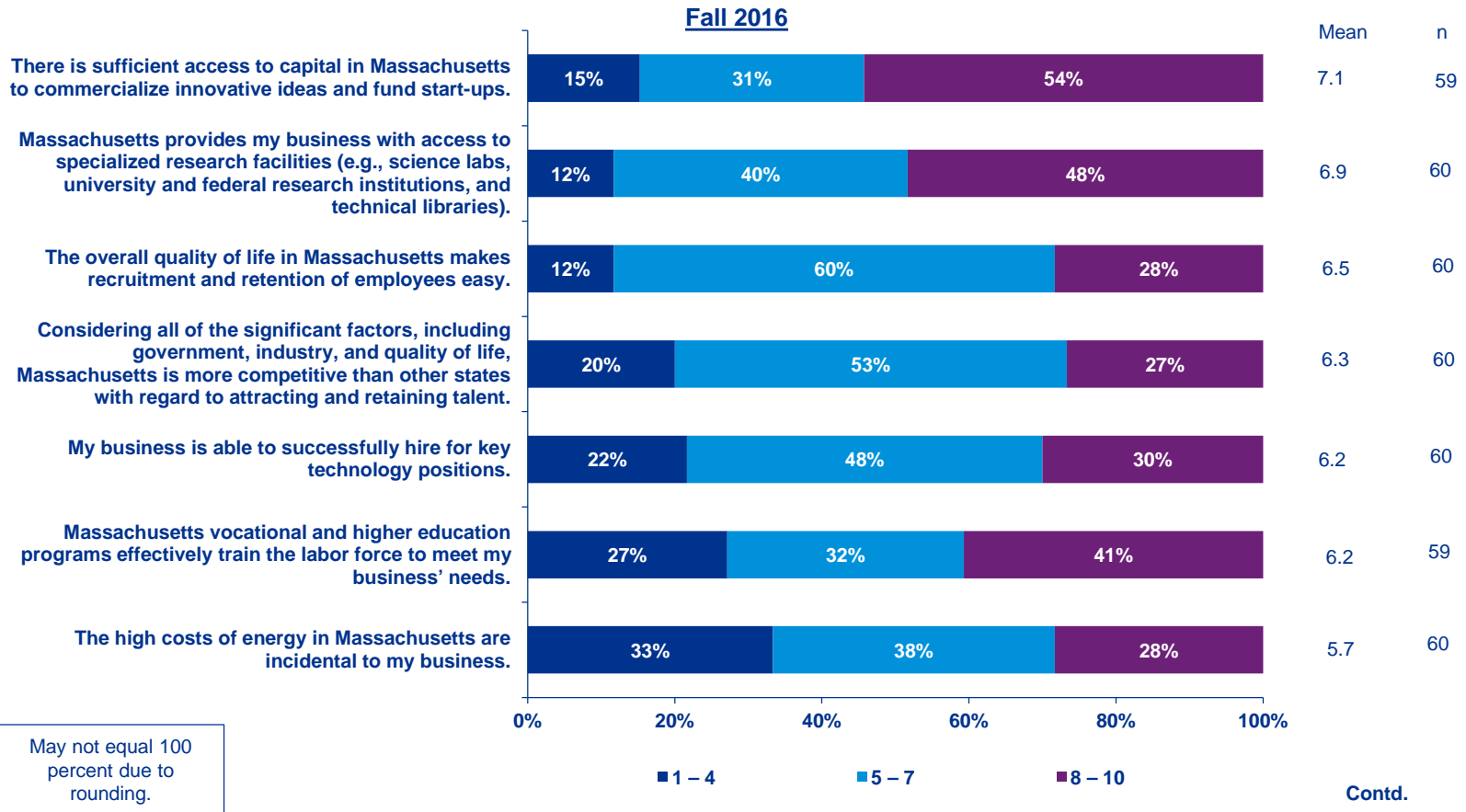


Q. Please indicate the degree to which you agree or disagree with each of the following statements about the conditions in Massachusetts:

1 = Strongly disagree and 10 = Strongly agree



Level of agreement with various statements about the conditions in Massachusetts

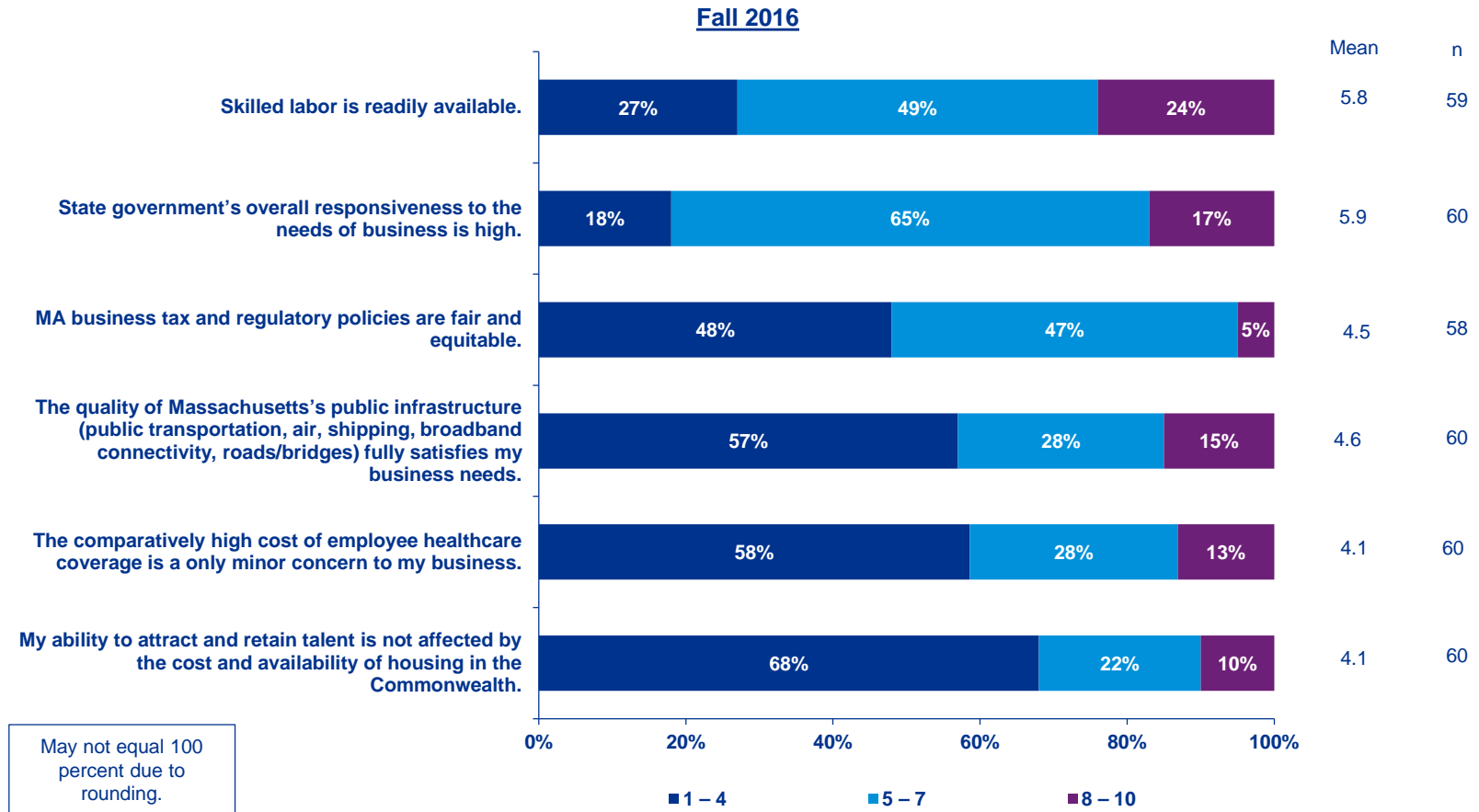


Q. Please indicate the degree to which you agree or disagree with each of the following statements about the conditions in Massachusetts:

1 = Strongly disagree and 10 = Strongly agree



Level of agreement with various statements about the conditions in Massachusetts



Q. Please indicate the degree to which you agree or disagree with each of the following statements about the conditions in Massachusetts:

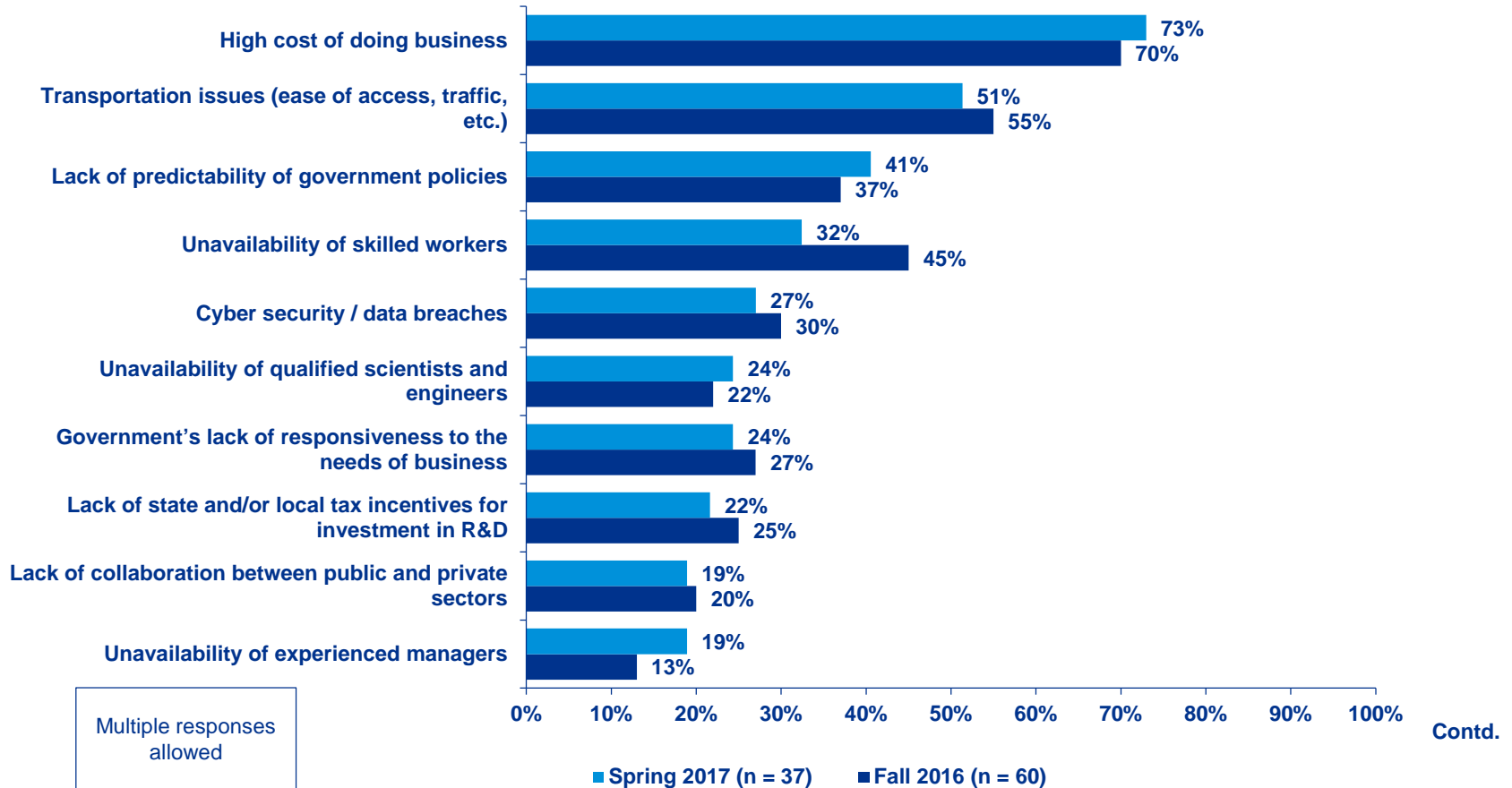
1 = Strongly disagree and 10 = Strongly agree





Potential risks to business

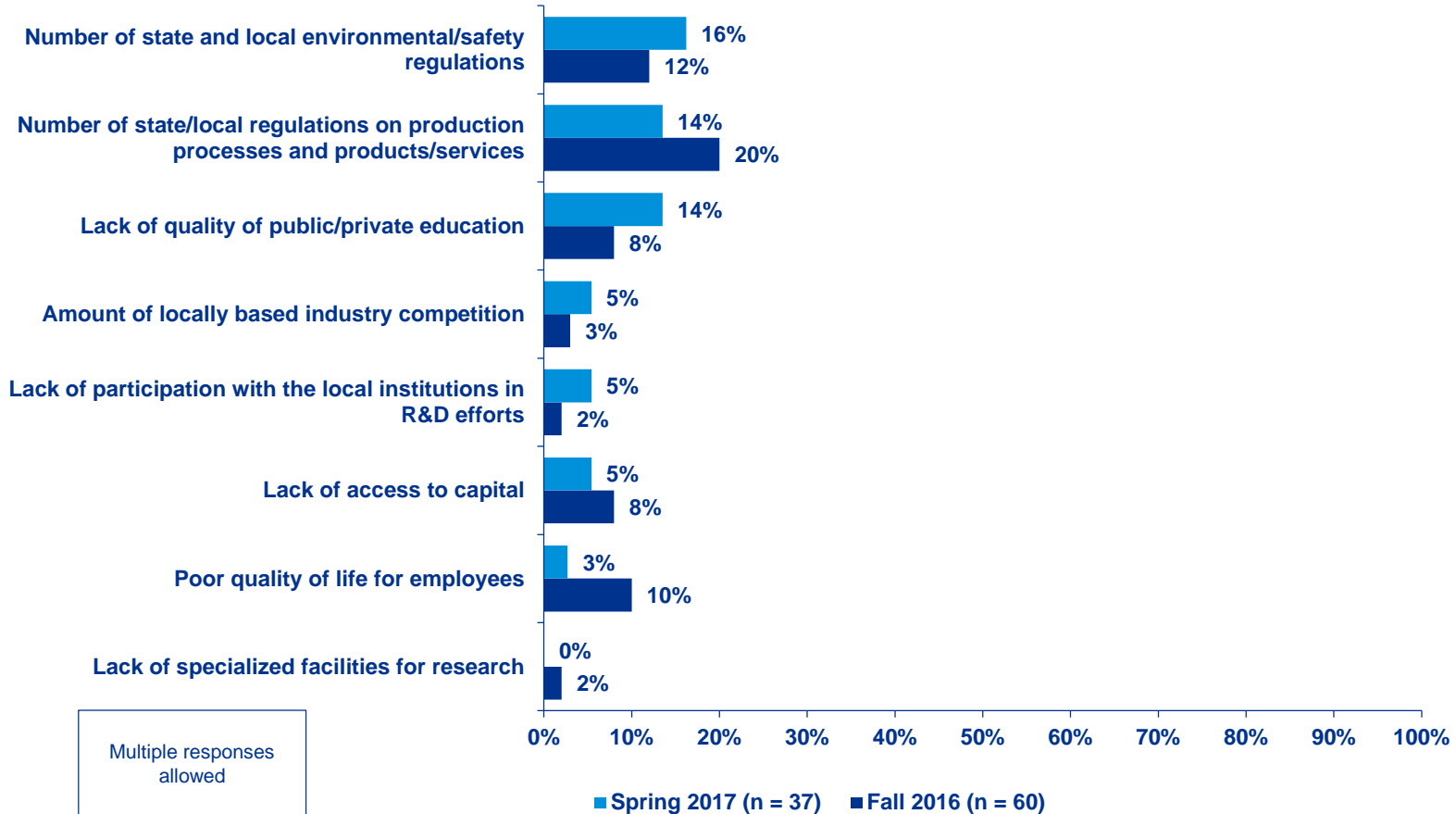
Many believe 'high cost of doing business' is the greatest potential risk to their business



Q. Which factors do you believe pose the GREATEST POTENTIAL RISK to your business?
Please select up to five (5) factors from the list below:



Factors posing potential risks to businesses

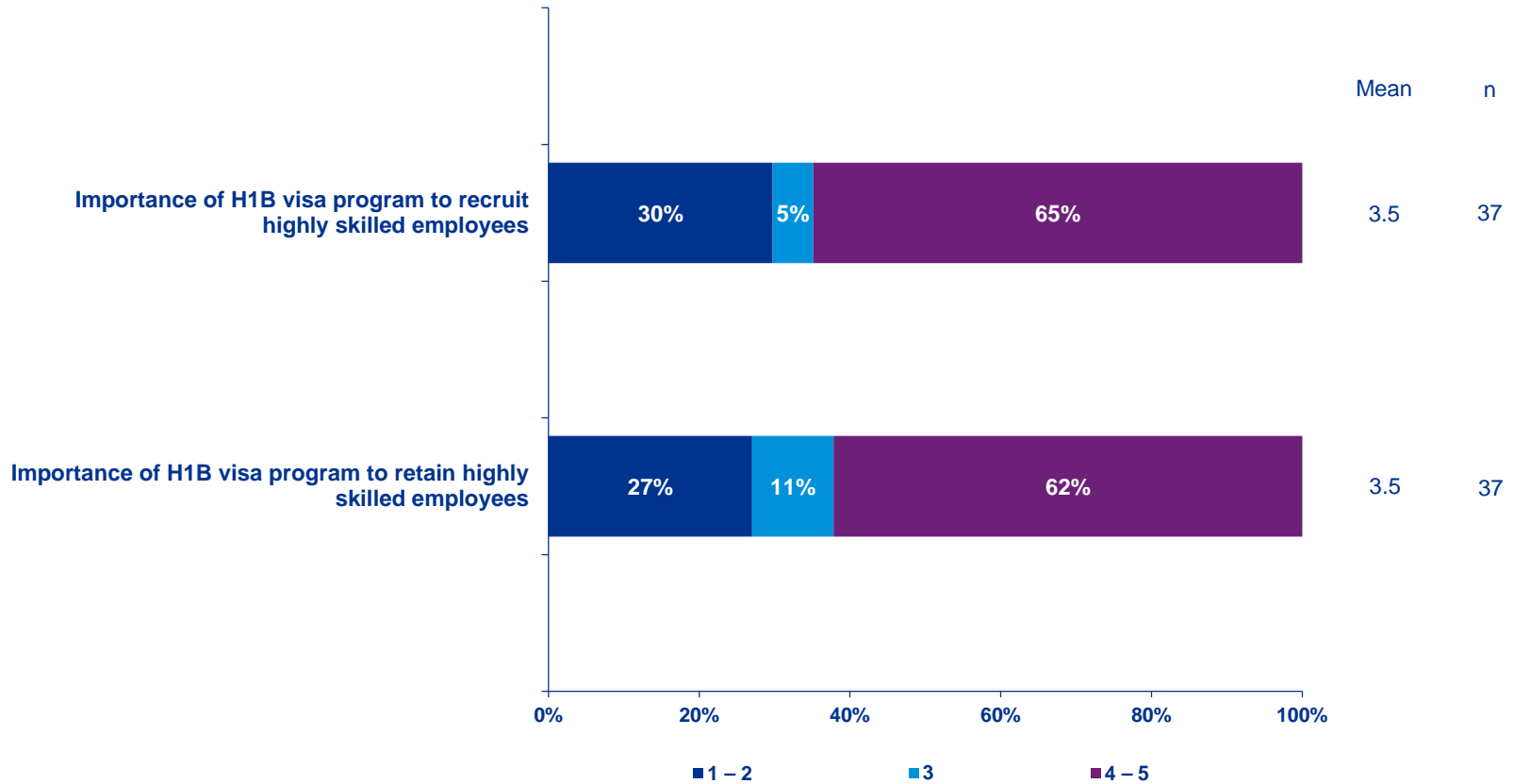


Q. Which factors do you believe pose the GREATEST POTENTIAL RISK to your business?
Please select up to five (5) factors from the list below:

MATTERS™
MASSACHUSETTS TECHNOLOGY, TALENT,
AND ECONOMIC REPORTING SYSTEM

Significant Majority Acknowledge The Importance Of H1B To Recruit And Retain The Highly Skilled Employees

Spring 2017



Q. How important is the H1B visa program to your company's ability to **recruit** highly skilled employees?

Q. How important is the H1B visa program to your company's ability to **retain** highly skilled employees?

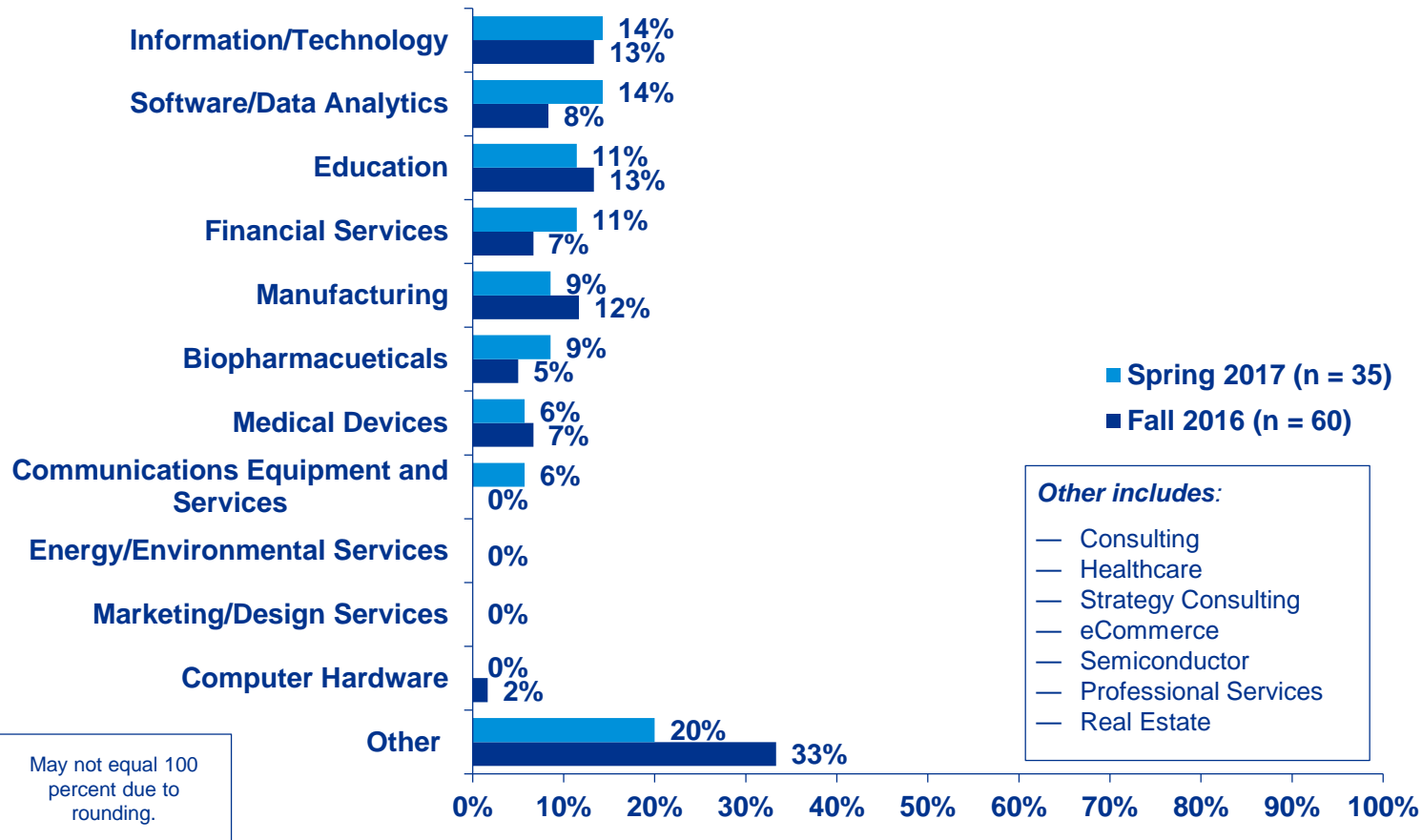
1= Not at all important 5= Very important





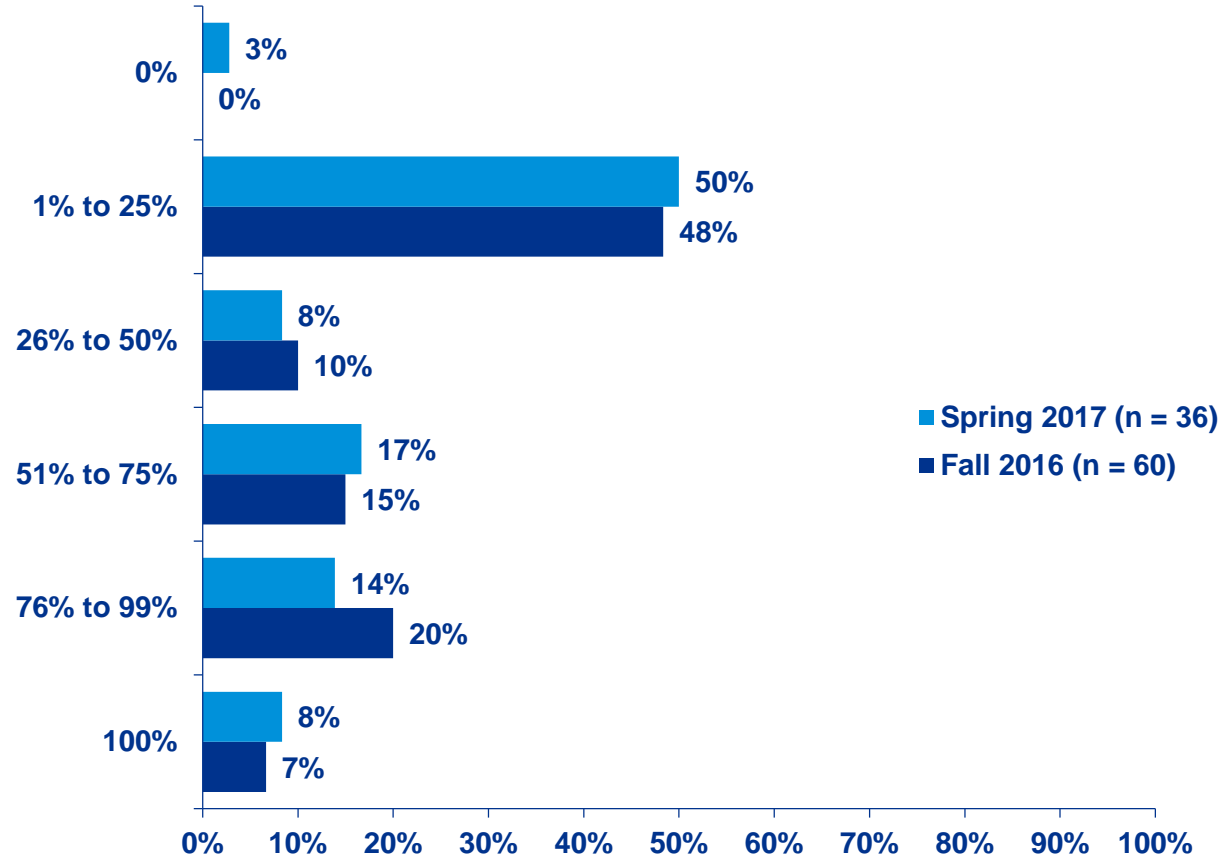
Demographics

Nearly 3 In 10 Belong To "Information/Technology" And "Software/Data Analytics"



Q. Which of the following statements best describes your company/local division's primary industry segment in Massachusetts:

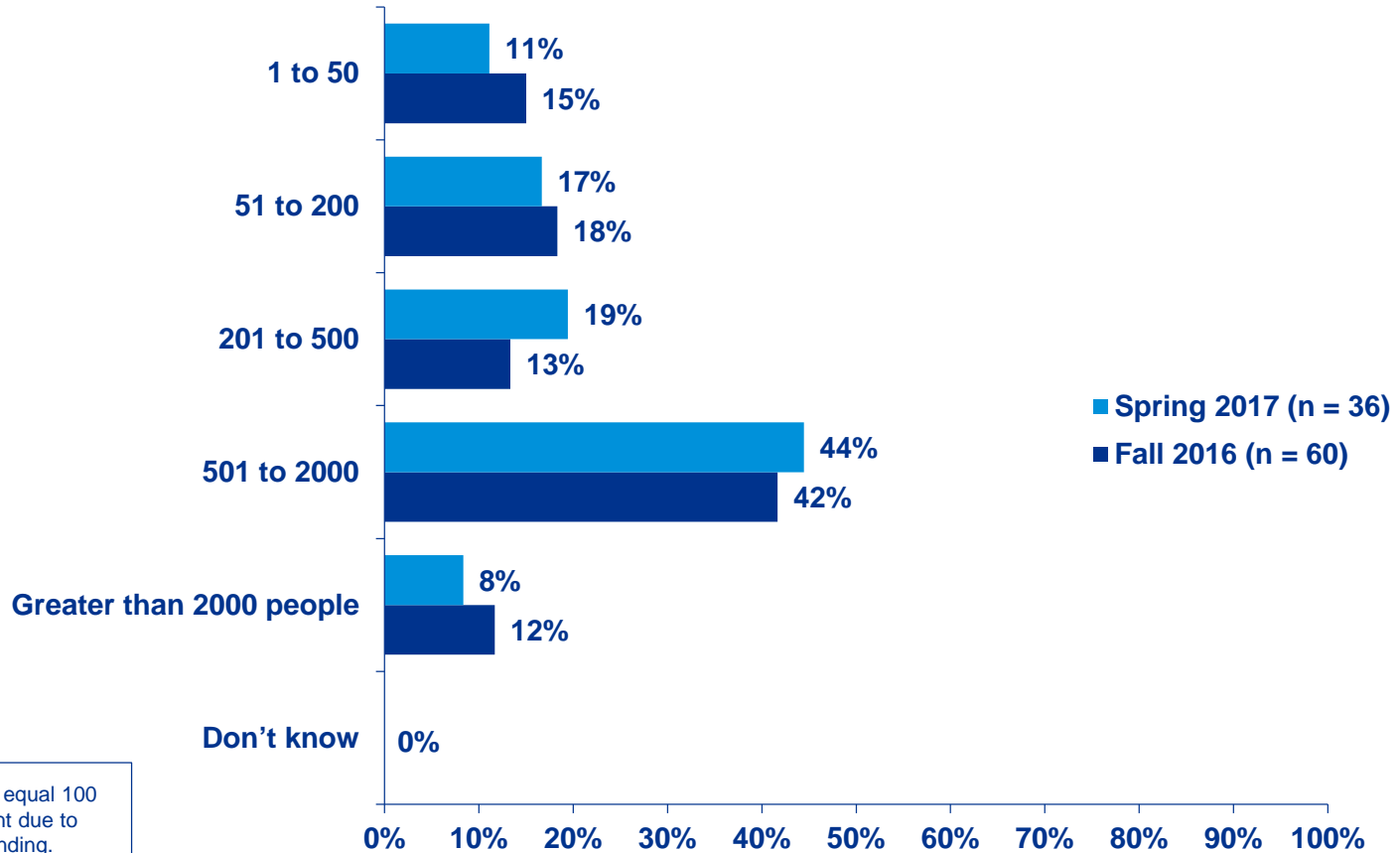
Half say 1 percent to 25 percent of customers/clients are located within New England



Q. Roughly what percentage of your customers/clients are located within New England?

MATTERS™
MASSACHUSETTS TECHNOLOGY, TALENT,
AND ECONOMIC REPORTING SYSTEM

Over 4 in 10 employ 501 to 2000 people in Massachusetts



Q. How many people does your company employ in Massachusetts?



kpmg.com/socialmedia

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2017 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. All rights reserved. NDPPS 613236

The KPMG name and logo are registered trademarks or trademarks of KPMG International.