



2011 Spring CEO Survey - Top 10 Findings Report

Austin Technology Council conducted its 2011 Spring CEO Survey to examine Austin's greatest challenges and opportunities in becoming a tier-one technology leader. Responses were solicited from approximately 400 CEOs in April and May 2011, and responses from approximately 100 participants are included in this final analysis.

This report presents the top 10 findings resulting from the survey. Additionally, the report focuses on the most pressing issues for Austin's technology CEOs – talent acquisition and capital investments. Both survey results and research findings are included in the report.

Key Findings:

1. **77%** of respondents agree that there **will be a shortage of technically skilled talent in the future.**
2. **71%** of respondents agree that there **is a shortage of technically skilled talent at the present time in Austin.**
3. **More than half** of respondents believe **that talent issues have limited their organization's productivity and efficiency.**
4. The **most pressing talent concern** cited is **recruiting hard-to-find skill sets.**
5. The **top 3 recruiting challenges** are (1) **finding qualified talent**, (2) **budget constraints**, and (3) **improving average time to fill positions.**
6. **54%** of respondents identify **company-internal resources** as the **best source of ideas for future growth.**
7. **63%** of respondents say their companies **are currently pursuing or have received capital investments in the past.**
8. **77%** of the companies that are currently pursuing capital investments or have pursued funding in the past **travel outside of Austin to procure funds.**
9. **Key business issues** are (1) **product or service innovation**, (2) **raising capital**, (3) **employee retention and recruitment**, (4) **maintaining continual and steady growth**, and (5) **consistent execution of strategy.**
10. Respondents' **plans for 2011 and 2012** include (1) **adding jobs**, (2) **expanding outside of Austin**, (3) **mergers/acquisitions/alliances**, (4) **new sources of financing**, and (5) **succession planning.**

Research:

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Writing:

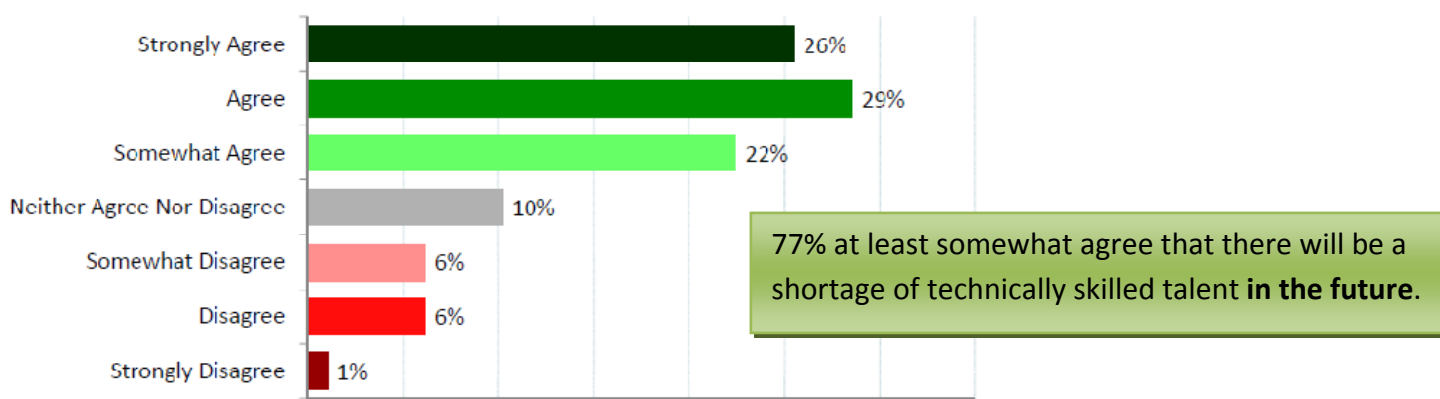
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Talent Acquisition

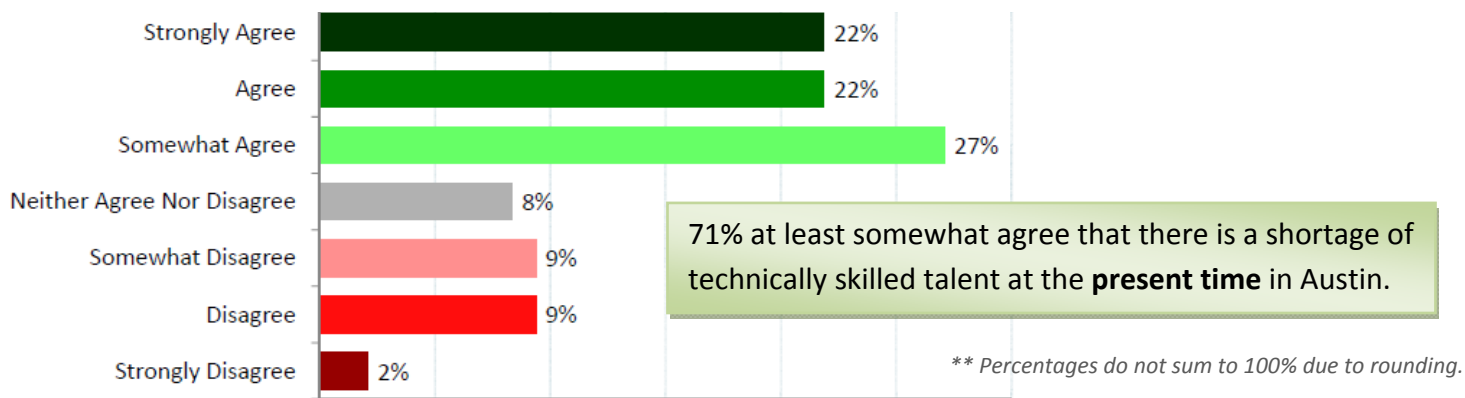
The “talent wars” are gaining heat as Austin companies prepare to staff up for growth in 2011 and the decade beyond. Survey results from an earlier Austin Technology Council study – the 2010 Winter CEO Survey – revealed that of 191 respondents (145 of which were technology companies), 81% planned at that time to increase their headcount in 2011. The demand for technically skilled talent is on the rise across the nation. According to “Bridging the Skills Gap,” an article published by the American Society for Training & Development (ASTD) in 2009, 76% of U.S. jobs will require workers with skills in science, technology, engineering, or math (STEM) by 2015. In 1991, only 50% or fewer U.S. jobs required workers with these skills.

The following graphs illustrate the 2011 Spring CEO Survey top findings related to talent acquisition. Participants were asked to rate their agreement with the following statements:

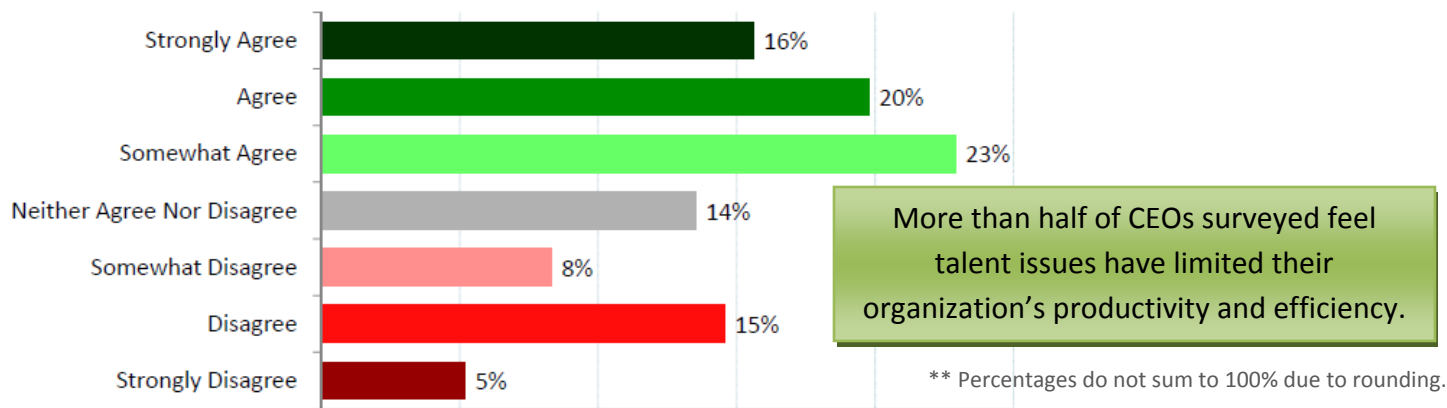
*“There **WILL BE** a shortage of technically skilled talent in Austin” (ie. Quality programmers, engineers)*



*“There is **CURRENTLY** a shortage of technically skilled talent in Austin” (ie. Quality programmers, engineers)*



“Talent issues have limited my organization’s productivity and efficiency”

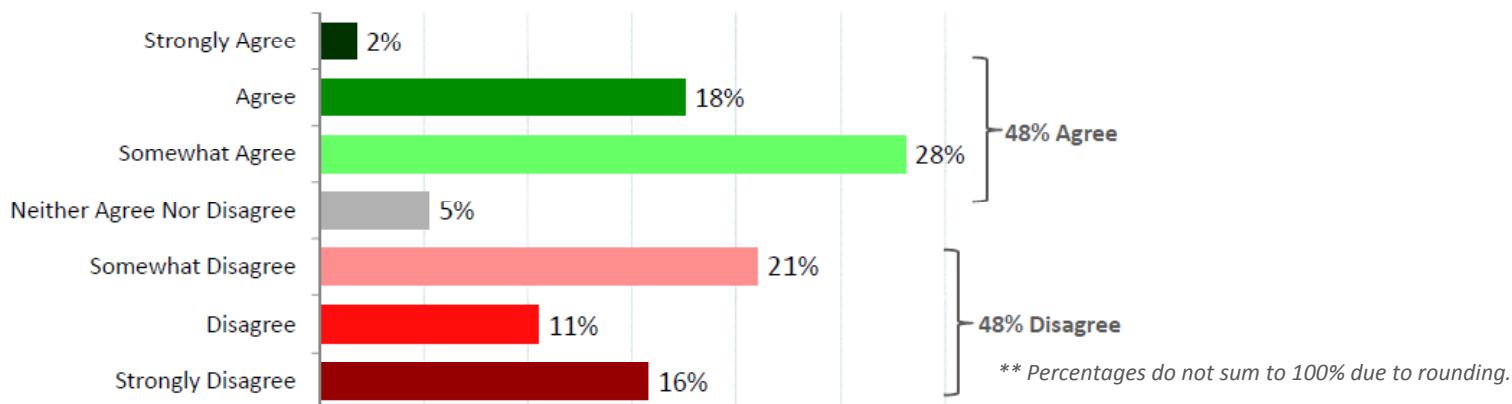


Capital Investments

A majority (63%) of Austin's technology companies rely on capital investments to launch and grow. Of these, 44% seek funding to expand their companies, 20% money to launch, and 14% require funds to build products or partner with manufacturers. CEOs that do not seek outside funding for their companies list the following reasons: lack of need for investors, reluctance to give up business ownership and equity, and unwillingness to have restrictions imposed on their businesses.

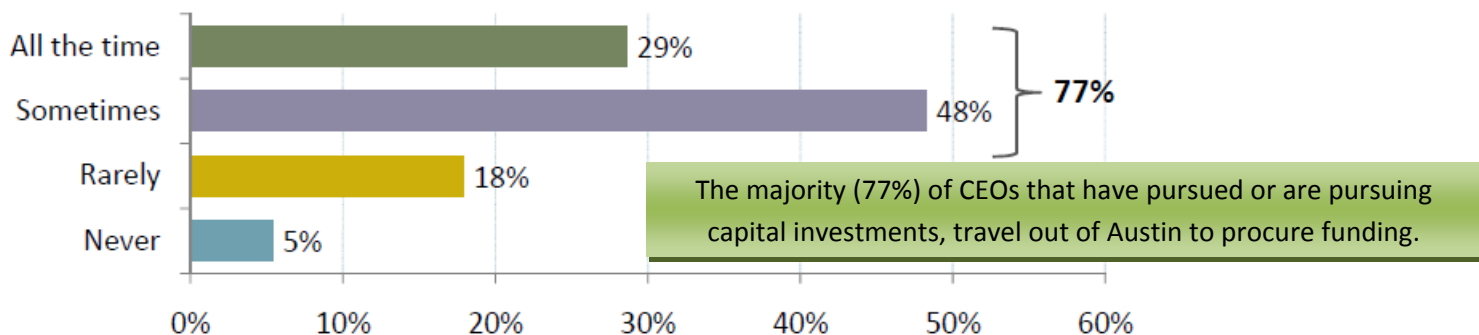
Survey results show a split verdict about the ready availability of venture capital in Austin, as shown in the following graph.

"Venture capital is readily available for new business and development in Austin"



However, Austin tech companies that do require investment capital must often travel outside Austin to procure funding, as shown below.

How often do you travel out of Austin to pursue venture capital?



Survey respondents named the following top 10 markets pursued for venture capital:

1. Palo Alto
2. San Francisco
3. Menlo Park
4. New York
5. Boston
6. San Jose
7. Mountain View
8. Santa Clara
9. Los Angeles
10. Redwood City

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