



The ~~COS~~ Technology Network

Quarterly Survey: 2011 - Quarter 2

Summary

Unemployment remains a stubborn drag on the economy as a whole, but locally, the tech sector continues to show reasonably strong performance, albeit with somewhat stronger signs of a slight softening. Current quarter's performance reported as *Very Good/Good* has essentially been unchanged for the past three quarters; currently this measure stands at 66%. However, companies reporting *Very Good* results have slipped steadily from 30% at Q4 to 21% at Q2 while over the same time period *Good* results were reported by 45% of companies, up from 35% at Q4. Overall, these remain very strong results, historically speaking; it simply appears that business is slowing slightly.

Similarly, when asked how Q2 compared to Q1, we saw a significant increase in companies reporting *Same*. Additionally, comparing the current quarter to the same quarter a year ago shows a slowly declining trend of the combined *Much Better / Better* results, from 70% at Q4 to 63% currently. Within that, however, reports of *Much Better* results have increased slightly over that same time frame, while reports of the *Same* results have grown considerably. Trends are difficult to discern at the moment; we will closely watch each of these measures to identify any developing trends.

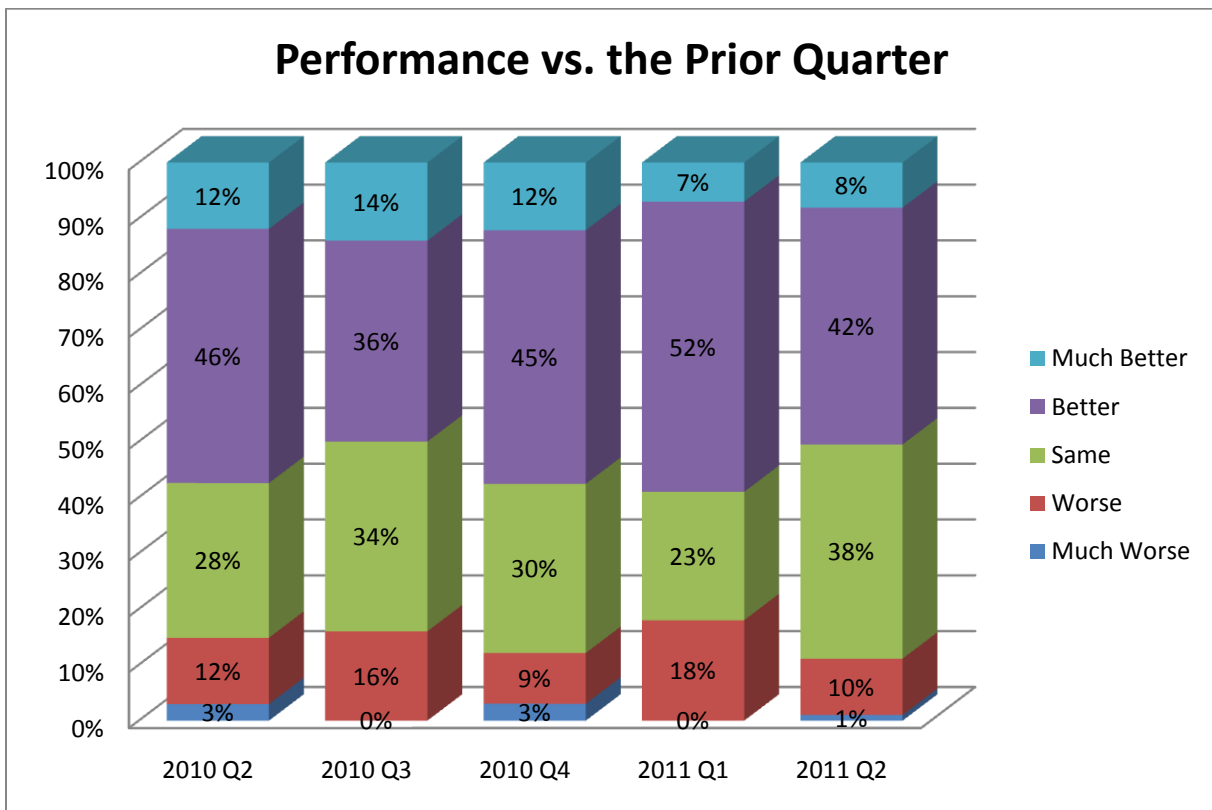
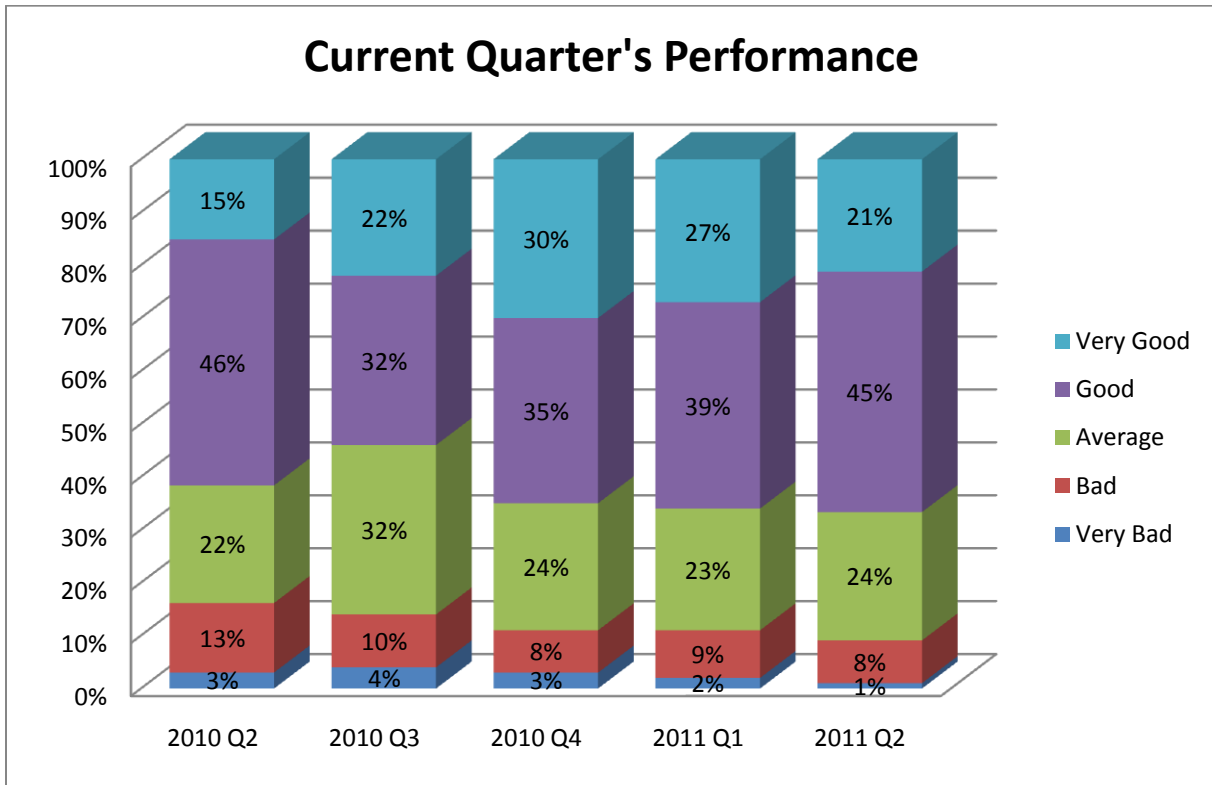
Optimism remains relatively strong as 80% of respondents expect the next twelve months to be better than the previous twelve months. This measure has hovered back and forth for the past five quarters. Interestingly, in the most recent quarter, not a single company indicated expectations of either a *Worse* or *Much Worse* performance, something we've never seen in the more than five years of surveying tech companies. We're not sure this result has any special significance, but it is interesting.

Finally, the hiring environment remains strong; 66% of respondents plan to add staff in the next year, and 82% have current openings. In fact, this is a new record of sorts as the previous high water mark for companies with current openings was 74% just two quarters ago.

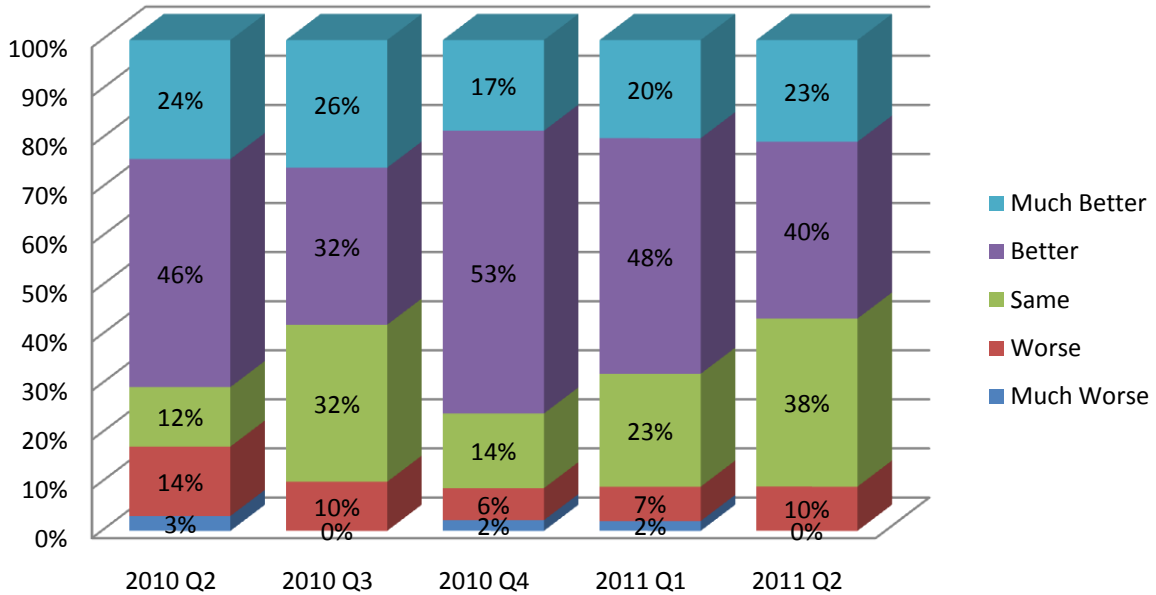
This quarter can be summed up as follows: decent current performance, clearly some softening, but optimism is very high and hiring remains very strong.

Key Quarterly Results

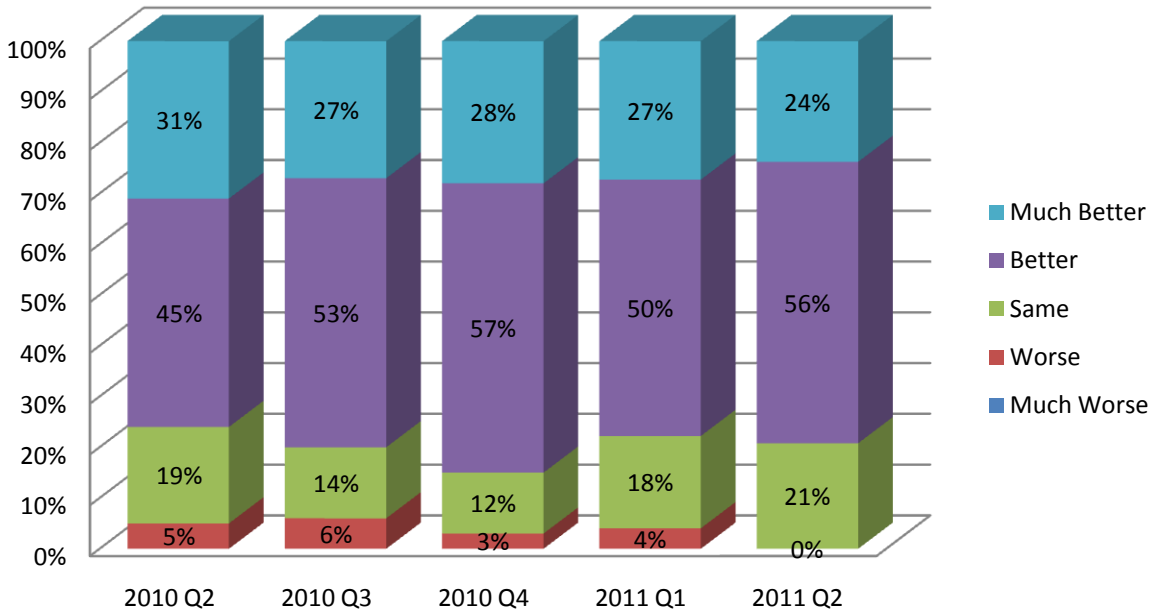
- 66% of respondents reported 2nd quarter business performance was good or very good
- 50% reported results were better or much better than the 1st quarter of 2011
- 63% reported performance was better or much better than the 2nd quarter of 2011
- 80% believe the next 12 months will be better than the last 12 months
- 66% are planning to increase staff in the next 12 months



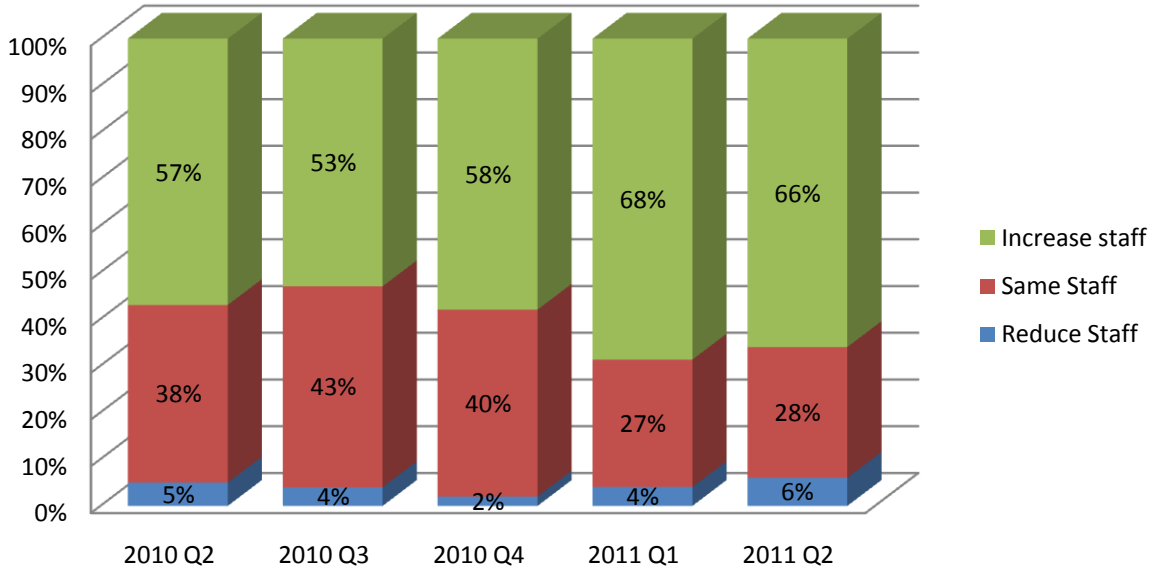
Performance vs. Same Quarter a Year Ago



Expectations for the Coming 12 Months



Staffing Expectations for the Next 12 Months



Hiring Challenges for Top Tech Talent

