



NATIONAL CENTER FOR
THE MIDDLE MARKET

TECHNOLOGY

MIDDLE MARKET INDICATOR

Mid-Year | 2023



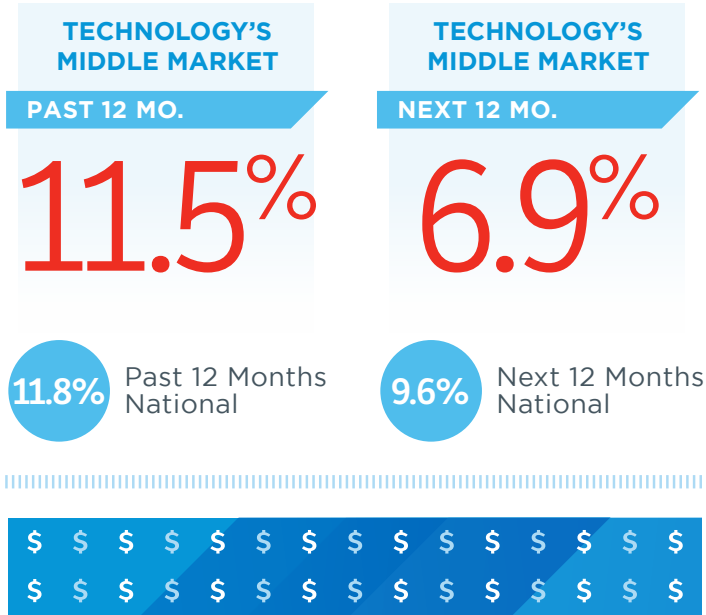
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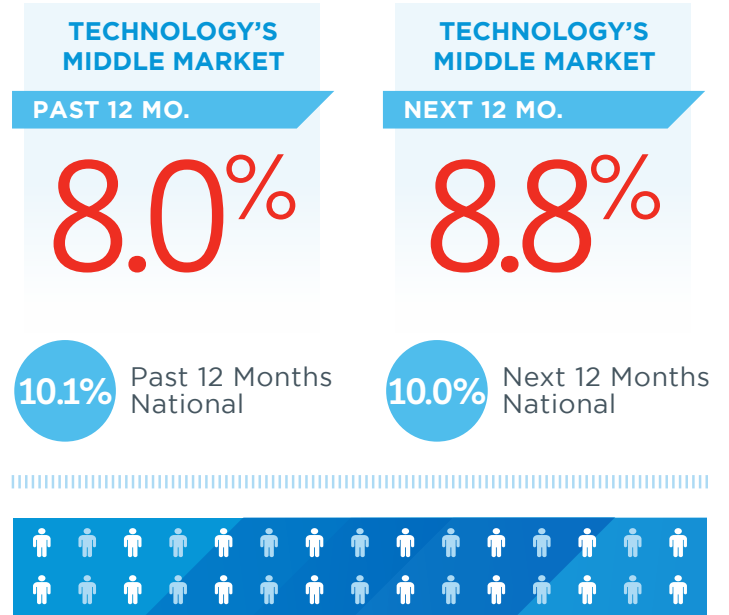
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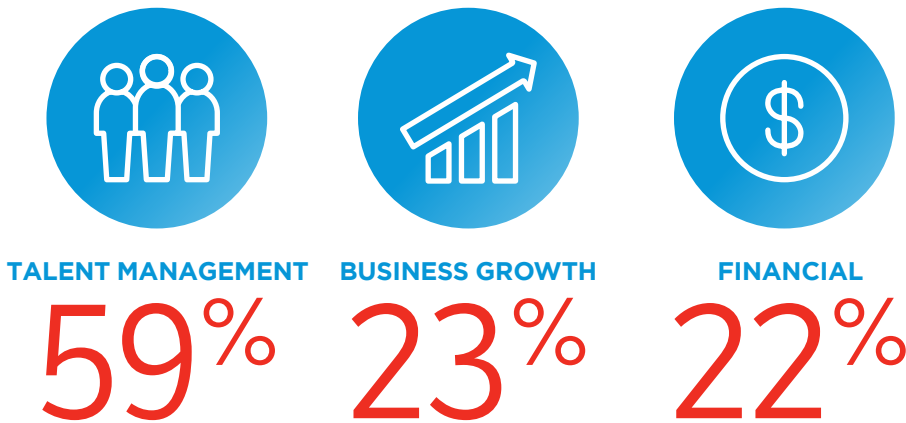
Technology's Revenue Growth vs. National



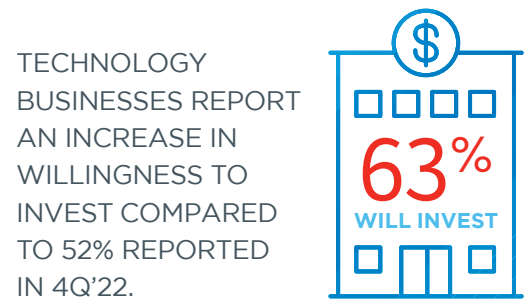
Technology's Employment Growth vs. National



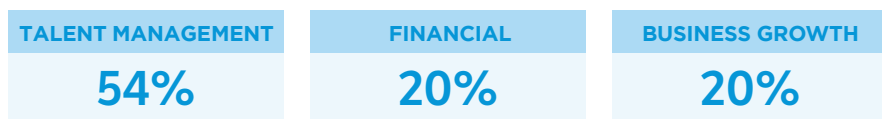
Technology's Top Internal Challenges Over The Next 12 Months



Preparing For Growth Through Capital Investment



VS. NATIONAL MIDDLE MARKET



Most Difficult Aspects of Running a Business in the Current Environment

| | ALL MIDDLE MARKET COMPANIES | BUSINESS SERVICES | MANUFACTURING | RETAIL TRADE | CONSTRUCTION | FINANCIAL SERVICES | HEALTHCARE | TECHNOLOGY* |
|--|-----------------------------|-------------------|---------------|--------------|--------------|--------------------|------------|-------------|
| CONTINUITY OF OPERATIONS | 22% | 20% | 28% | 18% | 17% | 23% | 23% | 25% |
| ONGOING UNCERTAINTY | 24% | 21% | 21% | 27% | 20% | 17% | 25% | 30% |
| EMPLOYEE COMMUNICATION, ENGAGEMENT, AND PRODUCTIVITY | 30% | 31% | 30% | 26% | 22% | 34% | 40% | 28% |
| MAINTAINING CUSTOMER RELATIONSHIPS AND ENGAGEMENT | 26% | 27% | 23% | 24% | 38% | 27% | 25% | 25% |
| WORKING CAPITAL MANAGEMENT/CASH | 22% | 22% | 23% | 18% | 26% | 28% | 17% | 20% |
| FOSTERING COMPANY CULTURE | 16% | 17% | 17% | 16% | 9% | 12% | 15% | 18% |
| TRANSFORMING TO BE A MORE DIGITALIZED COMPANY | 22% | 24% | 23% | 19% | 21% | 27% | 25% | 20% |
| STAYING CURRENT WITH TECH AND DIGITAL SOLUTIONS | 29% | 28% | 33% | 32% | 27% | 31% | 19% | 26% |
| INCREASED RISKS (E.G. CYBER, CLIMATE/WEATHER) | 23% | 29% | 20% | 32% | 25% | 28% | 23% | 15% |
| AVOIDING LAYOFFS | 21% | 21% | 18% | 22% | 21% | 16% | 28% | 22% |
| MAINTAINING SALES/REVENUE LEVELS | 32% | 30% | 29% | 34% | 34% | 30% | 30% | 31% |
| SKILLS GAP OR WORKFORCE CONSTRAINTS | 29% | 25% | 33% | 29% | 32% | 25% | 25% | 30% |

Percent of respondents ranking these as first, second, or third most difficult

*Includes companies also represented in other industries, e.g., computer manufacturers, IT services, healthtech, fintech.