

Global TJC
770 KKOB Business Breakfast
La Posada de Albuquerque
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Over the past 25 years a new competitive conference has been created. No it's not the Mountain West or the realignment of the NBA. It's a global competitive conference and it's not a sports conference. Rather it's the world competition for quality jobs. It's the Global Opportunity 4 Technology Jobs Conference. I call it the Go 4 TJ Conference; any conference worth its salt has to have an acronym. And man what a conference it is. The winners create wealth for their communities. Those that don't win? Well -- you guessed it; they don't create wealth for their community.

Today, I want to see how well Albuquerque is doing in this global conference. Lets scout ourselves, scout the competition, check our game stats, see how the national media ranks us, and talk about recruitment. You know quality job creation occurs when a healthy public/private partnership exists.

-- Local Evaluation --

Recently the GACC commissioned Research and Poling, Inc. to conduct a metro area business survey. A total of 353 interviews were conducted with the owner or high-ranking executive of each business that was randomly selected. Only businesses with ten or more employees were included in the study. In an effort to interview a diverse group of businesses, the sample was stratified by the following seven sectors:

- Construction
- Finance, Insurance and Real Estate
- Manufacturing
- Retail Trade
- Services
- Transportation and Public Utilities
- Wholesale Trade

According to the Research and Polling survey over half of our business owners/executives feel there is a problem with local government. If you don't have a copy of the metro area survey, you need to get a copy.

As perceived by the business owners/executives, most elected officials are not supportive of business job creation:

- 45% said the Mayor is unsupportive
- 42% said APS Board is unsupportive
- 41% said NM State Board of Education is unsupportive
- 38% said NM Legislature is unsupportive
- 60% of business owners believe states taxes are to high

- 77% are concerned about availability of skilled labor
- 71% think public education needs a major overhaul
- Almost half, 47% feel the Governor is supportive of business. He is the highest rated of anyone in the survey.

On Monday I was going over these stats with one of our community leaders who keenly observed "there seems to be a lack of leadership in support of business in the public sector." Talk about an understatement. How do you spell BIG VOID?

When businesses look to invest capital to expand, first and foremost they look for a stable, political climate, where within the past are demonstrated elements through and by which rational business people can make rational business predictions. Businesses seek a political climate where government entities have a commitment to a defined process. This process must include fairness and rightfulness. It must include an understood methodology wherein the political climate will create an atmosphere which is attractive to investment by businesses, who create the jobs.

-- Scouting Report --

Clearly the economy in which Albuquerque compete is global. Let's look at Albuquerque via-a-via the rest of the world. Let's scout the competition. Let's size up our competition for world-class high tech economic base jobs.

If we could shrink the Earth's population to a village of precisely 100 people with all existing human ratios remaining the same, it would look like this:

There would be 57 Asians, 21 Europeans, 8 from South America 6 from North America, and 6 from Africa.

51 would be female; 49 would be male.

70 would be non-white; 30 white.

70 would be non-Christian; 30 Christian.

50% of the entire world's wealth would be in the hands of only 6 people and all 6 would be citizens of the United States.

80 would live in substandard housing.

70 would be unable to read.

50 would suffer from malnutrition.

Only 1 would have a college education.

New Mexico has the highest ratio of PhD per capita of any place on the planet. We ought to be knocking everybody's doors off in the competition for high tech, world-class, economic base jobs. What the hell is wrong with this picture?

There has been a cosmic shift in technology investment opportunity in the past 5 to 7 years and Technology Ventures Corporation has been a leader in the shift. A revolutionary New Mexico Centric Economic Investment model has emerged. Until the last few years Albuquerque was never at the top of anyone's high tech list. Now listen to what the national media says:

How the National Media Ranks Albuquerque

New Mexico is 10th among states best able to take advantage of the New Economy.

Milken Institute. October 2000.

New Mexico ranks first in the nation for R&D intensity.

National Science Foundation. September 2000.

Albuquerque is seventh out of the nation's Top Ten Tech Centers.

Newsweek Magazine. September 2000.

Albuquerque ranks 8th on Wired's list of the 46 Hot Spots of the Global High Tech Network.

Wired Magazine. July 2000.

Albuquerque ranked 8th on Expansion Management's list of 50 Hottest Cities.

Expansion Management Magazine. January 2000.

Albuquerque ranks first in the nation for high-tech real output growth from 1990-1998 at a rate of 4.7 times that of the US as a whole.
Milken Institute. July 13, 1999.

Albuquerque is one of "a few cities that have made a technology name for themselves."
Washington Post. April 17, 1998.

Albuquerque named a "High Tech, Boomtown Hot Spot" for business.
Working Woman. March 1997.

Last week Expansion Management Magazine rated Albuquerque #3 in the nation for business expansion.

Albuquerque has become recognized both nationally and internationally as a center for technology innovation. Albuquerque is the new technology job creation hub with results that are out of this world. How do we in New Mexico leverage this newfound recognition? TVC has already started!

-- Game Statistics --

Last month TVC announced a \$20 million equity investment in Stolar, Inc. in Raton and this month we announced an equity investment of over \$2 million in Elisar Software Corporation, a new start-up here in Albuquerque. Stolar, Inc. develops and commercializes electromagnetic wave detection and imaging technology. Their radio wave imaging method has a large market in various military applications.

Elisar Software has developed MediaRights, the only software that allows you to display your highest quality graphic images, e-books, documents and video via the internet while transparently protecting your digital content from cyber piracy.

In the past 4 years CVI Laser has grown from 150 people to 215 people, about 50% growth. CVI is still interviewing and still growing. CIV is the largest producer of high quality laser optics including prisms, beam splitters and output couplers.

SBS Technologies, Inc. produces high performance, embedded computer components including applications in high speed, wireless internet, medical imaging, and semi-conductor manufacturing equipment. In four years their employee base has grown from just over 100 to over 500.

Four years ago Emcore Solar Cells did not exist. Now they have over 100 employees and have invested over \$100 million in plant and equipment in Albuquerque on South Eubank. Micro-Optical Devices, born here in

Albuquerque, in less than five years has grown from a \$200,000 company to a \$40 million company.

I could go on and on about high technology companies owned by New Mexicans and headquartered in New Mexico that are creating economic base jobs. We have a new generation of heroes in New Mexico; they are the ones among us who have emotional courage to start a new technology enterprise in a state that lacks a public policy which supports quality job creation. We need to hold up these people as the true heroes they are.

In addition, Albuquerque TVI has a new \$12 million Workforce Training Center designed, built and staffed to provide job skill training and education for the high quality jobs being created by these New Mexico headquartered companies. This new 75,000 square foot training center located at Eagle Rock Road, is not yet fully open but will be in the next few weeks. Albuquerque has needed a high tech training facility for the past ten years. By this time next year, the TVI-WTC will be training thousands of technology workers in our community.

With the SS&TP, we are transforming this barren land of dirt and tumbleweeds into a pedestrian oriented, campus-like environment with state-of-the art fiber optic connectivity, premium power, walking and biking paths and other amenities desired by high-technology tenants. The Park will create technology based, high-paying jobs in the private sector that will help diversify our economy from its dependence on the federal government. Currently, the Master Development Plan for the 217-acre Park, funded by DOE and the New Mexico State Legislature, has been completed and has been submitted to the City of Albuquerque to begin the approval process. One of the first things we will need from a Master Developer is a multi-tenant building to house some of the spin-off companies that want to be in the Park now. Clearly, this Park will be a unique development in New Mexico and has the potential of stimulating the whole Central New Mexico economy for years to come.

Over the past few years almost \$300 million has been invested in and by TVC client technology companies. TVC client companies are growing at an astounding growth rate. Nationally less than 10% of new technology companies received start-up equity funding. Almost 40% of the new technology companies who work through the Technology Ventures process receive start-up seed and second round funding. Batting at four times the national average gives Albuquerque and Central New Mexico a substantial advantage in the creation of high quality economic base jobs.

-- Coaches Evaluation --

Lockheed Martin has put over \$13 million into the creation of world-class high tech jobs in New Mexico over the past seven years. That's 13 million profit dollars donated to TVC to achieve what the national press is now reporting.

Albuquerque ranks #1 in the nation for high tech real output growth from 1990 to 1998 at a rate of almost five times the rest of the nation.

In the past year Technology Ventures Corporation, which is supported by LMC charitable contribution, has been selected as coaches of the year in 3 categories.

1. SBA - national model for venture and seed capital development for high tech job creation
2. Association of University Related Research Parks - national model for technology commercialization and technology job creation
3. Business Facilities Magazine - Partnership Award - awarded to ongoing efforts demonstrating innovation in combining public and private resources to foster economic development

-- Recruitment --

There is both good news and bad news in the recruitment area. Will these high performance, high growth local high tech companies find quality employees this year, next year or five years from now. Will these companies be able to employ the youth of New Mexico?

-- Bad News --

- New Mexico ranks 43 in educational achievement
- New Mexico's 4th and 8th graders lag behind the nation in math, science, language, and
- 34% of 9th graders entering APS in 1994 dropped out before graduation in 1998

-- Good News --

The Greater Albuquerque Chamber of Commerce sponsored a grass root group of citizens to visit school districts whose students achieve a world-class education. We visited:

- Philadelphia
- Edmonton, Canada
- El Paso, Texas
- Edinburg, Scotland
- Lexington, Kentucky

Our recommendations are in a bill pending in the legislature right now. Seven point recommendations:

1. Believe all students can learn
2. Set Standards, Measure Results, Reward Success
3. Increase Salaries for teachers
4. Empower teachers as professionals
5. Improve how business, parents, and social services support schools, teachers and students
6. Local control governance structure
7. Direct \$.92 to the classroom

Now the Chamber of Commerce and TVC cannot create this change by themselves. Each one of you in this room must play a role if we are to have a world-class educational system in our public schools. When you leave today, call your state Senator and State Representative at phone 505 986-4600 and tell them you support the chamber plan for education reform and high tech growth in New Mexico.

-- Outlook --

Success is always unpredictable but the most articulate expression of the American free enterprise market is expressed by those intellectually capable and emotionally prepared to accept the great risk of creating the new private sector business. And for these businesses to succeed, create wealth, and generate quality long-term jobs it requires the involvement of all of us. We need experienced community leaders who are visionaries and have an exceptionally keen sense of determination. Community leaders who will inspire each other toward self-motivation. Community leaders who will stick together.

Why? Because in the implementation of change we will be criticized by many. Sometimes in a harsh way. Sometimes in a mean-spirited way. We will need each other. Communities are as poor or as great as the individuals who live their lives there. But there is no doubt we have the community leaders to accomplish any goal we set.

I will conclude with a brief story taken from a recently published book, written by a Russian and entitled *America on Six Rubles a Day*. The author admits that he

was totally unprepared, for the level of affluence and ingenuity he encountered in America.

He wrote, "Coming from the Soviet Union, I was not prepared for the incredible variety of products available in American grocery stores. On my first shopping trip I saw powdered milk -- you just add water and you get milk. Incredible! On my second trip, I saw powdered orange juice -- you just add water and you get orange juice. Incredible! Then on my third trip I saw baby powder -- I thought to myself, 'Incredible! What a country!'"

I look at Albuquerque and I think to myself, "What a community!"