I’d like to welcome all of you to GCATT this morning on behalf of Georgia Tech and the Advanced Technology Development Center. I join you in looking forward to PriceWaterhouseCoopers’ report on venture capital investments for the fourth quarter of last year, and to hearing John Cayce and Sig Moseley discuss the year ahead.

From the buzz I’ve been hearing, Atlanta finished the 20th century with a bang, and the reverberations have been heard and felt across the nation. I spent several days in California earlier this month, and they were talking about Atlanta as a good place to make technology investments.

The Metro Atlanta Chamber of Commerce recently released its year-end numbers, which indicated that the nineties were the fastest-growing decade in Atlanta history, and that 1999 was the fastest-growing year of the decade. Forty-seven new companies chose to come to Atlanta in 1999, and 18 of them were high-tech companies targeted by the Chamber’s Industries of the Mind initiative.

Among those 18, a couple stand out because they are indicative of the progress we are making toward becoming a hotbed for technology growth. One was the decision by a leading-edge Internet trading company with 120 employees to move from Tampa to Atlanta. We have entrepreneurs growing up here and coming here to start, and Georgia Tech’s Advanced Technology Development Center plays an important role in home-growing and attracting them. But to have a young company in an emerging industry decide that it is worth spending money to pull up stakes and move here rather than stay where they are, tells us something about Atlanta’s growing importance as a technology center.

In the other project of note, a venture capital company from Boston is investing $10 million in a spin-off from a Swedish company which will be led by a former executive of Manhattan Associates who moved to Atlanta from Milwaukee. This is clearly a project that could have gone anywhere in the world, and some might say that there are more obvious places for it to choose than Atlanta, but it is coming here.

Even though advanced communications makes location irrelevant for many practical purposes, that premise does not hold true for high-tech industry itself. High-tech economic development is remarkably concentrated and strongly focused on particular locations.

Silicon Valley and Boston emerged as the earliest technology centers, and today their pre-eminence is well-established. Now cities all across the nation are competing to lead the next generation of technology hot-spots, and only a limited number will actually emerge as major technology centers. Fortunately for Atlanta, this is not the Miss America pageant where one winner takes all. It is worth the prize money to be in the top five, and that is where the economic research firm Cognetics, Inc. of Boston placed us at the end of 1999. Georgia ranked fourth among the states and Atlanta third among large metro areas as an “entrepreneurial hot spot.”
A branch of economics has emerged called “new economic geography” to figure out what makes high-tech economic development cluster where it does. Atlanta is one of six sites chosen for a National Council on Competitiveness study on what creates high-tech clusters and how they work. So far the conclusion is that high-tech industries congregate where they do based on many factors interacting in a complex environment.

High on the list of these factors are venture capital, an educated workforce, and research universities. The list also includes a network of suppliers and related industries, a high quality of life at a cost of living, a sophisticated market that will use and demand cutting-edge products, and a favorable climate. These assets form the basic shopping list for any community that aspires to become a high-tech center, and we are fortunate to have most of them here in metro Atlanta.

At Georgia Tech, we recognize our own responsibilities on that list – to conduct the leading edge research that generates new ideas, to increase the chances for those ideas to succeed as marketable products through the ATDC, and to supply the talent that high-tech companies need.

The Yamacraw Initiative is a good example. This major investment by the State of Georgia is designed to support research, provide venture capital, and educate the workforce Georgia needs to become a major center of software engineering and electronic design. Here at Georgia Tech, we already added 15 new faculty in computing this year and expect to add another nine next year to implement the Yamacraw Mission. And we need them. The number of students enrolled in our College of Computing has tripled in the past five years, and computer science is now our largest major.

We are also deliberately working to position Georgia Tech as a national leader in technology policy who is seen as helping to drive the agenda. Earlier this month we hosted a conference on e-commerce logistics with UPS, which drew top level executives from e-commerce companies across the nation as well as high-ranking officials from the federal departments of Transportation and Commerce in Washington. Events like this one, where leaders in emerging industries gather to work on problems, help to boost Georgia’s profile as a source of the “buzz” on technology innovation.

But you can’t have the sizzle without the steak, and you can’t get the steak without venture capital. So this morning we recognize the critical importance of the availability of venture capital and presence of well-managed venture capital firms to Georgia’s economic health in the 21st century. We celebrate the venture capital investments of the fourth quarter of 1999, and we look ahead to make the most of the opportunities of the coming year.

We are pleased to have all of you here, and we look forward to working together with you to make Atlanta shine as a technology hot-spot.