

REMARKS BY GEORGIA TECH PRESIDENT G. WAYNE CLOUGH  
Columbus Rotary Club, March 27, 2002

It is a great pleasure to be back in Columbus again. I always look forward to being here because it means seeing so many good friends. Of course Georgia Tech is represented in Columbus every day by John Mills, the very able director of our economic development office, and his staff. John personifies our intent to be a partner with this community and with your institutions of higher education in helping Columbus educate its bright young people and achieve its economic potential.

Georgia Tech has much the same mission today as when it was founded nearly 120 years ago – to help move the state's economy to the next level by providing education, research, and economic development programs. And as our name implies, it is a mission to the entire state, not just Atlanta.

One of my own connections with Columbus takes a detour through Washington, D.C. I serve on the executive committee of the U.S. Council on Competitiveness, which is a national group of leaders from business and higher education that works together to set an action agenda for economic development.

In the course of examining the American economy, we were struck by the way industries tend to concentrate in certain geographic areas. For example, Detroit is a hub for the automotive industry; Silicon Valley is a hub for the information technology industry. These regional hubs have a significant cluster of competing and cooperating businesses, and they are the places that generate the innovations that drive the whole industry forward. They also drive their region's prosperity, especially the clusters that compete in wider national and international markets.

The Council on Competitiveness wanted to learn more about industry clustering, so we studied five major cities to learn more about their industry clusters, the importance of these clusters to the community's economic future, and how the communities could help their industry clusters thrive.

Atlanta was one of the five cities in the study, and I co-chaired the Atlanta part of the study, together with Duane Ackerman of BellSouth. I specifically asked that Columbus be included in the Atlanta study. You are only 90 miles away, which is close enough to take advantage of some of the opportunities the greater metro area provides. However, the challenge is not to get so close that your own identity is swallowed up that bigger picture. Your experience with hosting the women's softball games for the Olympics is a

good example of that fine line between capitalizing on the opportunities Atlanta can provide but still holding onto and promoting your own identity.

I believe Columbus has a tremendous opportunity to reshape its economy and develop the industry clusters that will help it to prosper. So let me tell you a little about the results of our study – which I think will resonate with your experience as business leaders in this community – and then talk a little about how higher education and Georgia Tech in particular can contribute to helping this community seize its opportunities.

When we looked at Columbus, the thing that immediately impressed us was the strong regional collaboration. This community has one of the few consolidated local governments in Georgia, and it has a history of strong, positive working relationships among government, civic groups like the Chamber of Commerce, and institutions of higher education like Columbus State University and Columbus Tech. You are well positioned to take advantage of your opportunities for economic growth.

And those opportunities are open before you. I don't think it will surprise you that the Cluster Study found Columbus is undergoing an economic transformation and has the opportunity to define a new commercial identity. For example, the study found that the Atlanta region was the nation's 8<sup>th</sup> largest cluster for the financial service industry, and the second fastest growing. Synovus and AFLAC make Columbus part of that picture. These homegrown financial service companies have become anchors of your local economy and have expanded their operations to compete in the national and international marketplace. They have already brought Columbus to the position of being seen as a sort of "back office" for the Atlanta financial services cluster.

But Columbus clearly has the potential to continue developing your financial services industry, coming out from under Atlanta's shadow and becoming an industry hub in your own right. That will require building a broader scope of financial service companies around these two successful giants. And the Cluster Study will recommend that you develop an explicit plan to foster new start-ups and spin-offs of existing companies to expand the financial services industry here.

This recommendation from the Cluster Study dovetails very nicely with the conclusions of the study by Georgia Tech's Economic Development Institute and Advanced Technology Development Center that the climate in Columbus is ready for a business incubator. I know you are busy raising funds for that incubator, which will be housed in a new facility at Columbus State University, and we are hopeful that an improved state budget climate next year will enable us to obtain funds for the Advanced Technology

Development Center to operate it. It will be an important tool in helping you develop the spin-offs and start-ups that will develop a financial service cluster here in Columbus.

Spin-offs and start-ups are one way to tell whether an industry is generating new ideas and innovations. Another measure of innovation is patents, and Georgia Tech is committed to doing our part on that score as well. We generate more patents than any other university in Georgia, and we rank among the top five patent producers in the state.

If you look at the raw numbers, Georgia and Atlanta do not seem to be receiving our full share of patents. We are not only below the national average, but we also seriously trail other vibrant high-tech centers like Silicon Valley, Boston and Austin, Texas. Part of the reason is because we haven't been deliberately working at it for very long, and it will take a little time to catch up.

But you also have bear in mind that the number of patents is less important than the kind of patents and what happens to them. For example, three-quarters of corporate patents are "defensive" patents, which means that the corporation doesn't plan to make a product from them; they simply want to keep the idea out of the competition's hands. These patents aren't doing anything for the economy. Individual patents are much more likely to represent an entrepreneur who is trying to translate an idea into a marketable product, but even here you can have researchers patenting ideas that are not commercially viable.

So the real question is how productive your patents are. Georgia is actually doing better than its patent numbers indicate, because we are generating patents for the right reason, which is to move solid ideas into viable products and services. You can see that reflected in the venture capital that has been coming into the Atlanta area. For 2000, it totaled \$695 per employee – two and a half times higher than the national average. People are willing to invest in our ideas.

I have the privilege of serving on President Bush's Council of Advisors for Science and Technology, and we are working on this whole area of how to realize the full economic benefit of research and development by moving ideas and discoveries into the marketplace.

Another way that Georgia Tech can work together with the Columbus community was illustrated in the recent effort to attract a chip plant. As part of that proposal, Georgia Tech promised to locate a research facility here in Columbus. The proposal wasn't

successful, but it was our first try, and I regard it as a good practice round. It helped us learn to work as a team and gave us some good practice, and I want you to know that Georgia Tech is willing to work with you in more of these sorts of endeavors in the future.

In addition to direct efforts like these, higher education also assists in economic development by educating a skilled workforce. Once again, Georgia Tech can be a partner with Columbus and Columbus State University in this effort. We recently received a major gift from the Bradley Turner Foundation for our Servant Leadership Program, which is similar to the program that has already been developed here at CSU. And we are excited that Columbus has reached out to Georgia Tech to be part of this effort to prepare our students for leadership.

Our two universities are also partners in the Regents' Engineering Transfer Program, which enables engineering students to take their first two years here at CSU then transfer to Georgia Tech for their junior and senior years.

We are now piloting an expansion of this program in southeastern Georgia in collaboration with three local universities to offer all four years of a Georgia Tech engineering degree on site. Students complete their first two years in the Regents' Engineering Transfer Program just like they do now. Then, instead of coming to Atlanta, they stay in southeast Georgia and complete their remaining two years in classes taught by nine Georgia Tech professors who are based there, and in distance learning classes taught from our main campus.

In December, the first graduates of the Georgia Tech Regional Engineering Program came to Atlanta to walk with the rest of our graduates in our commencement ceremony. And we are going to see more and more of them coming, because the enrollment that program just keeps increasing. I expect that we will be looking at the possibility of developing similar programs in other parts of the state once we have this one well established.

Another important contribution higher education can make to economic development is to be a partner in revitalizing and strengthening the quality of life in our communities. That serves us well by providing a quality environment around our campuses, and it helps make our communities attractive to quality businesses and residents.

You are leading the way in Columbus with the new River Center for the Performing Arts, which will celebrate its grand opening in just a few weeks. It is a magnificent showcase for the performing arts of this region, and it has already demonstrated its

ability to attract major artists like Jessye Norman and Travis Tritt. It also brings CSU's Schwob School of Music right into the thick of things, so that you have all the players together, ready to serve as a catalyst in strengthening the cultural life of this city and carrying it forward to the next level.

At Georgia Tech, we are following your example. Our campus was cut off from our natural neighborhood constituency by the construction of the Downtown Connector, which is where I-75 and I-85 run together through downtown Atlanta. As a result, the area of Midtown Atlanta across from our campus degenerated into abandoned buildings and vacant lots. Then we opened the Advanced Technology Development Center, and many of the new high-tech businesses that were incubated there began locating in Midtown to be close to Georgia Tech.

Larger businesses came to Midtown, too. IBM, then Bank of America, then the Federal Reserve Bank all built new towers. Bell South has three new buildings underway, consolidating its Atlanta workforce in Midtown. The Atlanta arts community, which is centered in Midtown, developed new life and strength. The Fox Theatre was saved and the High Museum was built to augment the Atlanta Symphony and the Alliance Theatre. Smaller arts venues cropped up, including Georgia Tech's own Ferst Center for the Arts.

Now we are taking the next step, which is to expand our campus across the expressway into that dilapidated area across from us. Just like Columbus brought its School of Music into the middle of your downtown arts community, we are going to bring our College of Management into the middle of the Midtown business community.

The College of Management will be part of a \$180 million complex called Technology Square, which is now under construction. It will also include a Global Learning Center for our continuing education programs and distance learning courses, and it will house community-related research centers and the headquarters of our Economic Development Institute. We will also have a hotel and conference center to serve both Georgia Tech and the community, and an attractive variety of sidewalk restaurants and retail shops, anchored by the Georgia Tech Bookstore, which will be expanded into the South's leading source of technology materials.

Our goal is to develop closer relationships with the business community that will help promote economic development, and at the same time to create an attractive environment for our students, faculty, and staff as well as for the businesses and residents of the neighborhood.

As you can see, there are many ways in which Columbus and Georgia Tech can learn from each other and work together. These are really exciting times for Columbus. The opportunities are wide open before you, and you have the good working relationships among government, business, and higher education that will enable you to seize them. Georgia Tech is very pleased to have a chance to learn from your experience and to be a resource and a partner with you in your efforts, and we look forward to the progress we know you will achieve.