

REMARKS BY GEORGIA TECH PRESIDENT WAYNE CLOUGH

Welcome and introduction of Patrick Taylor

Governor's Address on Entrepreneurism, GLCC, February 5, 2004

I am pleased to welcome all of you to Georgia Tech and to our new Global Learning and Conference Center. This new facility is part of Technology Square, which brings the Georgia Tech campus across the expressway into the heart of Atlanta's high-tech business community.

Technology Square is a contemporary expression of Georgia Tech's original economic development mission. When we were established by state law in 1885, we were charged with helping the state to industrialize an economy that was based on agriculture. Today, we have intensified our economic development efforts as we help Georgia build an innovative, entrepreneurial economy that will enable us to compete in the global economy that is taking shape around us. And the programs that are based here at Technology Square are focused on the expertise and services that Georgia's businesses need.

Back in the days when I was growing up in Douglas, Georgia, our economic development efforts were focused on luring traditional manufacturing plants to our state. We built rail sidings, painted "We want industry" on the water tower, and bragged about the low cost of our non-unionized workforce. Today, the idea of competing on the basis of low costs has collided with the realities of a global economy. No matter how hard we work to cut costs, there is always somebody else somewhere else in the world who can undercut us.

Of course, efficiency continues to be very important, but it is no longer enough. There is simply no way we can compete with nations whose wages are one-tenth of ours. And we are seeing white-collar tasks that are more routine moving to nations like India where labor is cheaper. It is time to shift the paradigm. If we are to survive and thrive in the 21st century, we must develop an economy that is based on innovation and entrepreneurship.

I am privileged to be co-chairing the U.S. Council on Competitiveness National Innovation Initiative together with Sam Palmisano, the CEO of IBM. Our principal objective is to understand what we need to do to enhance the innovation landscape for our nation and its technology enterprises so we can maintain an edge in producing new ideas and businesses over emerging international competitors. We will hold a national summit in December and hope to have a report by the middle of the next year.

But this much is already clear: We must build an economy based on innovation and entrepreneurship. We must generate the new ideas and create the new businesses that will lead the economy forward. We must model the next generation of technology and services and jobs. And when that technology and those services and jobs have reached the stage where they are routine and no longer require decision-making, problem-solving, or judgment to be exercised and can thus be shipped overseas, we will not mind, because we will already be developing the next new thing.

An economy based on innovation requires skilled entrepreneurs, and at Georgia Tech we are working hard to develop them. We incubate start-up companies in our Advanced Technology Development Centers and serve small businesses through the 17 regional offices of the Economic Development Institute. We also have faculty who are experts and conduct research on entrepreneurship, and we offer a variety of opportunities for aspiring entrepreneurs to learn the skills they will need to succeed.

So it is very exciting for us to have a Governor who understands the importance of entrepreneurship, and we are very proud to welcome Sonny Perdue back to our campus today. He has been here a number of times since his inauguration just over a year ago, and he has been very supportive of our efforts to help Georgia develop and economy based on innovation.

Many of our students catch the entrepreneurial spirit while they are here at Georgia Tech, and one of the numerous Tech alumni who have gone on to become entrepreneurs is Patrick Taylor, president and CEO of a start-up company called Oversight Technologies.

Patrick got a bachelor's degree in mechanical engineering from Georgia Tech and an MBA from Harvard Business School. Then he did what any young, aspiring techie would do back in 1990 – he went to Silicon Valley. His first job was at Oracle, then he worked for a number of cutting-edge high-tech firms, including Red Brick Systems, which was a pioneer in data warehousing; Go Corp., which was a pioneer in handheld devices; and Symantec, which introduced him to the field of IT security.

About that time, another Georgia Tech alumnus, Chris Klaus, was starting Internet Security Systems, and he lured Patrick back to Atlanta to work on the ISS management team. In fact, Patrick was the 12th employee Chris hired.

After working for Chris for four years, Patrick was itching to get involved in the actual start-up phase of a company. He worked for several start-ups that were being incubated at ATDC, including Air2Web, which developed one of the first wireless Internet platforms, and Fast-Talk, now renamed Nexidia, which developed a powerful search engine for audiotapes.

Then, last spring, he joined with several other Atlanta entrepreneurs to found Oversight Technologies, which is presently in incubation at ATDC. Oversight Technologies is about to put a unique software program on the market to address an important corporate computer security need. Most security software is designed to protect a company against external hacking. But insiders like employees, recently terminated employees, subcontractors, and consultants actually represent a bigger threat. KPMG recently reported that in 2003, 36 percent of companies suffered losses of \$1 million or more from internal fraud – up from 21 percent in 1998.

The software programs created by Oversight Technologies will provide continuous monitoring against internal errors, abuse, and fraud in corporate transactions and databases. Because these programs detect irregularities in real time, they give a company the opportunity to act quickly to prevent loss.

It is my great pleasure to present to you Oversight Technologies President and CEO Patrick Taylor, who will introduce the Governor.