



## **Georgia 1<sup>st</sup> Initiative Comes Alive**

*By John Yates, Special To LTW*

ATLANTA - Led by technology companies in the state, Georgia is considering a new program to promote economic development – The Georgia 1<sup>st</sup> Initiative.

The idea is to encourage Georgia-based companies to look first to other companies in the state when buying products and services. In short, the idea is that all things being equal, a Georgia company would give priority to a purchase from another Georgia-based business.

*Does a Georgia 1st Initiative make sense?* There's nothing wrong with supporting business expansion in your own state. And the Georgia 1<sup>st</sup> Initiative is a good way to promote business growth in the state.

The Initiative is designed to raise the consciousness of Georgia businesses to inquire of the headquarters of vendors. Especially in the technology area, the Southeastern vendors are often overlooked in favor of west coast suppliers. In many cases, this is not because of any material differences in the quality of products or services. Rather, the out-of-state vendor may simply have greater financing for enhanced promotion and advertisements.

*Who came up with the idea?* Two progressive Georgia companies independently conceived of the notion of promoting intrastate purchasing priorities – STI Knowledge and Seagull Software.

STI Knowledge is a provider of training and certification services to Fortune 1000 companies. The company has received capital from major venture funds from outside the state, but the company is also committed to promoting business growth in Georgia.

Seagull Software has dual headquarters in Atlanta and Holland. The company is a leader in the middleware market and delivers software solutions on a global basis. Seagull is an example of the attractiveness that the Southeast offers to European technology companies looking for a U.S. headquarters.

*Will the Initiative be a mandatory program?* No, the Initiative is expected to be purely discretionary. Georgia companies may buy and sell products from anyone they desire. However, the Georgia 1<sup>st</sup> Initiative members will be reminded to consider Georgia's companies in making purchasing decisions.

*How can a company become a member of the Initiative?* The Initiative will most likely be open to all companies in Georgia or with a presence in the state. The exact guidelines for the program will be established by the organizing parties.

*Who are the organizing parties?* The organizing parties are expected to include a series of trade associations, civic organizations and technology groups in Georgia. Today, the concept is being floated by several Georgia-based groups – a Task Force of a local Chamber of Commerce, the Technology Association of Georgia, the CEO Council and the Technology Executives Roundtable (TER).

*Is the Initiative only for technology and related services companies?* The Initiative is planned to be open to all companies, but technology and service companies are clearly leading the charge to promote the Initiative.

A significant challenge will be encouraging bricks and mortar companies to become members of the Initiative. Its success may be dependent on the ability to encourage traditional businesses to participate.

*Why would traditional businesses want to be involved?* Many traditional businesses – energy/utility companies, financial institutions and manufacturing concerns – are used to being good corporate citizens. As a result, the plan is to encourage their participation in the Initiative as a means of economic development in the state. After all, the Georgia-based vendors are users of the bricks and mortar companies' electricity, natural gas, financial services and other products.

*How will technology companies benefit from the Initiative?* Tech companies stand to be big winners through participation in the Initiative. Tech solutions such as security products and services, software applications, and outsourced business processes are in demand by many traditional businesses, especially Fortune 1000 companies. These technology solutions are purchased from smaller vendors and they require onsite services. As a result, a state or local presence is important to the purchaser.

*Can other states start similar initiatives?* Of course, and expect it soon. Businesses across the Southeast could benefit from business initiatives that focus on the vendors in their area and educate traditional businesses about local technology company products and services.

*When will the Georgia 1<sup>st</sup> Initiative be in full force?* It will be months before the Initiative has achieved sufficient momentum to declare success. The group of companies, organizations and trade associations that are expected to support the Initiative are disparate and the Initiative is in the formative stages. It will take time to educate these constituents as to the mission of the Initiative.

*How will the Initiative measure its success?* Success will ultimately be measured by increased commercial activity among businesses in the state. Initially, the success will be recognized in the technology community as Georgia-based tech companies are able to generate greater leads and prospects from within the state.

Over time, success of the Initiative will result in greater commercial gains among Georgia companies and require outreach to different sections of the state beyond the major cities in Georgia.

The Initiative is only one attempt at promoting economic development in a Southeastern state. An appealing benefit of the Initiative is that its start-up costs are minimal, but the economic benefits can be huge. Look for an update on the status of the Initiative in a future column.

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