

## Why I'm Betting on the South – Listing Many Reasons for Bright Future

*By John C. Yates, Special To LTW*

**Editor's note: John C. Yates is the Partner-In-Charge of the Technology Group of the Atlanta law firm of Morris, Manning & Martin, LLP. He is a regular contributor to Local Tech Wire.**

ATLANTA - As a graduate of Duke University -- undergraduate and law schools – I obviously noted that many of my friends journeyed to the Northeast and West Coast to pursue business opportunities.

“You gotta be in New York, Boston or San Francisco to experience the high technology boom,” they remarked in the 1980s. “You’ll be left out if you don’t start your resume with a job in one of these major business centers.”

Many of my college and law school friends pursued these golden opportunities in major business centers. I chose to come to Atlanta. My master plan was to return to North Carolina (either Charlotte or Raleigh) after a few years to be a part of the South’s growth.

Twenty-two years later I’m still in Atlanta – and the South. Importantly, the region has never been stronger, especially from a technology perspective.

Yes, the South has several shortcomings for technology entrepreneurs:

- We lack the base of venture capital that exists in other regions.
- We don’t have a dominating technology company in the region – like Microsoft in the Pacific Northwest or Dell in Texas.
- Our university system is still evolving, and we lack the likes of MIT, Harvard or Stanford.

However, we offer long-term growth opportunities for technology companies in the South. Consider the following:

**Venture Capital Growth:** The venture capital market has generally been dominated by young professionals in their 30s and early 40s. As these professionals get older, we can expect them to get tired of the cold, snow and mediocre college footballs teams of the Northeast.

Already, we’re seeing a migration of venture capital talent to the South.

For example, a partner with Charles River Ventures has recently moved to Charleston, South Carolina. A major West Coast VC made the move to Atlanta a year or so ago. And I’m constantly being contacted by seasoned venture capitalists with an interest in moving to the Southeast or the Southern or Florida Coasts.

As these baby boomer VCs begin thinking about retirement, they’ll be moving into our region.

**Expanding Angel Network:** In addition to VCs migrating to the South, senior executives formerly with tech companies are doing the same.

I recently met with an experienced CEO in his late 40s who had moved from the Northeast to the North Carolina coast to run a medical device company.

Last week, I had lunch with a seasoned software executive who was raised in Alabama, and spent most of his software career in Boston and Silicon Valley. Then, his wife decided where they would live as a last stop before retirement. She picked a thriving residential community outside of Atlanta, and her husband, the software executive, wants to become the CEO or a Director of a Southeastern tech company. (No more trips to the West Coast for him unless it's to close a big deal.)

The list goes on for several pages – technology executives who are reassessing their quality of life and moving South.

**A Goldmine Waiting to be Tapped:** Our challenge as a region is to bring these human resources together and make them available to tech companies. It's not an easy task, but Local Tech Wire provides a valuable forum for this purpose.

With assistance from LTW, my firm is developing a database of executive talent and investors who have selected the South as their final business resting place. The good news is that these executives generally have plans to work another 10+ years in the technology market.

Already, our database includes the following:

- A retired accountant from a Big Four Firm with decades of experience in representing software and biotech companies
- Several venture capitalists who have opened regional offices (from their beach homes) for major Northeastern venture funds
- Angel investors who have previously been senior executives of technology companies in other sections of the country
- Former investment bankers who rode the IPO wave in the late '90s and now have retired to sunny Florida.

If you fall into one of these categories, please let me know - or if you know someone who should be in the database, contact us.

By building this database, we hope to establish a valuable resource for entrepreneurial tech companies in the region. Look for more details soon, and contact us if you believe in this vision.

*This column is presented for educational and information purposes and is not intended to constitute legal advice.*

*John C. Yates is the Partner-In-Charge of the Technology Group of the Atlanta law firm of Morris, Manning & Martin, LLP. He can be reached at [jcy@mmmlaw.com](mailto:jcy@mmmlaw.com) and (404) 504-5444.*