

# 3 ways startup communities can attract and keep the right talent

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*“ People think that when you’re trying to build a startup community, talent follows capital. But in reality, if you build the talent and a sense of possibility, the capital will follow.” --Steve Case*

Day four of brought us to Albuquerque during the week of the iconic Balloon Fiesta, a nine-day event where about 500 balloons fly the skies. The night before the launch, checking into our hotel, we heard a story from local about how in the 1970s, a young entrepreneur named Bill Gates was going door to door trying to raisemoneyfor a startup that became Microsoft, selling shares for \$500 apiece. “ My dad had the opportunity to buy some, and passed,” the gentleman we met said, “ and I remind him about it every day.”

In the '70s, Altair, a pioneer in personal computing, was based in Albuquerque, and Bill Gates and Paul Allen lived there writing software for one of the first computer companies. Jeff Bezos, the CEO of Amazon, grew up in Albuquerque. Both entrepreneurs now live in Seattle, and rank in the in the world due to the value of the companies they built. And they both came through Albuquerque.

As someone active in the VC world and an angel investor, I often here from emerging startups ecosystems that the one thing they need is capital. I think that’s a red herring.

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In the 1970s, Albuquerque, between Altair, Microsoft and Jeff Bezos, was well placed -- in terms of talent -- to build the next greattechnologycompanies.

But for some reason, Microsoft and Amazon built their companies in Seattle

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-- and transformed the face of the city. What can Rise of the Rest cities do to attract the most talented people?

In Albuquerque, we saw a city with great momentum and potential, primarily because of the way it's building for the future. I started working two years ago in Albuquerque with my firm , when we built a program for water startups on top of some great local technology, infrastructure and expertise. Two years later, the city is showing exciting signs of momentum. While it's difficult to tell, in your community, what momentum looks like, here are three things that Albuquerque -- and cities like it -- can do right to attract and keep the right talent:

## **1. Keep your talented young people.**

We kicked off the day with a breakfast, where local community leaders talked about the importance of entrepreneurship. Roger Frank, President of the University of New Mexico, shared that one of his most pressing concerns as President of UNM is keeping New Mexico undergraduates local. Thirty percent of graduates leave the state, President Frank told me. We need them to stay here to contribute to the economy, he said, and it's far likelier that a brilliant young person will find a career as an entrepreneur in New Mexico than a big company, because of the lack of large employers.

Cities such as Boulder and Austin, which have shown a significant increase in entrepreneurial activity and economic success, are large college towns, like Albuquerque, that have created a business environment where students want to stay. Albuquerque is aiming to follow suit, because it's far easier to build a large company than buy one.

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## **2. Recognize your local experienced assets, and give experience a reason to join a startup.**

Albuquerque does have major assets in two of the largest national labs: Sandia and Los Alamos. It's important to remember that the internet itself began as a U. S. defense research project, and from the semiconductor to artificial intelligence, much of the R&D for today's hot technologies took place in government labs.

Historically, though, despite some of the brightest minds in the country being in the Albuquerque area, they have remained “ behind the fence ” at the national labs. But that's changing. We had a lunch with Jackie Kerby-Moore, Executive Director of Sandia, and we heard the stories of three Sandia entrepreneurs who have taken advantage of Sandia's “ Entrepreneur Separation Program,” which gives lab researchers a two-year, full-benefit sabbatical to join a startup. One startup founder said “ I love the sabbatical; my wife and family loves it more!” Cincinnati has a similar sabbatical program with its corporations. When a city's institutions take its most experienced people, who might have a mortgage, kids, or other obligations, and give them the freedom to join a startup, the talent infusion will pay massive dividends.

## **3. Set entrepreneurship as an economic development priority.**

Albuquerque today has no Fortune 500 companies, but in the mid-1970s, two internet pioneers were based there. What if Albuquerque had managed to

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keep Microsoft in town, or had been able to convince a young Jeff Bezos that Albuquerque, not Seattle, was the best place to build a company?

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Earlier this year, I was in Hampton Roads, Virg, where I met a startup group whose motto was “ 1000x4.” Their thesis: economic development programs (both government and private sector capital) fight heavily over companies and jobs. This particular geography looked for “ four 1, 000-person employers.” The startup group—which the economic development agency now backs—looks to support and fund businesses that could grow to 1, 000 employees --or could grow to four. It’s more realistic that startups, not buying other big firms, will create the jobs of the future.