



**North Carolina High Tech –
Rise of the Entrepreneurial Free Agent**
An Emerging Resource and Constituency

A Briefing/Dialog with Senator Eric Reeves

By **Jim Salmons** and **Timlynn Babitsky**

With Perri Morgan,

State Exec. Director, **NFIB**





We are an emerging constituency, the high-tech contingency worker turned entrepreneurial free agent.

Jim Salmons and Timlynn Babitsky

- Wake County residents, married, no children
- Portfolio-based Wired Knowledge ‘Workers’
- Entrepreneurs foremost, small business by choice, social activists by way of our business strategies
- We’re “lumped into” the growing number of **Nonemployer businesses** (the self-employed)



Our goals today are to describe our constituency and to engage you in an initial exploratory dialog.

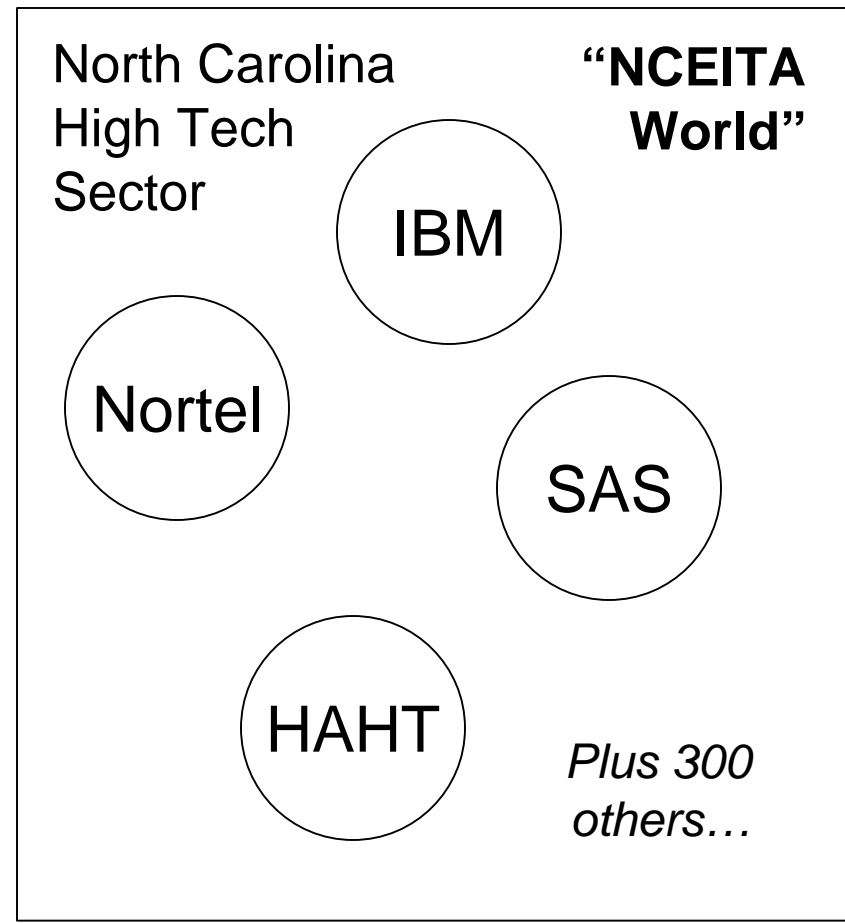
- The **Entrepreneurial Free Agent community** is a *vital contributor* to the State's economic health and future.
- North Carolina can be *friendly to*, and *benefit from*, this emerging resource/constituency within the high tech sector.

So... who is this community?



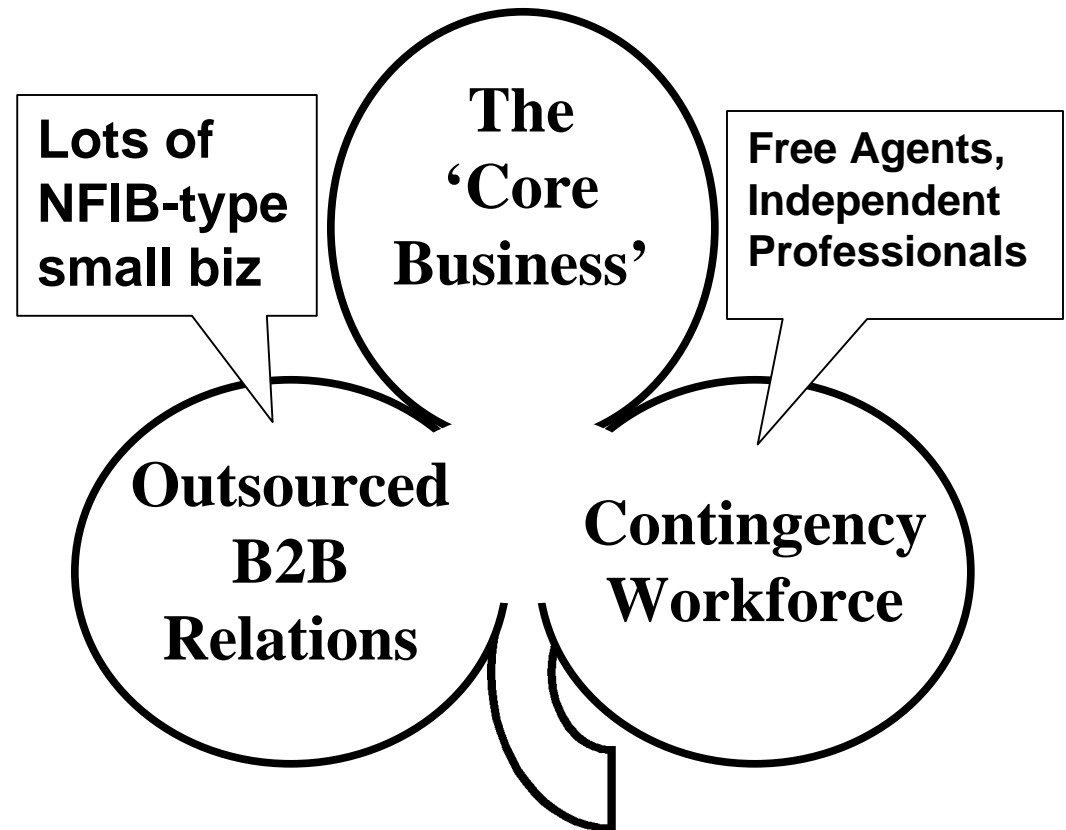
The NC High Tech sector, NCEITA World, is increasingly dynamic, global and ruthlessly competitive.

- Both **established multi-nationals** and **emerging growth companies** are vital to NC's economic health.
- Each of these 'top tier' companies represents hundreds, some thousands of North Carolina 'jobs'



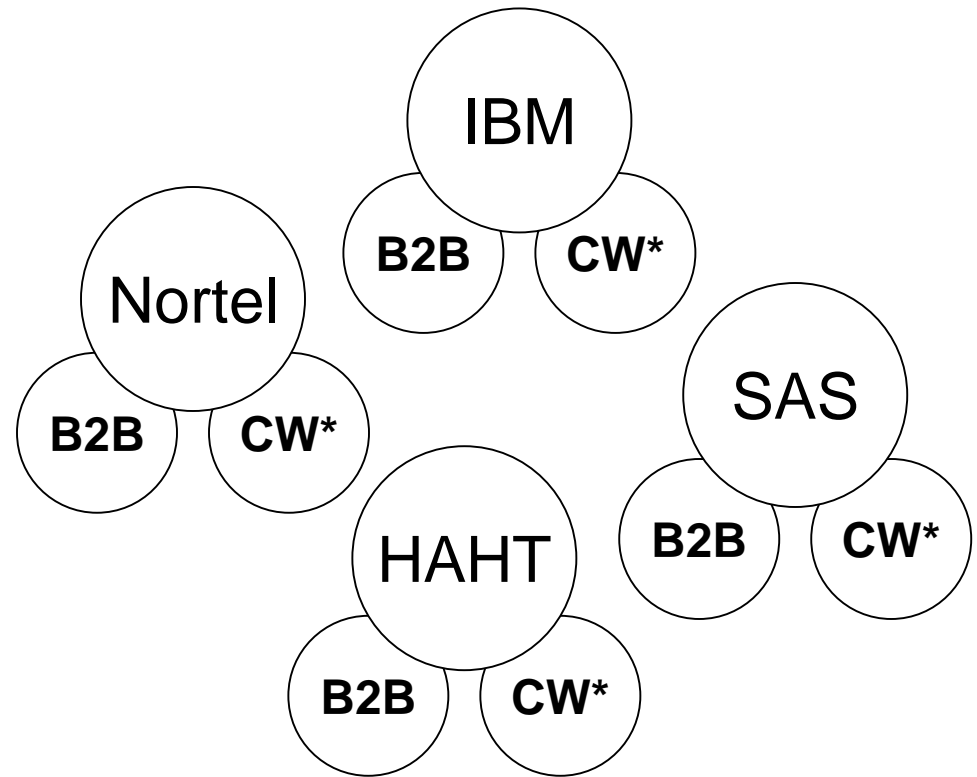
Today's 'jobs' are distributed throughout a web of relations described by the 'Shamrock' organization structure.

- The **Core Business** leaf is increasingly **project-based** and subject to **'fewer doing more'**.
- Free agents and small businesses abound in the other two leaves.



Most NCEITA World companies are Shamrock-based to be competitive in the global New/Network Economy.

- Today's business landscape is an intricate web of inter-relations.
- The contingency workforce is just as vital as the business service sector

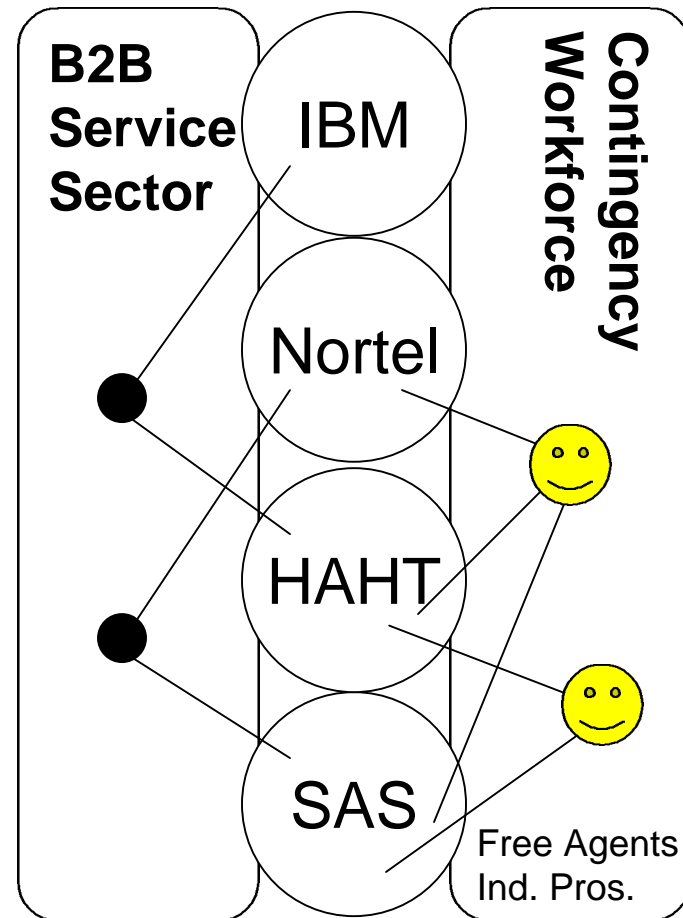


CW – Contingency Workforce
(AKA Free Agents)



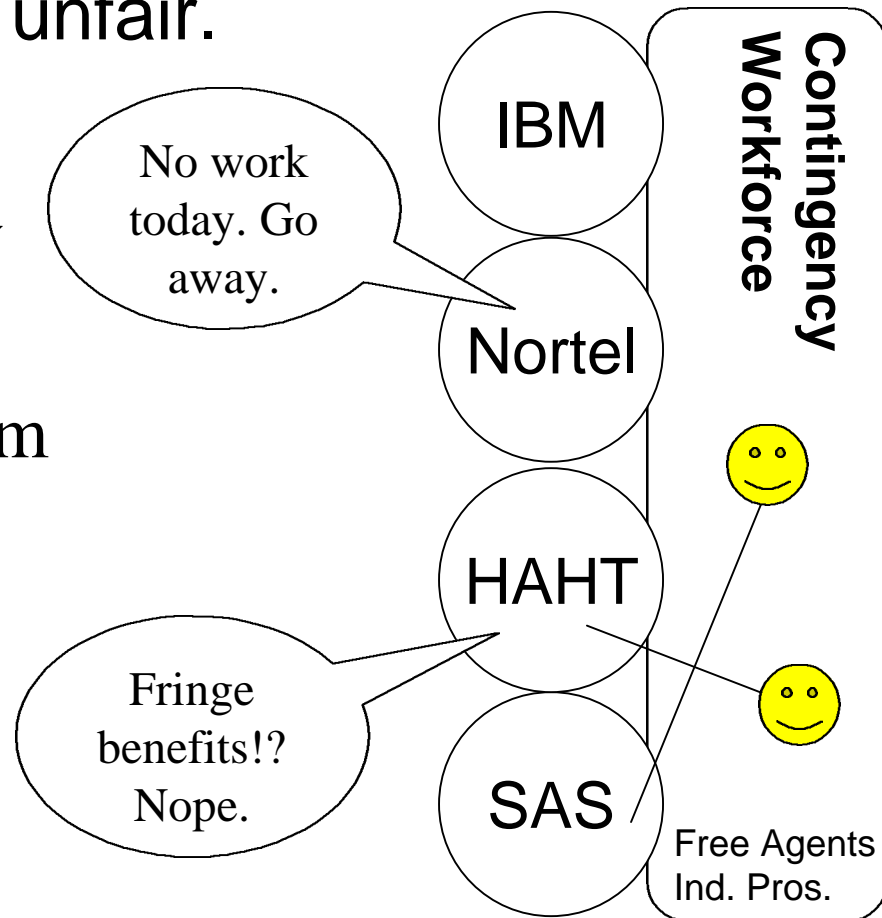
The 'Shamrock' nature of NC's Hi Tech sector provides flexibility, adaptability and encourages innovation.

- To be competitive, NCEITA World companies *need* their associated business webs and contingency workers.
- All three segments are essential to a *sustainable* local Hi Tech sector.



The Hi Tech contingency workforce has two sides. The *freedom* is great... but the “*You’re on your own, kid*” reality can be unsettling and unfair.

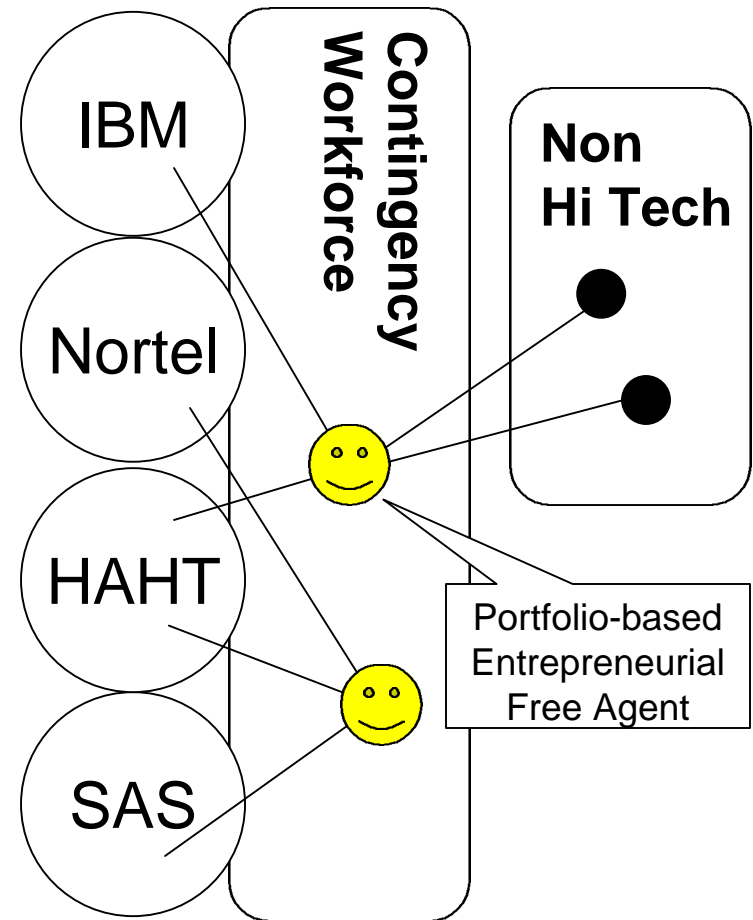
- While NCEITA World companies need us, they are not *committed* to us.
- To protect ourselves from this harsh reality, we diversify and develop a *portfolio* approach to employment...





The Hi Tech contingency worker's "portfolio life" is a hedge against uncertainty.

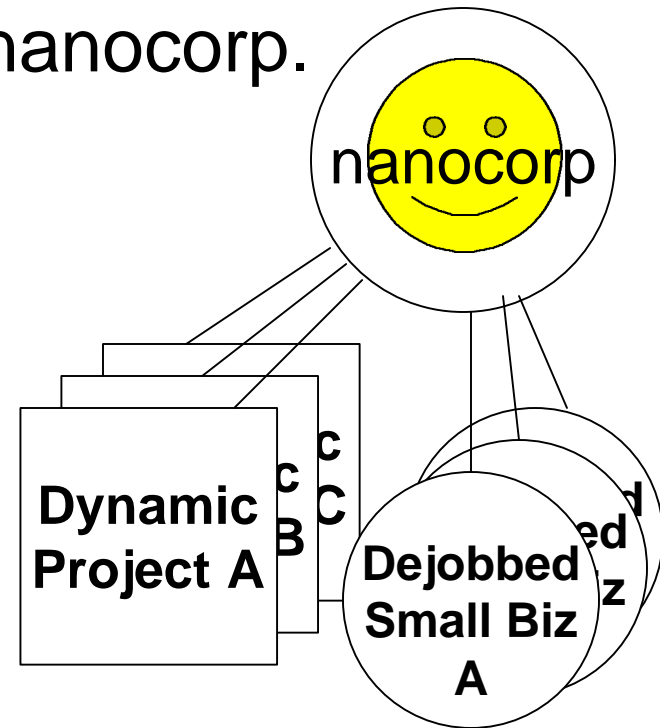
- To avoid 'feast or famine', multiple concurrent business relations are required.
- True diversity is achieved by reaching outside our 'tech niche'
- In this diversity are the *seeds of opportunity*, the rise of the **entrepreneurial free agent...**





Within the Hi Tech contingency workforce is a growing number of *entrepreneurial free agents*, a new breed of independent businesspeople, the nanocorp.

- More concerned with *what we do* and *with whom we do it* than *how much we make*.
- We're concerned about community and social issues.
- Our skills and experience are our secret weapons and a windfall for our partners.



See “*The Nanocorp Primer #4*” for more on nanocorps and ‘Small is Good’ Business Webs



JFS Consulting Inc., a North Carolina nanocorp, is a case in point. Our portfolio includes both contract work and entrepreneurial social action.

- **Contract-based consulting** with NCEITA-type companies fuels our strategic vision.
- Our **strategic agenda** involves:
 - Rural/Urban community-based economic development
 - Bridging the Digital Divide with ‘Small is Good’ Business Webs
 - Open Source collaboration technologies



Our strategic vision is to launch 'Small is Good' Business Webs in North Carolina to help bridge the Digital Divide.

Our web of strategic relations includes:

- **Sustainable Enterprise Institute**, UNC Chapel Hill's Kenan-Flagler Business School
- **Communities of the Future**, Gastonia NC
- **Sohodojo** and its **Center for Open Source Collaboration Technologies**
- **Squirrelefeeders.com**
- **NFIB**



The entrepreneurial free agent can be an important resource to the economy of North Carolina but **we face real challenges.**

- Taxed unfairly (e.g., health insurance, home office) and made to feel like second-class citizens
- Existing small business development services do not recognize or understand us.
- Economic development incentives are skewed toward ‘bigger is better’ and traditional ‘job’ creation.
- Risk capital is available only to conventional business models promising huge returns.



What is needed to turn this emerging constituency into a vital resource in the State's economy?

- NC needs to look at the Hi Tech contingency workforce from *our* point of view, *not* from our contract employers' standpoint
- Seed capital needed to encourage development of new 'Small is Good' business models and their associated technologies
- Encourage involvement by 'Small is Good' entrepreneurs in the State's EZ/EC communities *regardless* of where the entrepreneurs live in the State



Senator, what can you do to help the entrepreneurial free agents of North Carolina?

- Thank you for championing the tax deduction for health insurance costs of self-employed.
- What resources, contacts and/or programs should we know about that impact these issues and opportunities?
- What ideas or suggestions do you have for helping us to spread the word about North Carolina's **'Small is Good' Business Revolution?**



Thank you for your time and interest.

- **Jim Salmons and Timlynn Babitsky**

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