



NEW MEXICO COMMUNITY CAPITAL
A COMMUNITY DEVELOPMENT INVESTMENT FUND

For Immediate Release

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2009 Analysis of State's Entrepreneurial Ecosystem

Bernalillo, NM May 26, 2009 - Despite the tough economy, New Mexico is making some progress in some key measures of entrepreneurship, according to a recently completed market research effort targeted at identifying strengths and gaps in the New Mexico entrepreneurial ecosystem. The purpose of the New Mexico Ecosystem Report was to objectively examine the New Mexico ecosystem from an economic and entrepreneurial perspective and determine existing strengths and persistent gaps. It was funded and published by the McCune Charitable Foundation and New Mexico Community Capital.

According to Owen Lopez, Executive Director of the McCune Charitable Foundation and former NMCC board president, "The study reinforced that New Mexico's ability to compete in the global economy depends on the talents of our workers, the innovation of our entrepreneurs, and the investments we make to build a high-skill economy of the future."

Dr. Beverlee McClure, President & CEO of ACI and a member of the group who planned and oversaw the research project adds: "We see this as an excellent starting point from which we can launch the next phase of implementation. "This report provides an excellent framework for statewide recommendations from which we can together begin on the most important implementation phases. "

The report recommends some of the following actions.

- **make use of a range of strategies** to increase competitiveness, including investing in good schools, physical and human capital, and home-grown businesses, and making sure that economic benefits are shared widely across communities
- **strengthen entrepreneurial training** - while some significant training programs have been developed the availability, coordination and connection of these programs needs to be improved. The most significant opportunity to make an immediate difference in New Mexico may center around establishing a coordinated, statewide entrepreneurial training system by taking the best pieces of the excellent efforts that are either emerging or already exist at community colleges, small business incubators, SBDC's and universities. Entrepreneurs reported that they need still need help from systems that foster entrepreneurship and nurture entrepreneurs; facilitate networking among entrepreneurs; and integrate entrepreneurs more with the mainstream community.

- **avoid over-reliance on tax incentives** - while the state's incentives were noted as a significant primer to industry growth, over-dependency will create a significant loss once incentives dry up.
- **emphasize efforts to increase or shift the amount of** funding directed at the seed and mezzanine stage ventures. The data indicated the increasing importance of seed, mezzanine and angel capital to the state's next crop of growth companies, especially as the financial crisis has dried up many forms of financing requisite for ecosystem growth.
- **strengthen our base of experienced mid- and senior-level managers.** Without exception business leaders and entrepreneurs noted this as a significant barrier to growing companies in the state. In the study, 67 percent of the respondents noted this undersupply of experienced leaders and entrepreneurs as one of their chief concerns.
- **accelerate our public policy efforts** to nurture the growth of job creating entrepreneurial small businesses.
- **nurture industry clusters that show the highest growth potential.** The data indicates that over the past few years, New Mexico has shown improvement in the creation of industry clusters, a key indicator of entrepreneurial vitality. However these industries were lower- growth clusters that have shown little potential to significantly boost the economy. According to the study, the strongest current potential for significant clusters exists in alternative energy, life sciences and digital media.

New Mexico Ecosystem Report employed 50 in-person interviews, an online survey of over 400 individuals across every stakeholder region and category, and an extensive review of existing secondary data about the New Mexico ecosystem.

The final report is organized around the logic of an ecosystem consisting of six- interrelated elements: industry, capital, talent, government, education and technology commercialization, which include 'everything it takes to make startup companies successful'. The full report is available for download at: <http://www.nmccap.org>. Printed copies of the report are available by calling NMCC (505) 924-2820 or e-mailing annette@nmccap.org.

New Mexico Community Capital: Strengthening Communities, One Business at a Time

Mission

To improve the lives of New Mexicans, especially those in rural and economically underserved areas, by investing in small businesses, helping those communities prosper and contribute to their communities.

Structure

New Mexico Community Capital (NMCC) delivers on its charitable mission through two operating arms: **NMCC Investment Fund** and **NMCC IMPACT-New Mexico Business Growth Services**.

The McCune Charitable Foundation

Mission:

The Marshall L. and Perrine D. McCune Charitable Foundation is dedicated to enriching the health, education, environment, and cultural and spiritual life of New Mexicans. The Foundation memorializes its benefactors through proactive grant making that seeks to foster positive social change. To visit the McCune Foundation website, click here. <http://www.nmmccune.org> For more information about McCune Foundation Questions may be directed to info@nmmccune.org or to 505.983.8300

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