

*Creating Local
Jobs and
Preventing Brain
Drain*

*by Promoting New
Mexico as the Best
Value in the U.S.
for Software
Development*

DART

Initiative

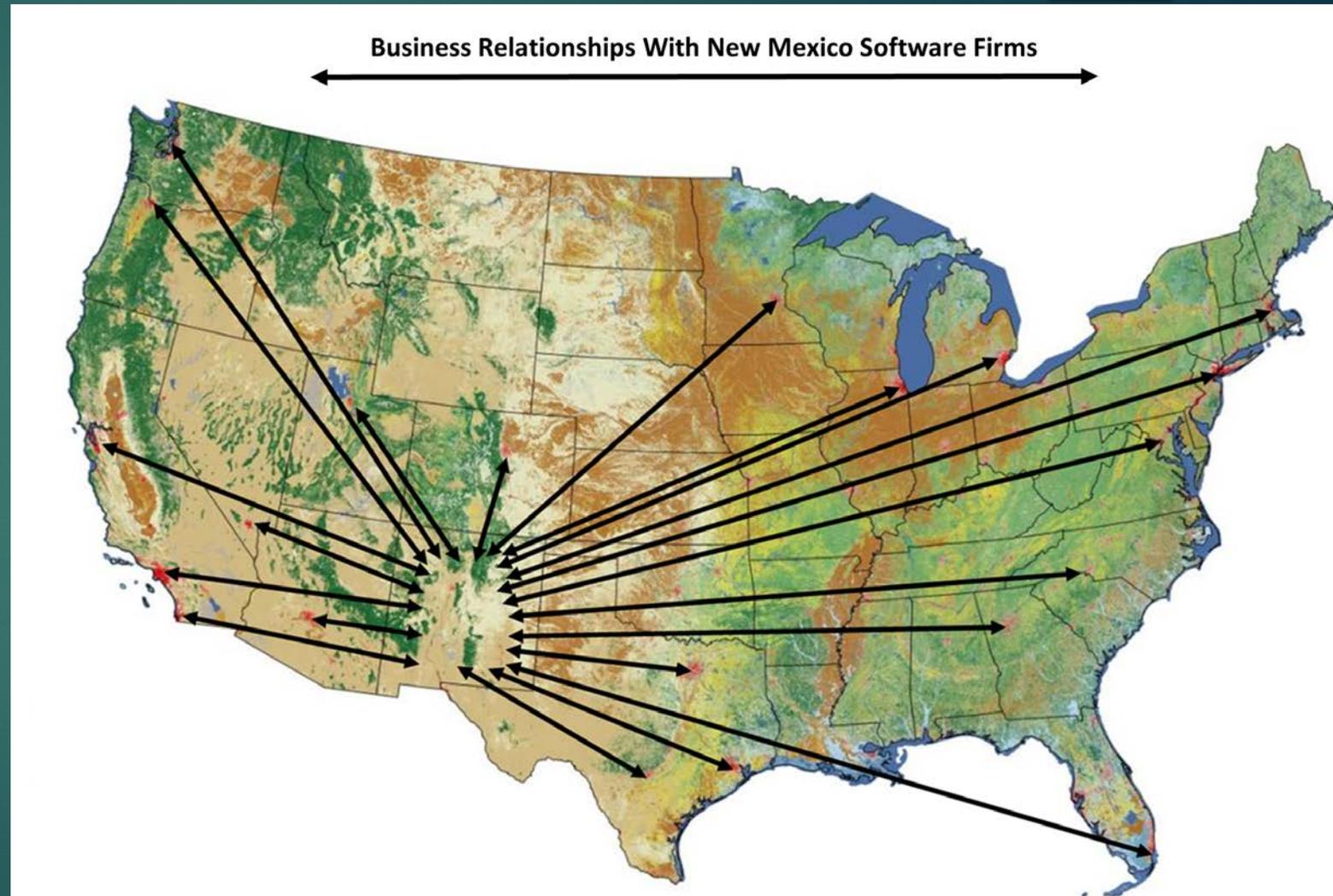


Vision

New Mexico is known as the best value in the U.S. for software development

Mission

To create local jobs by promoting the capacity, quality and cost effectiveness of New Mexico's software development industry to the rest of the U.S.



What DART Is

A systems approach to accelerate software industry job growth in New Mexico

DART Will..

3

- Create New Mexico software jobs, reduce brain drain and facilitate workforce development
- Persuade out-of-state companies and agencies to **contract with** existing software development firms throughout NM
- Connect NM software firms and facilitate collaborative business partnerships
- Diversify our economy by capitalizing on long-term software development demand
- Lead to an expansion in the number of software firms throughout NM

Other organizations are focused on these components of the ecosystem

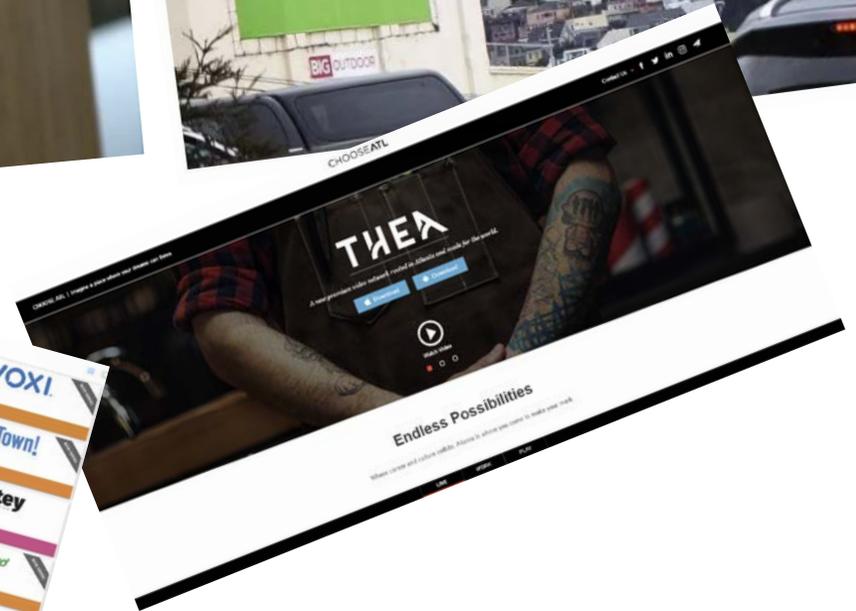
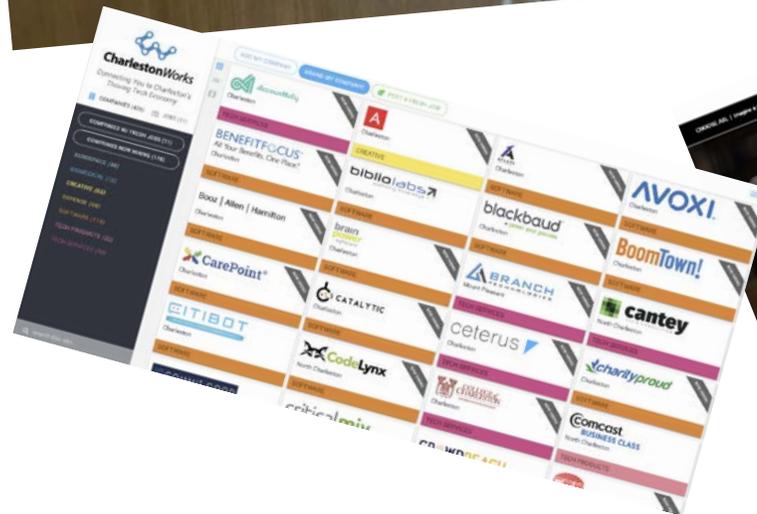
DART will complement these existing efforts, but will not seek to replicate them

- An effort to recruit companies to relocate to NM
- An effort to recruit talent to relocate to NM
- An effort to train additional tech talent in NM
- An effort to encourage people to travel to NM
- An effort to encourage New Mexicans to startup companies

Why Now?

New Mexico can still be the first state to position itself as the best value in the U.S. for software development – but time is of the essence

Remote software development work is now the norm. Software firms may be in Taos, Silver City, Hobbs, or Farmington, yet contract to develop software for a company in Seattle.



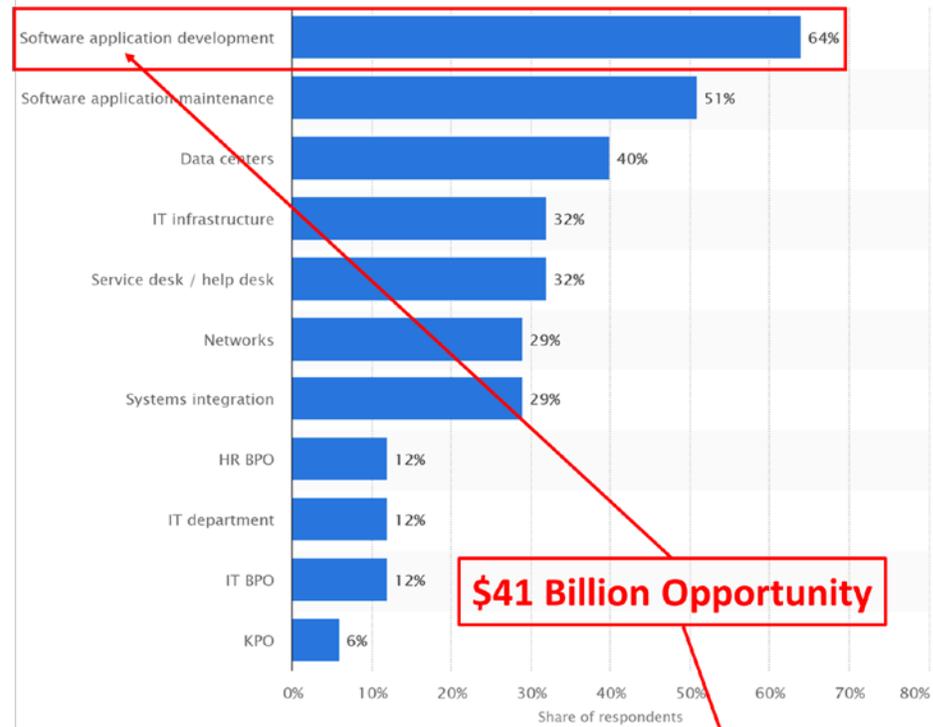
Market Demand

IT outsourcing is a \$64 Billion industry, Software Development outsourcing accounts for \$41 Billion annually

“In the 12 months ending February 2018, the U.S. B2B software market grew 11 percent year over year.”

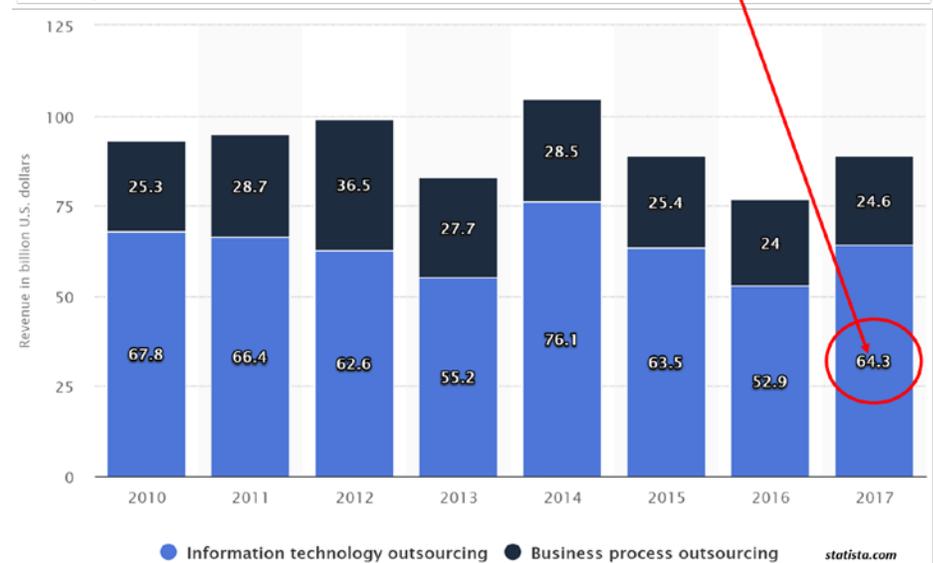
The NPD Group, Inc

Outsourced or off-shored IT functions worldwide, as of 2017



\$41 Billion Opportunity

Global outsourcing industry revenue from 2010 to 2017, by service type (in billion U.S. dollars)*



Why Software Development?

Each software job created is akin to creating several average jobs

“The creation of one job in the high-tech sector of a region is associated with the creation of 4.3 additional jobs in the local goods and services economy of the same region”

Bay Area Council Economic Institute Report

- Outsized economic impact
- Salaries are 94% higher than average
- NM has a growing tech talent pipeline
- Virtually no environmental impact
- Minimal startup costs for new software firms

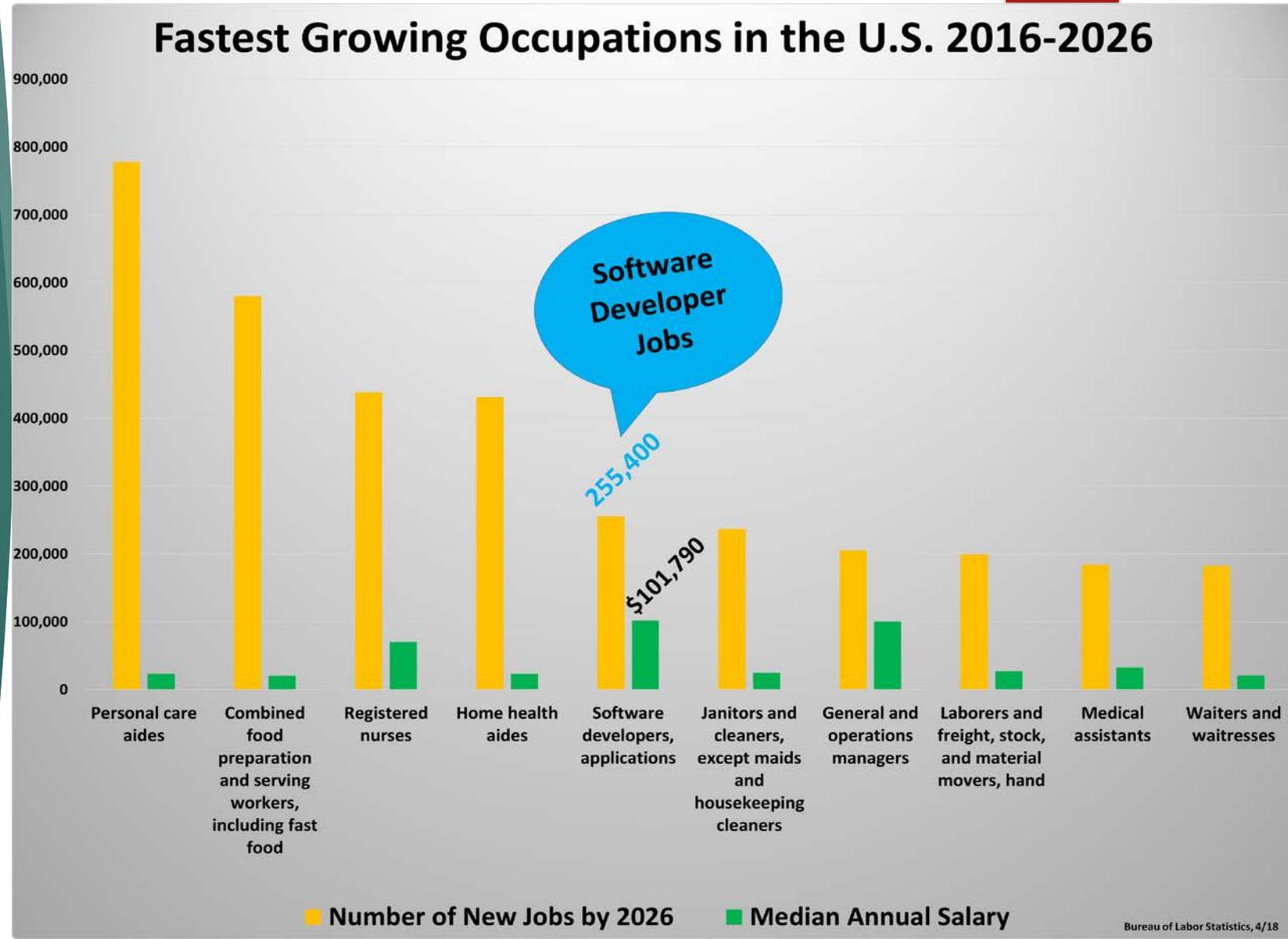


Are Jobs Really Available?

Job growth up 31%, >300K new software jobs by 2026

Software Developer is perennially rated as the best job in the U.S.

<2% unemployment rate



Job Creation

31% job growth would mean 3100 new, high-wage jobs in NM, and over \$250M in new personal income by 2026

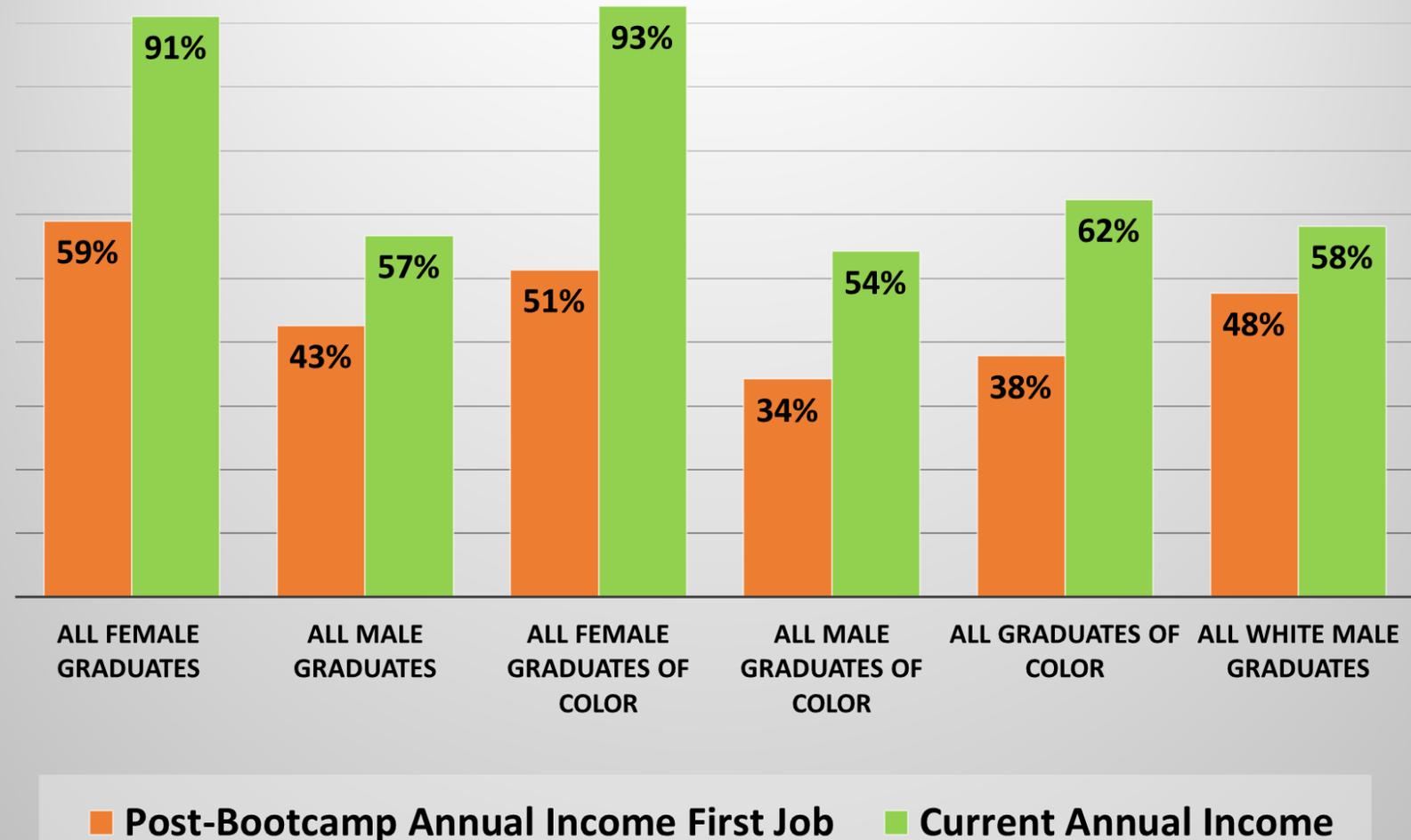
Since 2014, 15% increase in software jobs vs. 1.5% increase in all jobs in New Mexico (1000% faster growth)



Rising Trajectory for More New Mexicans

Software jobs have an outsized effect on the economy and on families – especially for women and people of color

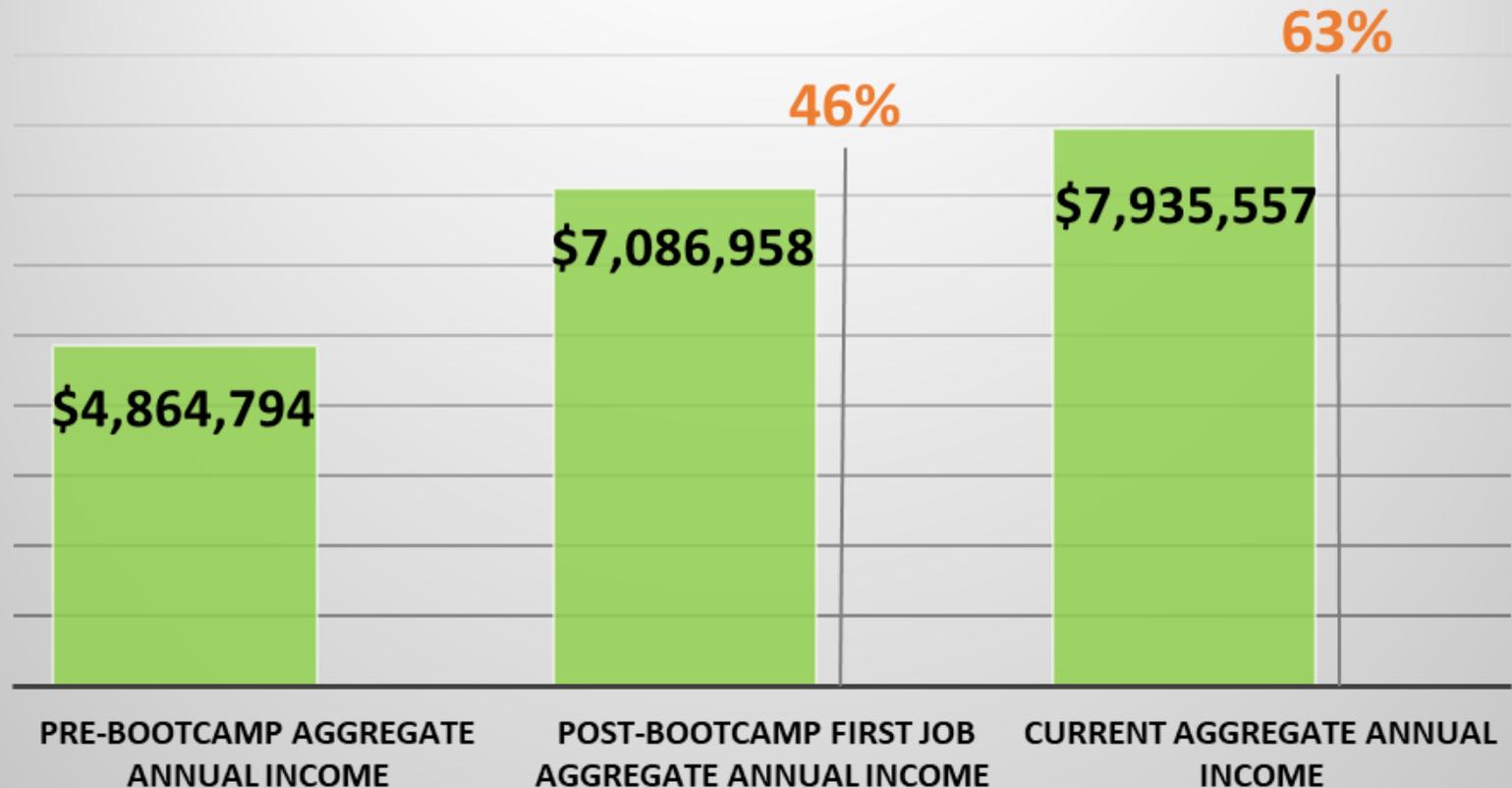
**Income Trajectory for DEEP DIVE CODING BOOTCAMP™
Graduates - Per Demographic Group**



Improving Income Outcomes

Over \$3,000,000 increase in personal income for Deep Dive Coding™ Graduates in under 5 years

Income Trajectory for DEEP DIVE CODING BOOTCAMP™ Graduates

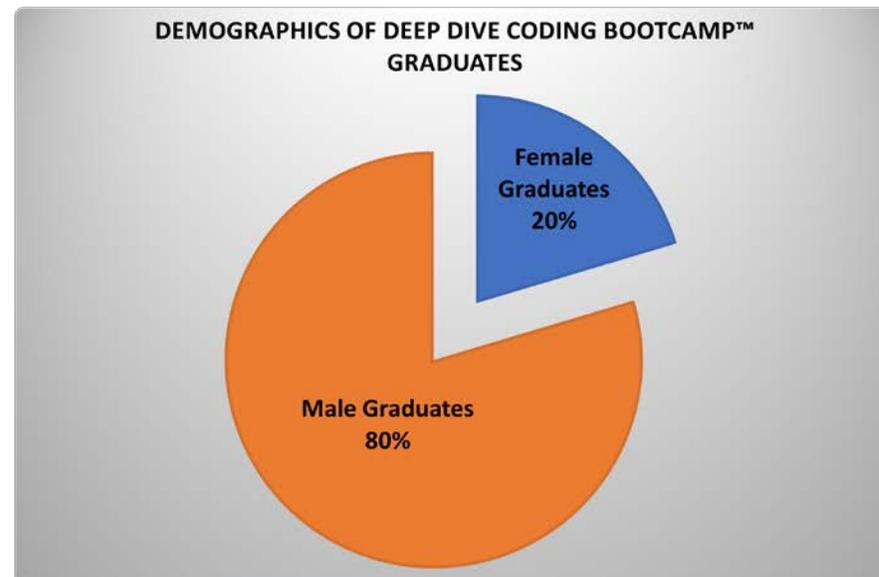
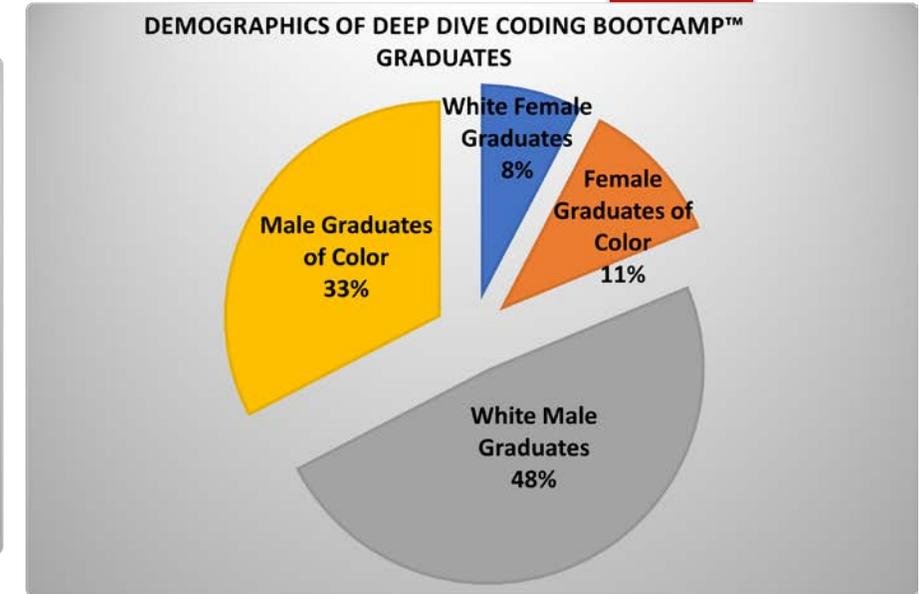
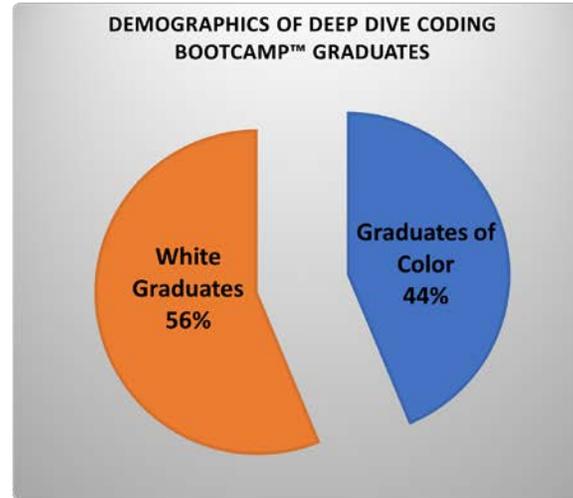


■ Annual Income

■ % Increase in Income

Diversifying Tech in NM

Changing the face of software development in New Mexico to better reflect our diverse population



New Mexico Software Firms

Over 100 software firms and growing throughout New Mexico

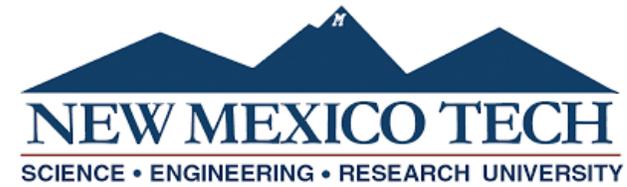


Strong Talent Pipeline

Over 700 Computer Science / Computer Information Systems / Software Developer graduates each year and growing throughout New Mexico



SCHOOL OF ENGINEERING



NORTHERN New Mexico College



College of Engineering



DEEP DIVE Coding powered by CNM Ingenuity



SAN JUAN COLLEGE



ENMU



WESTERN NEW MEXICO UNIVERSITY

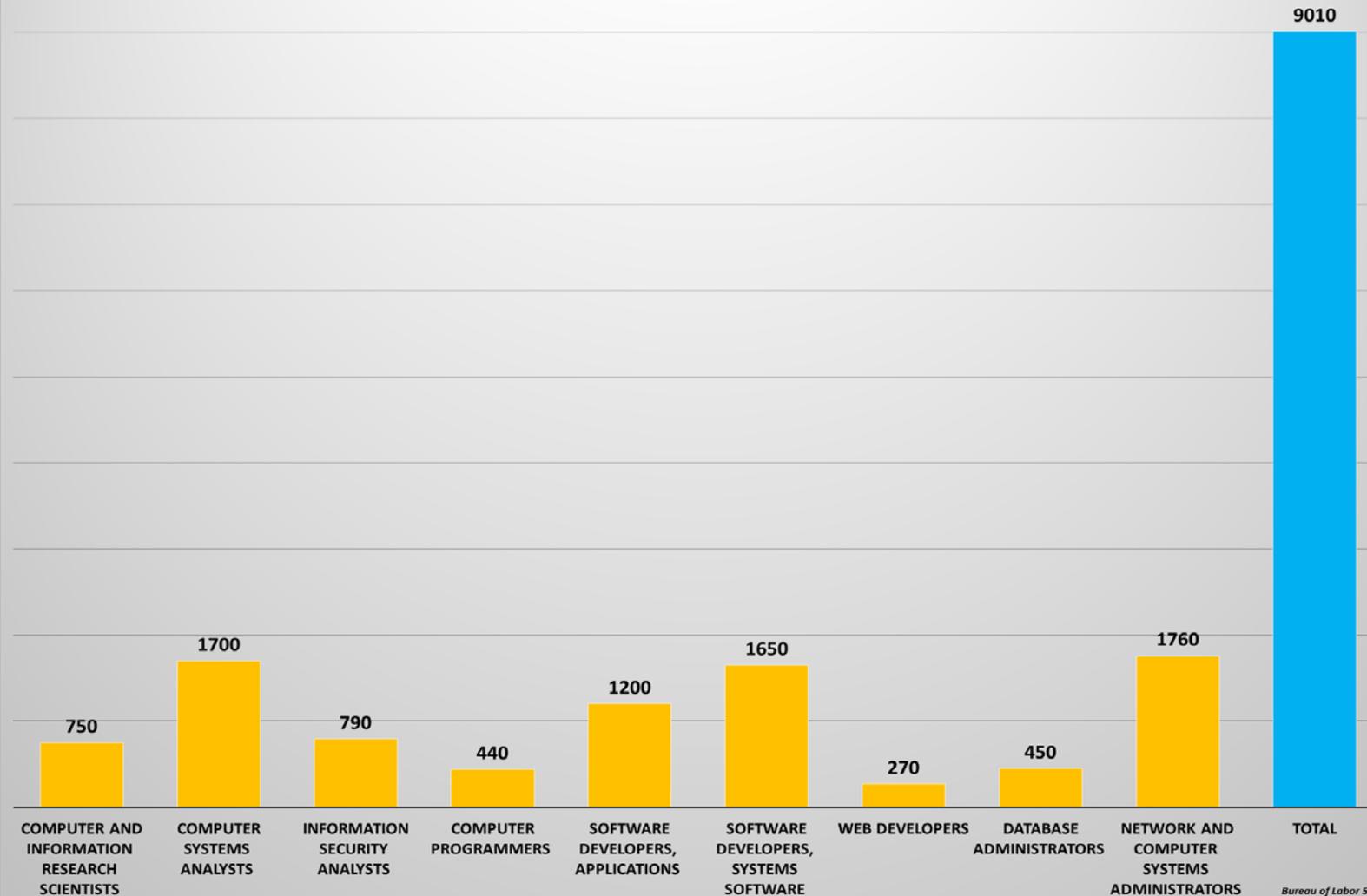
Local Capacity & Quality

Various computer occupations often overlap with software development activities

Facebook recently provided 32 scholarships for Deep Dive Coding Bootcamps™

15

Number of Software Professionals Employed in New Mexico - 2017



Modern Technology Stacks

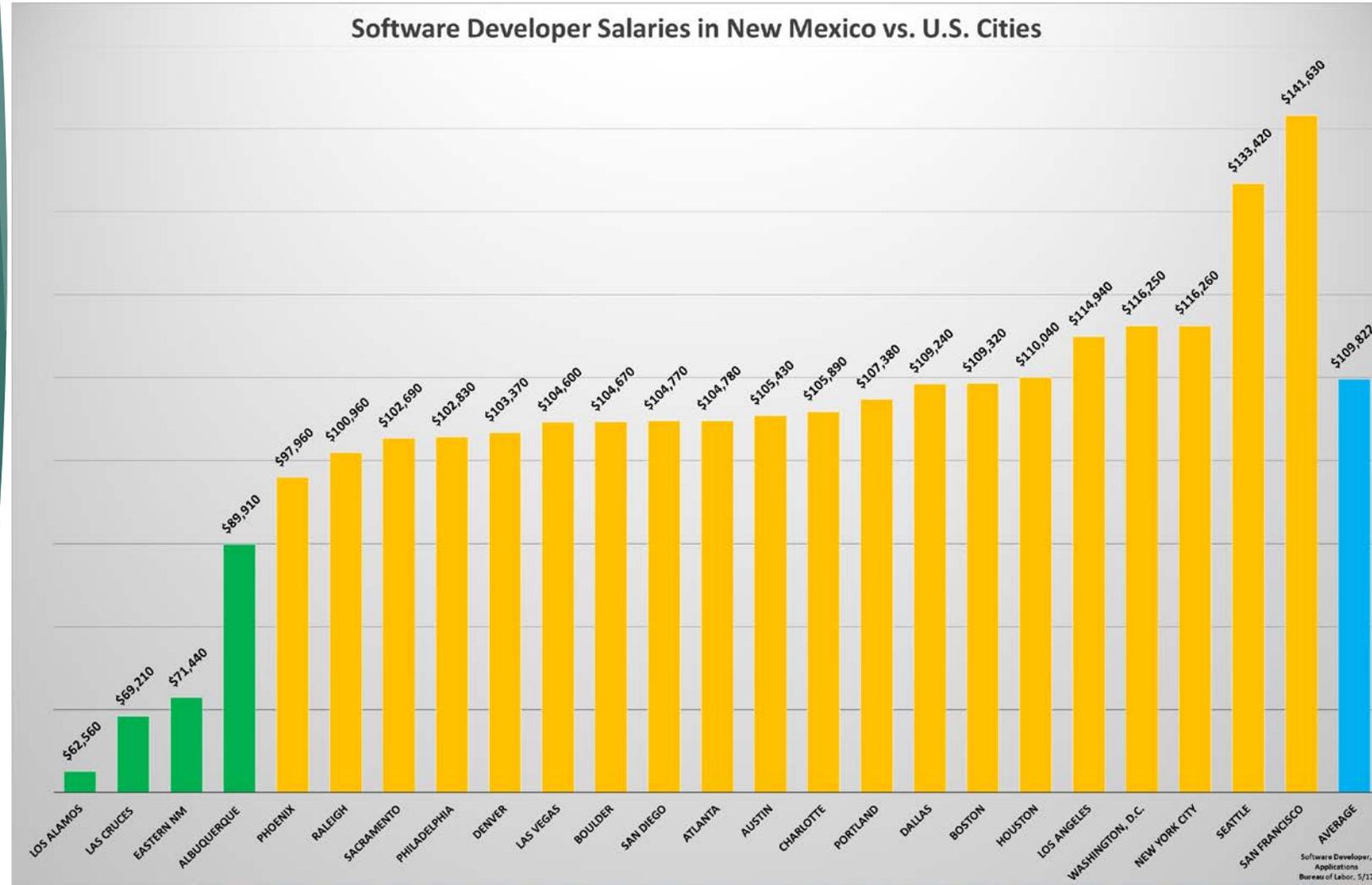
Local skills available to
build any software project



What is New Mexico's Value Proposition?

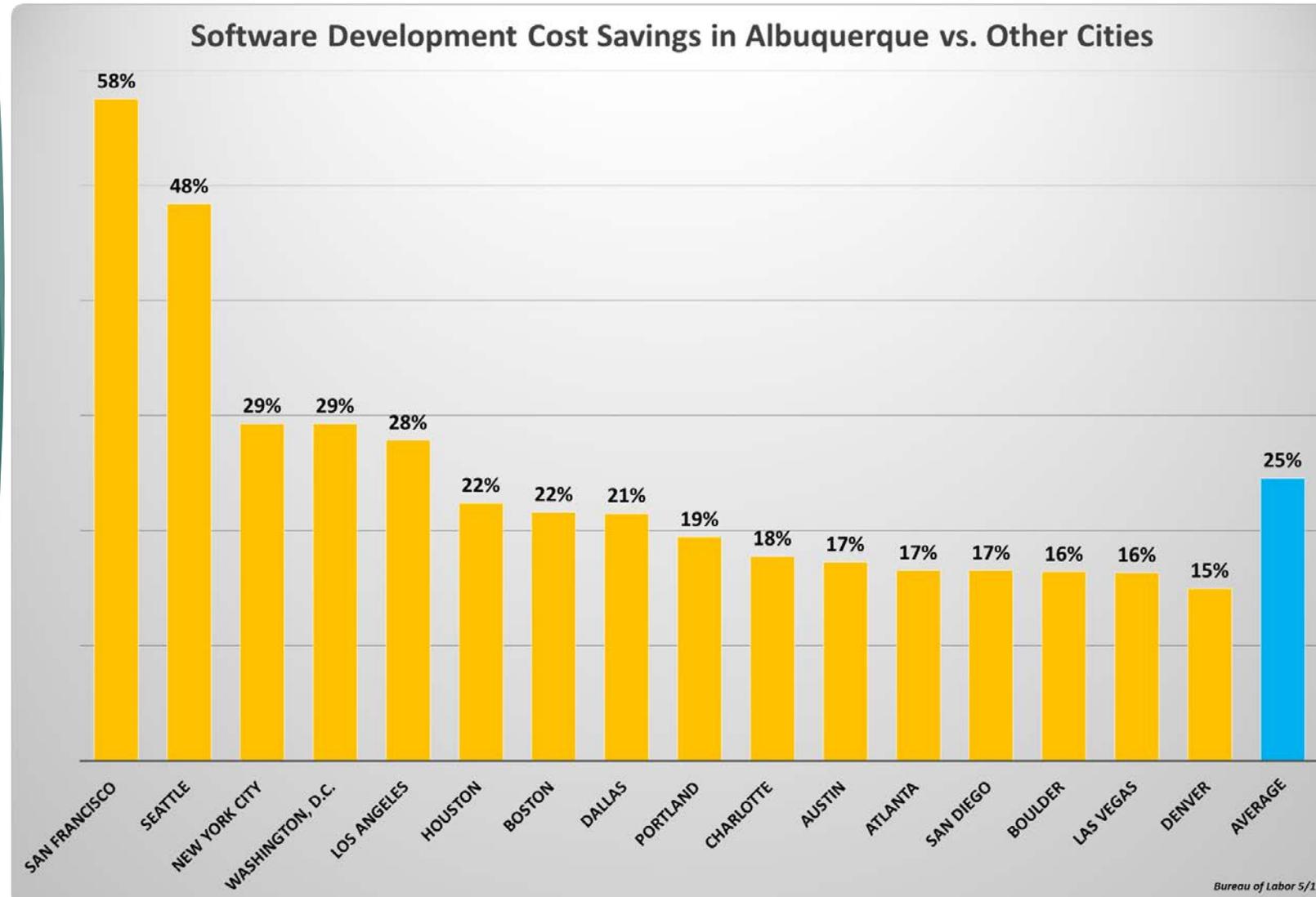
Increasing cost of tech talent in other cities

Quality, on-time delivery, available talent, much more affordable



What is New Mexico's Value Proposition?

'New Mexico is the best value in the U.S. for software development'

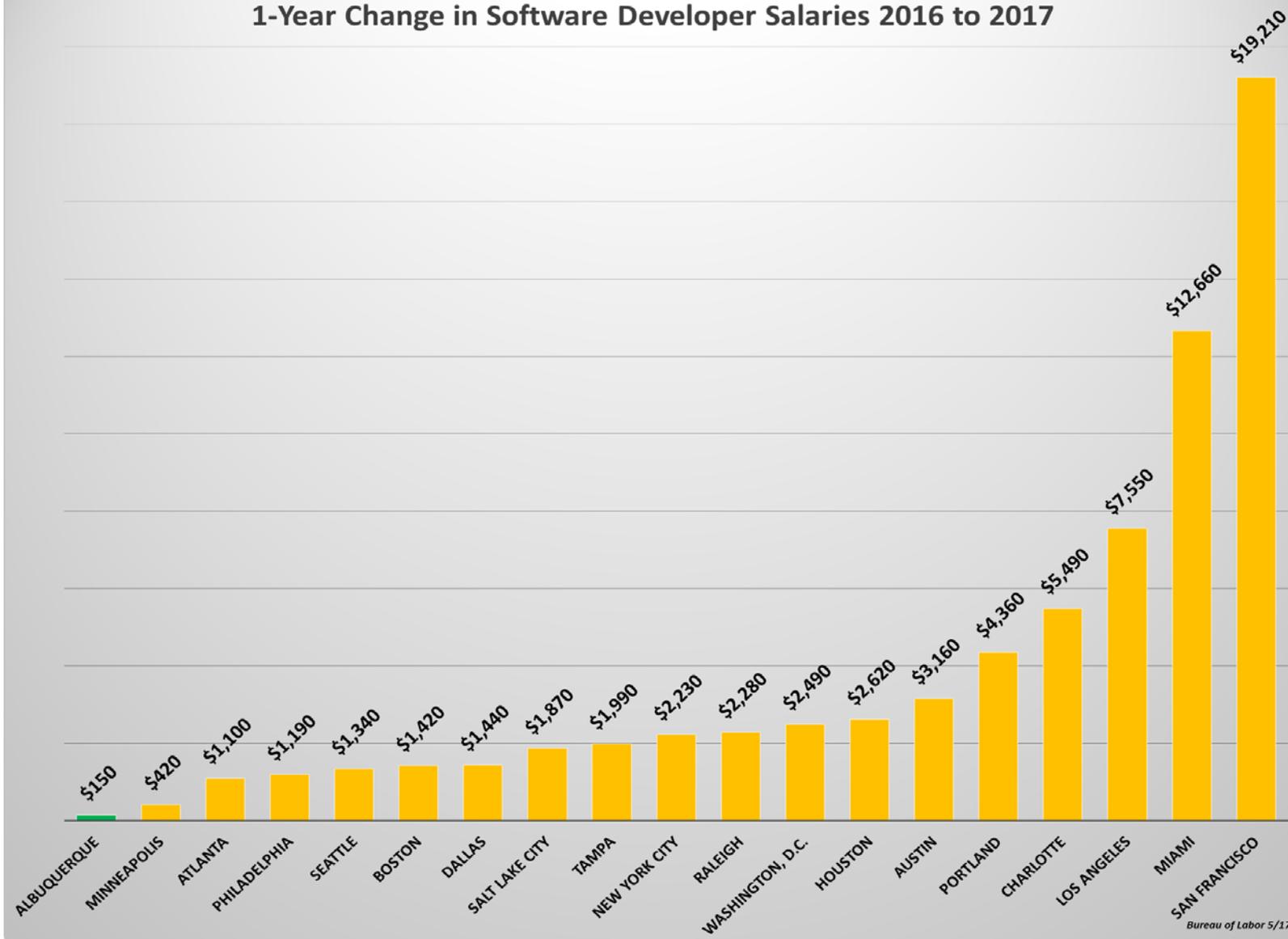


Perfect Timing for DART

Software development costs continue to skyrocket throughout the U.S.

Companies and agencies are ready for an affordable alternative

1-Year Change in Software Developer Salaries 2016 to 2017



How Best for NM to Capitalize on These Converging Trends?

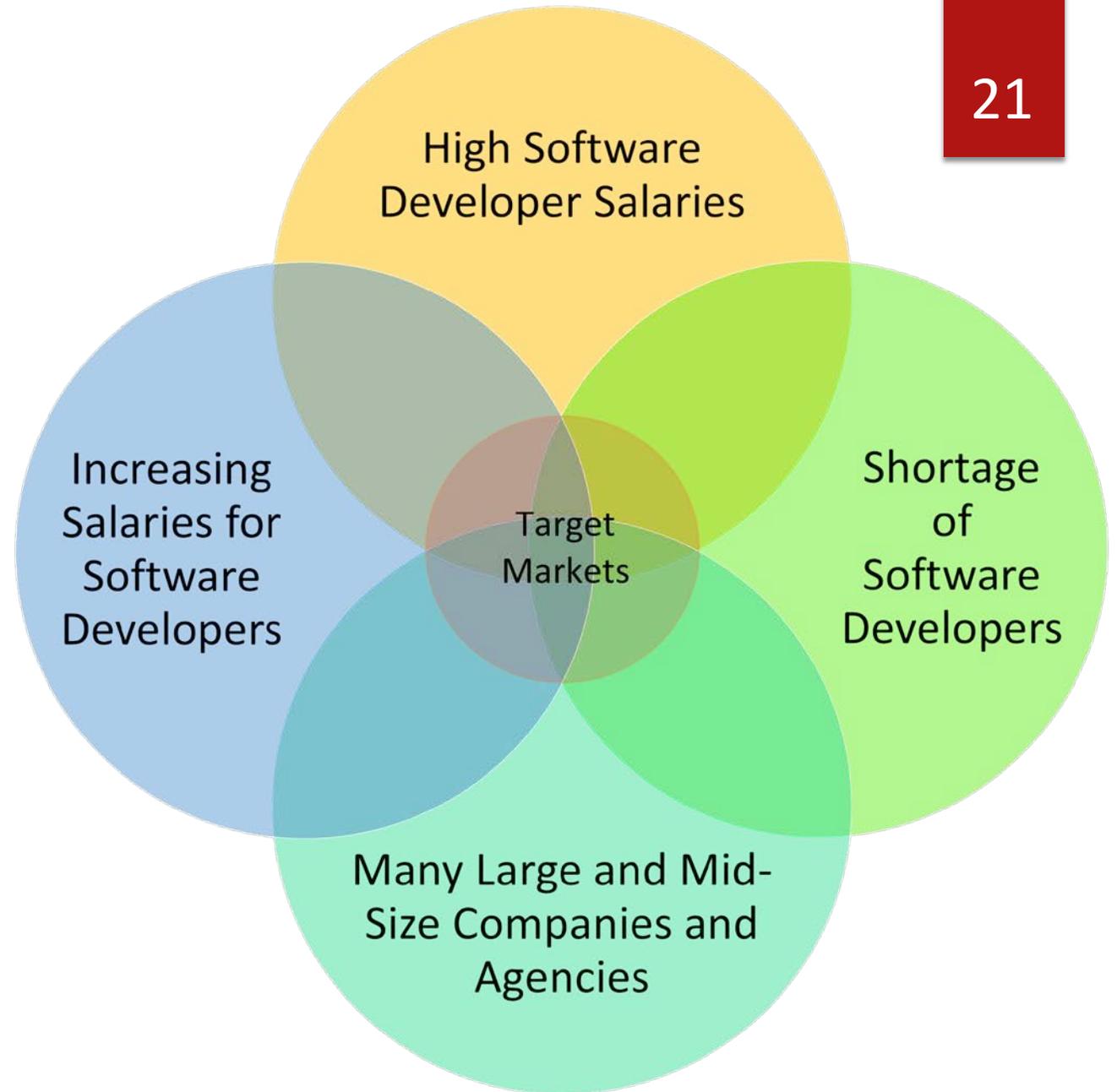
The New Mexico Technology Council (NMTC) is uniquely positioned to execute the DART strategy

- Create + fund a sustained effort to persuade out-of-state firms to contract with software development firms in New Mexico
 - Models: New Mexico True, NM Film
 - Executed by the New Mexico Technology Council
 - Create a web portal as the 'front door' to NM's software development industry
 - Connect NM software firms to facilitate in-state partnerships/subcontracting agreements
 - Amplify marketing efforts of NM software firms
- Encourage experienced out-of-state software developers to live and work in New Mexico



Target Markets

Seattle	Dallas
San Francisco	Austin
Washington, D.C.	Charlotte
New York City	Atlanta
Los Angeles	San Diego
Houston	Las Vegas
Boston	Denver



Target Audience

23

- Decision makers
 - Mid to large companies, in metropolitan areas with higher cost of software talent
 - Industries that are growing and profitable
 - Business travelers
 - Convention/tradeshows attendees
 - In-house software team leads
 - Project managers
- Government agencies: state, local, military, education
- Software companies needing staff augmentation
- Funded startups
- Nonprofits, NGOs
- Tech recruiters



Expected Funding Request

Likely allocated to NM Department of Economic Development or Department of Workforce Solutions

Earmarked for the DART initiative

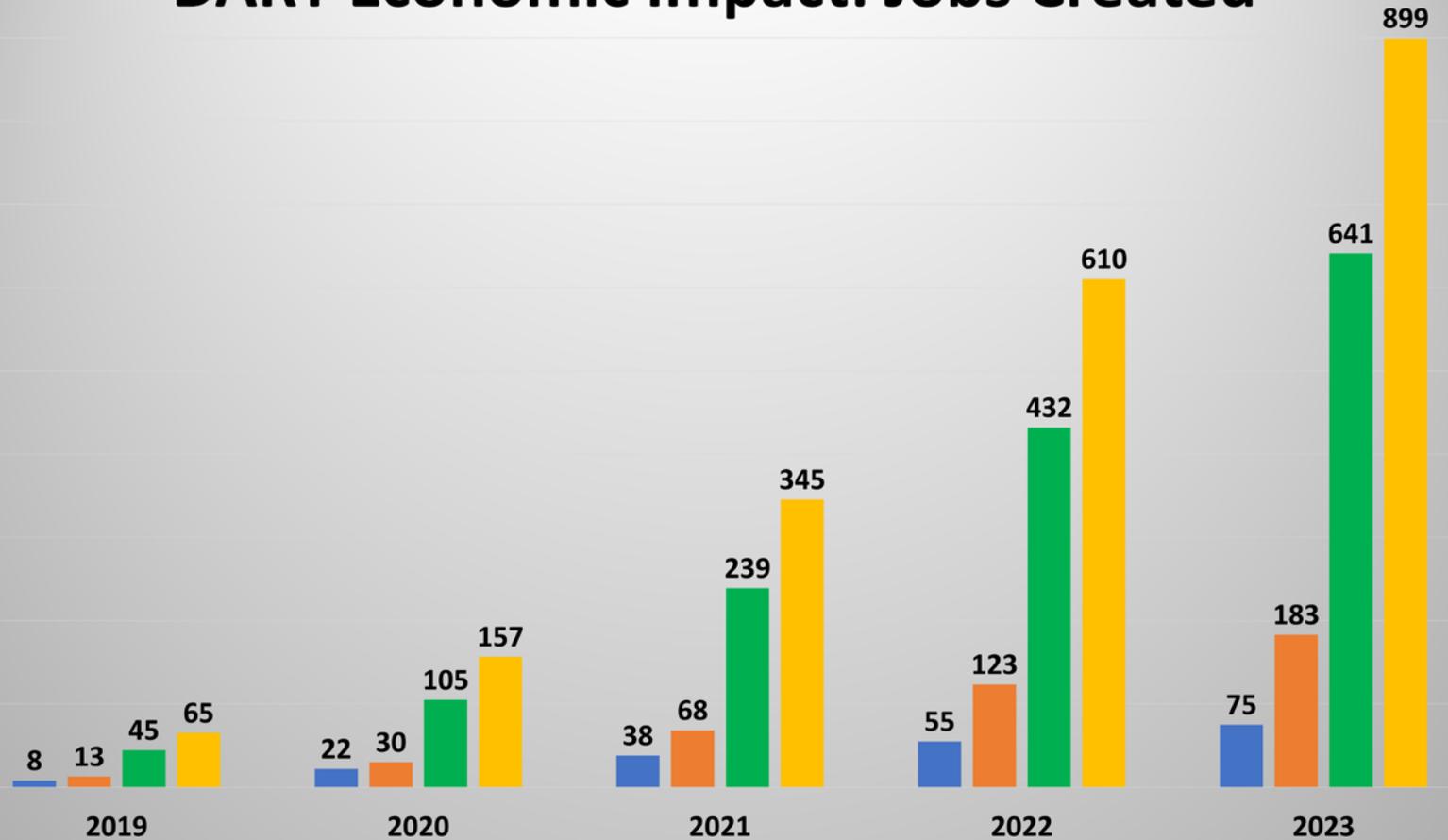
- 2019FY \$1,300,000
- 2020FY \$1,900,000
- 2021FY \$2,400,000
- 2022FY \$2,800,000
- 2023FY \$3,500,000
- 5-Year Total \$11,900,000



Jobs Created Per Type - 5 Years

25

DART Economic Impact: Jobs Created



- Annual contract software jobs created
- Annual FTE software jobs created
- Annual goods/services jobs created (used 3.5 multiplier, vs. 4.3 multiplier per tech job per Bay Area Council Economic Institute Report)
- Total jobs created per year

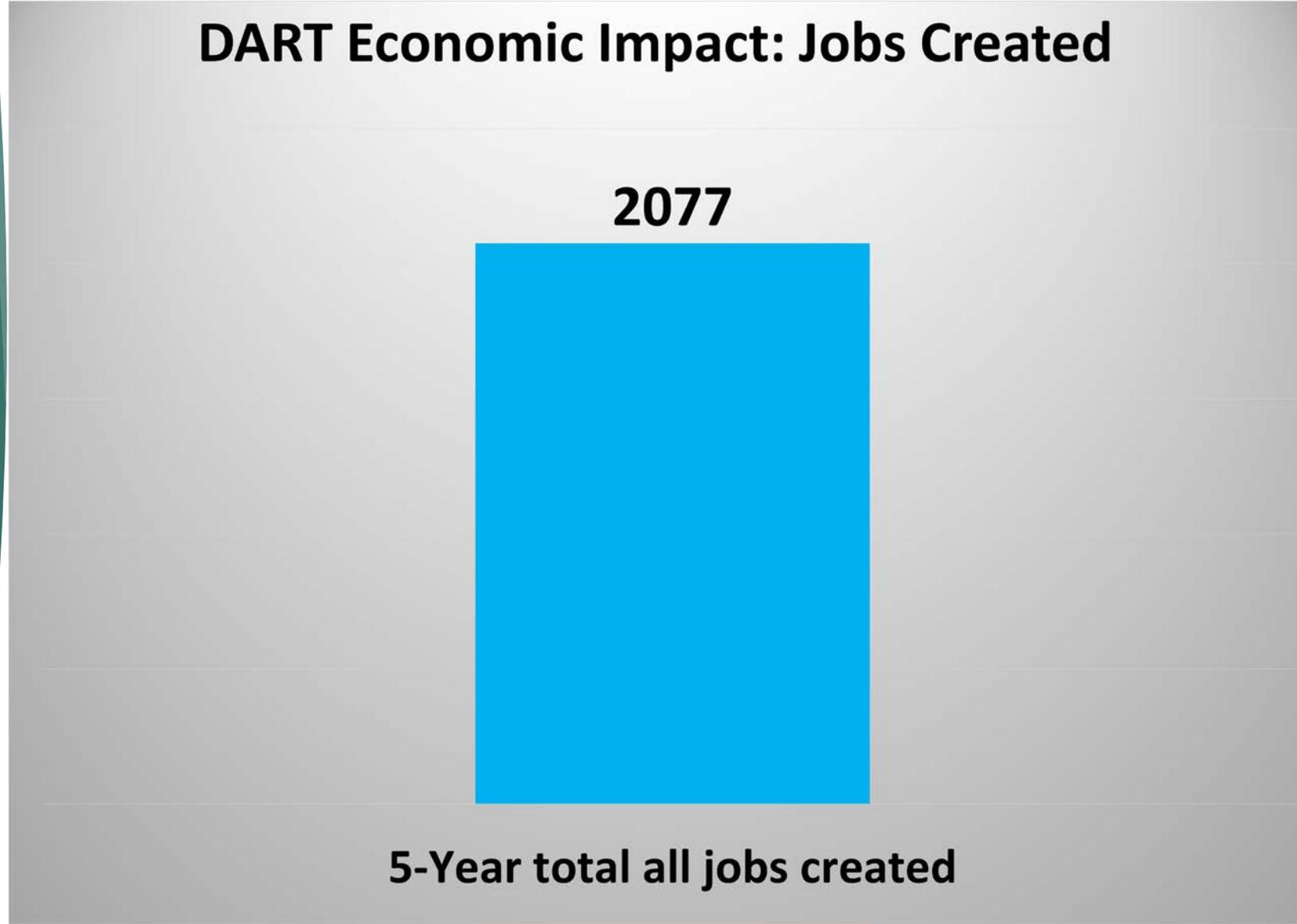
Total Jobs Created - 5 Years

26

DART Economic Impact: Jobs Created

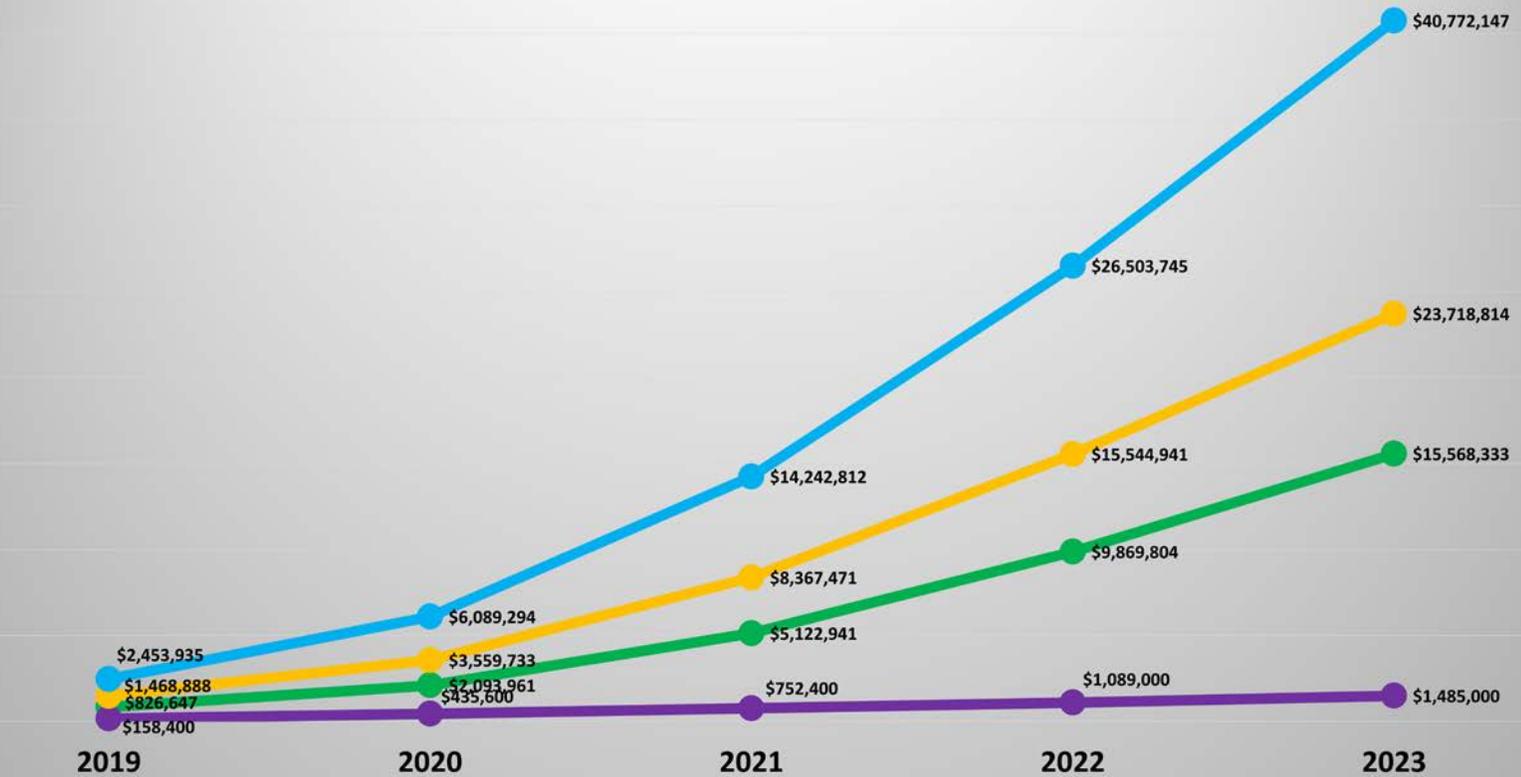
2077

5-Year total all jobs created



Annual Personal Income Created

DART Economic Impact: Annual Personal Income Created



● Total annual personal income FTE software jobs

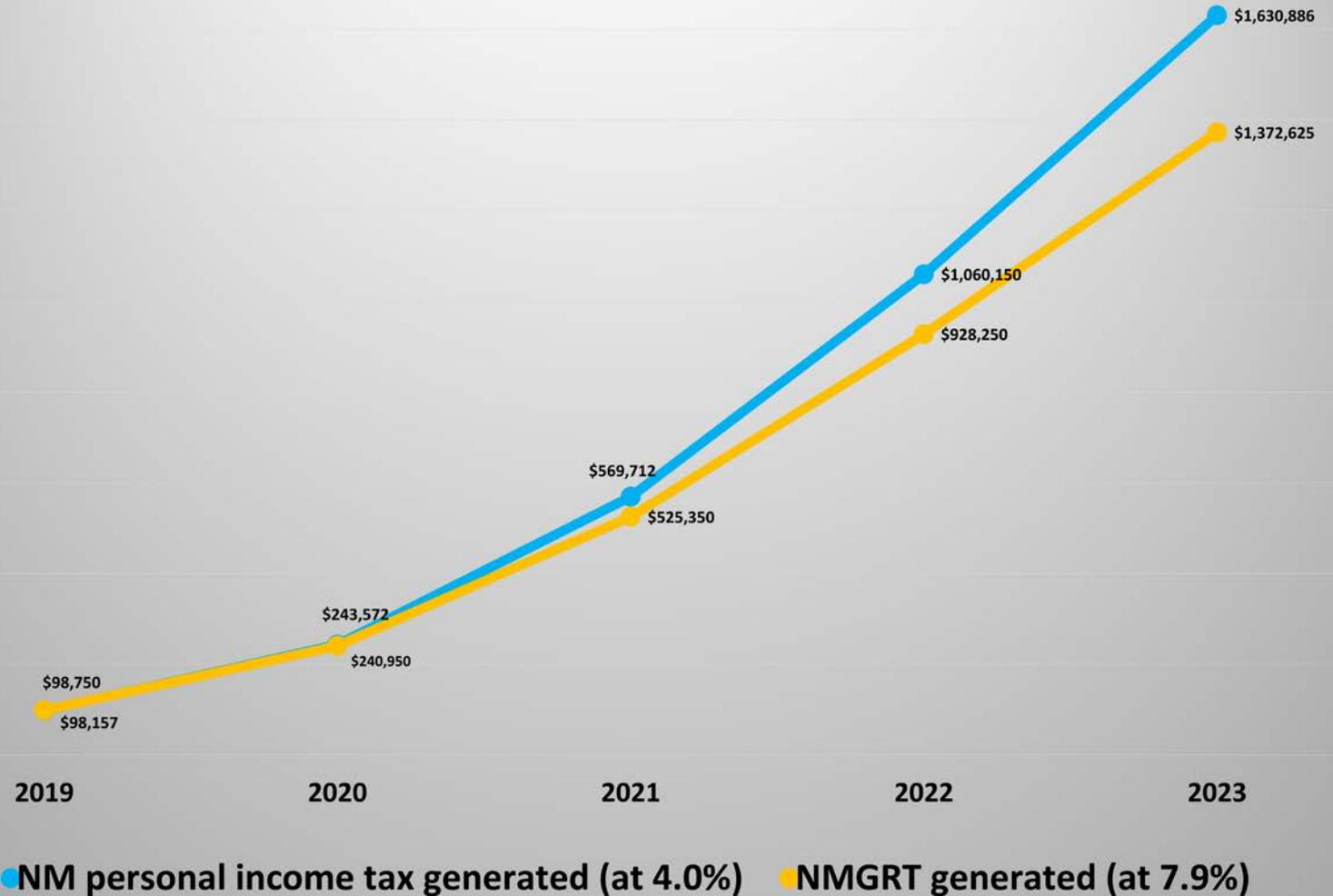
● Total annual personal income contract jobs

● Total annual personal income goods/services jobs

● Grand total annual personal income ALL JOBS CREATED

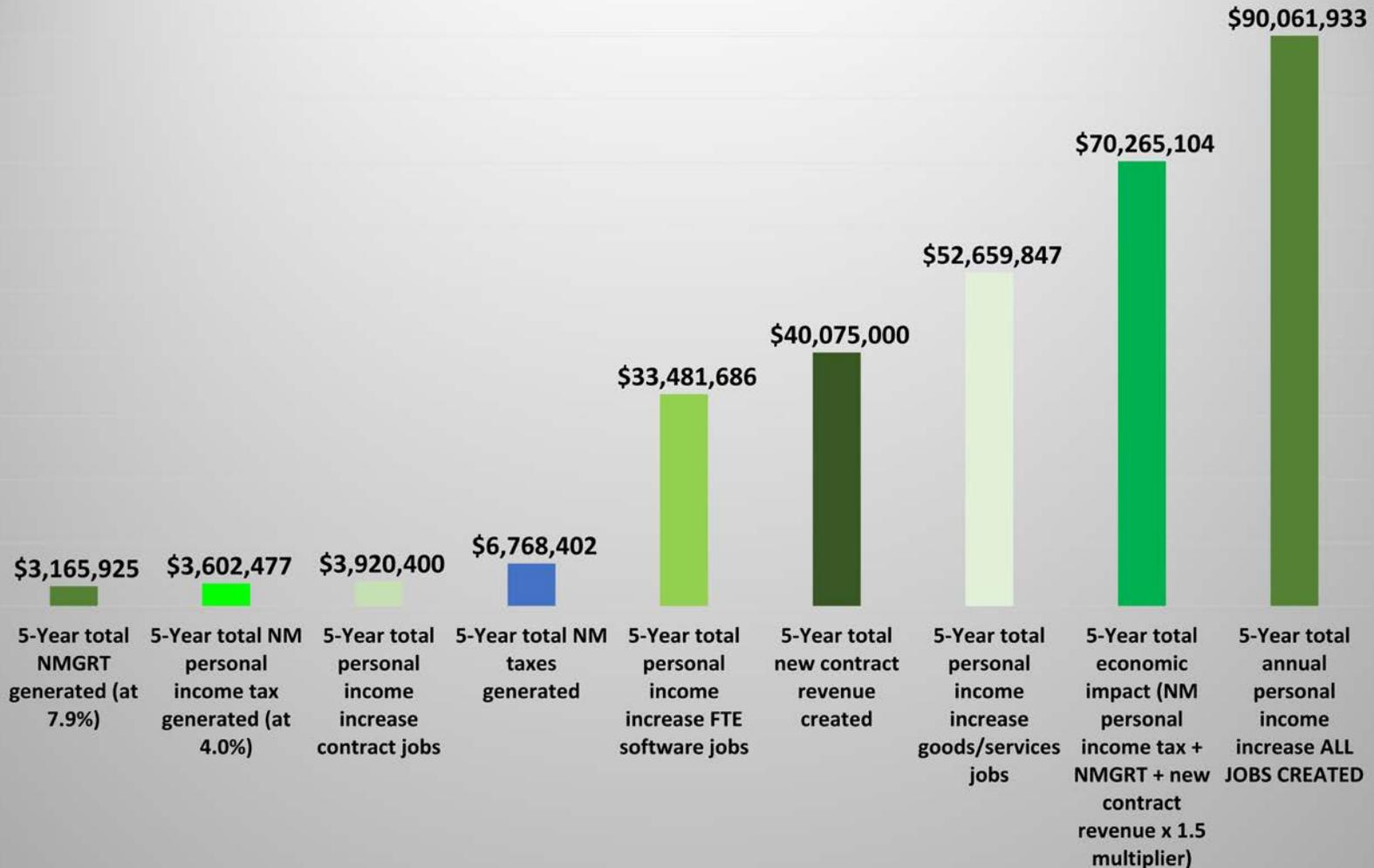
Annual NM Taxes Generated

DART Economic Impact: Annual NM Taxes Generated



Key DART Totals 2019 - 2023

DART Economic Impact: Key Totals 2019 through 2023



Supporters of DART

- New Mexico Technology Council
- City of Albuquerque Economic Development Department
- NMSU
- Arrowhead Center
- FatPipe ABQ
- Ingenuity Software Labs
- Albuquerque Economic Development
- Workforce Connection of Central NM
- RiskSense
- CNM
- CNM Ingenuity
- UNM School of Engineering
- New Mexico Partnership

- UNM Taos
- Aviata
- Air Force Research Labs
- New Mexico Tech
- The BioScience Center
- 11Online
- Kosh Solutions
- Innovate + Educate
- Santa Fe Economic Development Department
- Real Time Solutions
- Iterative Solutions
- NM TechWorks

30



DART Roadmap

Promoting NM as the Best Value in the U.S. for Software Development

31

2019 → 2020 → 2021 → 2022 → 2023 →

Preparation

- Initial funding from software firms and other stakeholders
- Continue to add DART supporters
- Seek legislative funding
- Additional market research

Launch

- Receive additional funding
- Develop branding
- Develop/launch web portal
- Collect baseline metrics
- Strengthen business relationships between NM software firms
- Initial marketing in target cities

Scale Up

- Scale up marketing to additional cities
- Highlight DART customer success stories on web portal
- Collect/report ongoing metrics from NM software firms
- Encourage systems approach to education, hiring, retention and marketing for NM software industry

Expansion

- Encourage software placemaking clusters in regions throughout NM
- Collect/report ongoing metrics from NM software firms
- Launch New Mexico Software Development Association

Reinforcement

- Continue to build the DART brand around the U.S.
- Collect/report ongoing metrics from NM software firms
- Ongoing feedback loop with NM software employers and education/training providers

Amazon Won't be the Last Firm Searching for Tech Capacity & Talent Around the U.S.

*Amazon HQ2 could save at least \$218M
per year in software developer salaries
alone in ABQ vs. Seattle*

"Hello, I've a client in the Bay Area who is looking to outsource its software development. I'd like to learn more about New Mexico's outsourcing firms and cost-saving offer."

*Bay Area VP of Recruiting Services
in a submittal via the DART website Aug 2, 2018*



QUESTIONS & COMMENTS?

The DART Team

 @NMSDART

dartnm.com

contact@dartnm.com