

BIRMINGHAM BUSINESS CLIMATE

City has robust tech sector, says lawyer

By CHARLES R. McCAULEY
News staff writer

Promising things are happening in Birmingham's technology sector, making it a bright spot in an economy where some longtime major businesses are disappearing, a technology lawyer said Wednesday.

James C. Childs, who represents technology companies, told the Rotary Club of Birmingham the city "has spent the last decade building a robust technology

economy."

"If we capitalize on the relative competitive advantage we have compared to other Southeastern cities... I think Birmingham's economic future is very bright," said Childs, a partner at Bradley Arant Rose & White.

Birmingham has been losing some of its old-line businesses, Childs said, and some business leaders recently have cited a need for business and government to

act together to improve economic prospects.

"There are some positive and good things happening in the community to mitigate those concerns," Childs said. For example, the city has a strong life sciences and biotechnology industry, one of the region's strongest software sectors and a rapidly growing telecommunications



James C. Childs

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industry.

Birmingham's technology economy is more diversified than competing cities, which are experiencing the same challenges as Birmingham in losing big companies.

Birmingham also has developed one of the strongest ecosystems in the Southeast for emerging technology businesses, he said.

"Building a technology company is a marathon and not a sprint, and Birmingham business leaders have proven that they are very good at building industries over the long haul," he said.

Two of Birmingham's greatest strategic advantages are the University of Alabama at Birmingham

and Southern Research Institute, "both of which are world-class generators of technology," Childs said.

Other components of the area's ecosystem include:

► Having serial or seasoned entrepreneurs who have succeeded with more than one business. "We have a growing number of successful serial entrepreneurs who are helping us address this issue," he said.

► Having capital available at all levels to develop startup

technology companies into mature ones. Childs said there are seven active venture capital funds in Birmingham and a few more across the state. In comparison, Charlotte has one active early stage fund and Atlanta and Nashville each have two.

Also, a "new breed of angel investor has emerged" in the metro area with the ability to invest in tech startups.

► Having physical infrastructure. Birmingham's Innovation Depot, a former Sears store

downtown, is under renovation to house to the area's two major business incubators.

Birmingham still faces challenges, he said.

"First is complete absence of state and local tax incentives" to encourage startups, he said.

Strong leadership from the public sector, ranging from the governor to local officials, is needed. Other Southeast cities that are "nipping our heels" also offer a challenge, Childs said.

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