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# Wealth Creation Generated by Government

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## Narrative:

Since being a consultant for AT&T during divestiture, I've been involved in business as an entrepreneur. The AT&T assignment grew into a consulting firm that later did work for NYNEX (now Verizon), Panasonic, Merrill Lynch and others. In 1994, I sold this and joined a young project software house called OpenCon Systems as their only non-engineer. As head of sales and marketing, focused on telecommunications, the business reached 90 on the Inc. 500 list in 1996 and sales of about \$25M in 1997. I then joined another consulting firm as head of Sales and Marketing. I brought them into telecommunications and we went from about \$5M to \$23M by 2001.

I then moved from New Jersey to Taos, New Mexico. As an independent consultant I trained the Cisco sales force in telecommunications and helped train many other companies, countries, and organizations in telecommunications. In the fall of 2003 Governor Richardson of New Mexico appointed me to be head of Science and Technology for the state.

In that role I used my entrepreneurial experience, merged it with successful models of economic development from throughout the country and finally created a new model for wealth creation. The deployment of this model has created excitement and passion in the state, moved new blood into the economic engine, and created focus on growth areas for the state and created new business for the state. The effects of deploying this model will be positively felt for years to come.

I want to share this model with you. Areas of the world like China and India are already doing this with success. It is time that the rest of the world really focus at wealth creation and make it happen for their region. I look forward to talking with everyone of you.

## Requirements for Political Success

I have talked to many politicians over the past two and half years as Director of Science and Technology for the State of New Mexico. I have had the opportunity to meet the next probable Japanese Prime Minister to high ranking Mexican officials, numerous Chinese and Korean bureaucrats, sheiks, and a number of ambassadors, as well as a multitude of federal delegates. While there are always exceptions, I liked most of the people I met. I found most of the people dedicated to helping their region, asked very smart questions and followed through when they said they would. However, many people have other opinions about politicians. Many are disappointed and have quit working the system. These people simply accept whatever politics hands them. This is unfortunate.

Our founding fathers had a different vision of the how our political system would work. Their idea was that every region would report their views to the their state and federal representatives and senators. When legislators would meet they would present their regional views. The votes on issues would be counted and the most votes would count. Of course there was always backroom bartering, but the end result would be the true opinion of the majority. It was up to the minority to convince the majority to see things another way.

Today, mainly due to a terrible lack of participation in our democratic process, it works differently. Politicians simply have a hard time deciding on what their majority really wants. Sure, some of their constituents make their opinion known, but the politician has no way of knowing if these views are the opinion of many or few.

So what is the safest thing for a politician to do, to continue to be successful and reach their goals? Publicity. Where do you think most of the money goes that gets raised? Publicity. If a politician can generate their own publicity this proves to their constituents that they are active, they can deliver positive messages and shows good reason to keep the politician in office. Now there is natural publicity that generates some news, but hardly enough. This includes helping the basic areas that we expect politicians to influence. This includes health, education, welfare and security. This plan includes a more exciting and interesting area of publicity, wealth creation.

My plan is to use this publicity as the main driver to wealth creation for a region. I want to generate the most positive publicity a politician can possibly get.

### **Need to Find What You Are Growing for Wealth Creation**

If there was ever a definition of a leader of a community it is the person who was elected to represent the community. This is the local politician. It is up to this person to be the catalyst for wealth creation.

To start the wealth creation process the local politician must use some of their local labor to decide on what are the marketable assets or clusters of the region. Deciding upon the strengths of a region is best done with a company that is out of the region. Typically

organizations and individuals too close to the region have biases on regional strengths, party affiliations, and other issues that directly affect others. By using an outside organization you remove, as much as possible, these bias. There are four ingredients that need to be investigated to prove these clusters truly exist. These are facilities, community commitment, marketing and a work force.

The facilities are real, physical labs, offices, or other bricks-and-mortar buildings that support the proof of the existence of a particular cluster. It would be especially good if the facilities belong to a regional organization such as a university, trade school or federal resource.

Community commitment includes tax incentives, infrastructure and associations. Does your region currently have incentives in place to support certain clusters? Are there associations, active associations whose mission it is to support these clusters? Finally, has infrastructure decisions been made to increase telecommunications, pipelines, roads or other such decisions to support clusters?

Marketing is the most critical and quickest way to identify and grow clusters. If private business and public organizations use their marketing resources to support certain clusters, well then, that may be your cluster. This will be discussed later, but measuring what is being marketed is an important statistic to find and understand.

Finally, is there a work force either existing or being created to support clusters in your region? Labs, courses, certifications at trade organizations such as union shops, university centers are all key areas that tend to focus on local strengths or future strengths and aid in determining your regional clusters.

If you look at wealth creation around the United States, most areas that have been successful have chosen one cluster to promote. Some have chosen two, and you can grow two clusters. It is almost impossible to grow three or more clusters. All resources become scarce and confused. This will doom the effort. So, if you want to hedge your bets go with two clusters.

Next, we need to create cluster networks for each cluster. Each network will have a selected leader, board of advisors and three committees. These are marketing, finance and education. Each committee will have a leader as well. It is very important that these cluster groups include people from the financial, entrepreneurial, science/engineering and of course government communities. By creating these networks you are involving quite a number of people. The most amazing thing about this process is the wealth these groups will generate just by networking. Their output will be a political report. This report needs to be delivered allowing enough time for the politician to incorporate it into their legislative agenda. This is generally six months before legislation meets.

When selecting leaders, an important issue to remember is who are the business leaders of the community. If you are fortunate enough to have a university business school in your region, you absolutely must include them in this process. Even if you believe they

are weak, they must be included. By giving them leadership position you immediately give them status, give their students a reason to participate and give the school a chance to grow and become strong. Most success stories on wealth creation include a strong business school and you must do what is necessary to strengthen the business school program and reputation.

### **Link The Networks Through Your Positive Publicity**

Here comes one of the most rewarding things you can do as a politician. Now that these networks are created you actually have tools to create wealth. These new networks need to quickly tell you what relationships at what organizations they need made in order for these clusters to be successful.

At this point you will need a professional organization to do a few things. First you need to make appointments to visit the head of these organizations. This should be done as a planned tour. Next, when at these sites you will create an agreement with these organizations to whatever tasks your networks need to be successful. It is now up to the professional organization to make this global news. This tour and agreements will be found in print, radio and television.

This is a very important part of the process. Of course, as a politician you get the publicity you require. This ends up motivating your entire constituency. Of course those involved in the clusters are motivated, but so will your service industry. Accountants, lawyers, and others begin to understand and support the clusters. This is a critical moment in cluster growth. The entire community begins to share in its growth and they will succeed together.

### **Networks Now Have Relationships. Now What?**

We now have to mine the real business opportunities that exist between the local network and new relationships. Opportunity mining requires some level of accountability from all parties involved and somebody has to be the bad guy that enforces that accountability. Again, this is one of the roles of the independent, firm from outside of the region. This firm will ensure that these relationships are productive and deals get closed.

You need to have realistic expectations at this point. It typically takes a year from day one until a deal closes. If it takes less time, then you are lucky. The good news is that your job is to create the infrastructure and provide it with direction. This should take just a bit of your time. The cluster groups will recognize the opportunities, begin to partner, look for new partners that will make the cluster networks grow and eventually close business.

### **Politician Report**

The original reason for the network cluster group to organize was to produce a report, by committee, to the politician. The report has a number of uses that include:

1. Report of cluster progress
2. Request for shared public-private partnerships
3. Alignment of education programs and the clusters
4. Marketing funds and expectations
5. Report on the availability of matching private funds

Now it will be up to the political process to provide the clusters what they need to continue to grow and prosper. The political process takes on a number of risks. The cluster groups need to realize that the main reason the politician is supporting this effort is continued publicity. Again, this is the reason a professional group needs to be involved. The outside group will ensure that continued publicity surrounds this effort, which the effort messages are always tied to the politician and this will make the political legislative process much smoother. This is probably the greatest key to success and the most difficult to have the network cluster groups understand.

### **Legislature**

Again, here is where a professional organization is needed. It is always difficult to explain to the legislature the importance of these clusters and how the participants working together accelerate regional growth. Each legislature has their own needs and need to understand how cluster growth affects them directly. It is also important that during the cluster process you include people from all around the region and report to people all around the region.

If you have educated the legislature, the legislature finance community and the key lobbyists, then you should reap the rewards of cluster growth. This is a very critical part of the process that takes more resources than anyone ever expects.

### **Future Expectations**

The legislative session is completed, the clusters have received a reasonable budget to continue and you have succeeded as leader of the cluster. What will the future hold? You will be expected to revisit the organization you first made agreements with and go through the process again. This time you will first announce your joint success, and then go into a next stage of agreements. Again, this will be global news. You may even want to try out new relationships.

The cluster themselves will figure out ways to continue growth. They will recruit new companies to the region. They will ensure that the education community interacts with them. You will be credited with creating a wealth creation movement that will last for fifty years!

## **T2B**

*We are a company totally committed to growing wealth in regions around the world. Some regions have understood this approach and are succeeding. However, there are too many places in the world that really need to understand how to work together in new ways. We teach these regions how to grow wealth, how to work in new ways with media, include groups that aren't always included, and how to work the political process to the cluster's benefit. Our process will take about six months to see progress and about one year to see wealth being created.*

*Let's get everyone moving forward again.*