



# Preparing for Success

Remarks by:

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I've been very involved with the Business Council for the past several years – and I have spent a lot of time, going around the state, meeting with community leaders from all walks of life. And the one area where it's easy to find common ground is always around education. Everyone recognizes that the quality of education our young people receive today will determine our economic viability in the future.

So no job is more important than the role of you — our educators — and I commend you for coming together in a forum like this one where you can share your perspectives with other leaders from across the state who represent different facets of the New York education community – and take some new ideas back to your districts.

And this is a perfect time to be getting together in Albany — because we have a new governor, a new administration, a new Legislature, and a new receptivity to fresh ideas and fresh thinking on issues such as education that matter so much to our state.

I thought I'd spend a few minutes with you today sharing my perspective, from a New York businesswoman's point of view, on what we need to focus on in our state, what skills our young people need to be equipped with to compete, and what we can do together to help better prepare our kids to be successful.

### **Importance of Innovation**

In my job at IBM, I have the opportunity to meet with many of our clients – leaders in business, government, the non-profit sector – all around the world. And the one theme that comes up in all these conversations is innovation. Innovation. That magical mix of invention and insight that creates new growth, new industries, new jobs and new ways of getting things done.

Governor Spitzer mentioned innovation repeatedly in his “state of the state” speech earlier this month when he took office – and proposed reforms and investments needed to make our state the leader in the innovation economy.

In a sense, this is about returning to our roots. New York has historically been a hotbed for innovation – from creating the nation's banking system to building the Erie Canal to launching fiber optics – the Empire State has always thrived on innovation. We need to renew that spirit to be a competitive leader in today's innovation economy.

Why has innovation become such a priority?

We all know the answer to that question. It's economic globalization, a trend that's not going away. It's here, it's taking hold, and we better – and our kids better – adapt to it.

### **The Realities of Globalization**

China, India, South Korea and other developing economies are becoming very competitive — and not just in wages. They are investing in education and job skills. They are teaching their citizens the languages of modern commerce — software, genomics, finance. They have built modern network infrastructures. All of this has enabled them to become formidable competitors in the global free market system.

We shouldn't regret improvements in other nations' competitiveness. Their people deserve to participate fully in the global economy. Our response to increased competition should be to move to the next level ourselves.

Whether you are a tax preparer or a software developer or an X-ray technician, employees in just about every field are facing global competition for their jobs – or will be one day soon. And certainly our New York companies are facing more pressure than ever from competition from all corners of the world.

The rise of the Internet and shared standards for technology and business processes have come together the past few years — making this explosion in global economic activity possible. And it's really amazing the way work has become transportable. American radiologists now send X-rays to Australia for interpretation. Procurement centers in the Philippines handle corporate purchasing decisions for large and small firms around the world. Back offices in Dublin process derivatives for investments banks on Wall Street ... and the work goes in all directions — European pharmaceutical companies are coming to the U.S. for research and production. Asian chipmakers are tapping U.S. engineers and expertise to advance their manufacturing technologies.

From my experience at IBM, a company that does business in 170 countries, work today goes to where the skills are, wherever that happens to be. So, for example, we have centers of excellence for our finance function, in Raleigh, North Carolina, our primary software labs are in Toronto, San Jose, Texas and England. We recently relocated our worldwide procurement base to Shenzhen, China.

I should mention we remain very committed to New York, where we have been headquartered since the company was founded nearly a century ago. We have some 25,000 IBMers based in New York. In 2002, IBM invested \$3 billion in a state-of-the-art semiconductor plant in Fishkill, a major investment in the Hudson Valley. We chose to build that facility in New York instead of a lower-cost country because of the preponderance of semiconductor expertise we have in the area. But like any global company, we recruit from all over the world — so there's vigorous competition among many qualified people for every new job that comes open in New York or anywhere else.

The point I'm trying to emphasize is the very global, very competitive nature of the working world that our young people will enter.

Most of the education leaders I've talked with around the state are very well-informed and understand the implications of globalization. They get it ... but I'm not sure our young people are really grasping it. It's no wonder — because our culture is much more focused on celebrities than celebrating scholars — or hard work. I saw a poll of 18-25 year-olds released last week and 51 percent said “becoming famous” was the most important life goal for their generation. I may be old-fashioned, but I don't see “becoming famous” as the right goal for planning your future!

I've always liked to believe that success is easier than failure — but that's only true if you prepare harder for success than the next guy. And for our kids today, “the next guy” might be a boy or girl their age in India who is dreaming today of going to college and graduate school — not fantasizing about being on Entertainment Tonight.

Tom Friedman, who of course wrote *The World Is Flat*, says that when he was a kid, his parents told him to clean his plate because there were children in China and India who are hungry. Today, Friedman says he tells *his* kids to do their homework, because there are children in China and India who are hungry ... for their jobs.

He's right. And I think part of our responsibility as the older generation – and particularly as parents and educators – is to impress upon young people that competing in this new world will be a huge challenge.

Preparing our young people to compete is likewise a huge challenge. And educators shouldn't bear all the responsibility.

### **Business: A Partner with Educators**

From discussions I've had with education leaders in New York, I feel there are several areas where business can make a strong contribution and help our educators in preparing the innovation leaders of tomorrow.

**First, the business community has a responsibility to students, educators and parents to keep you informed about the skill requirements needed to compete in today's economy. That's on us.** To help make this happen, the Business Council has worked in collaboration with the state Labor Department to enhance The New York Career Zone – a website that provides students with a wealth of useful career information, including links to colleges and universities that offer programs in field that interest them. We've also been encouraging member companies to create more internship opportunities for both students and teachers, so they can get first-hand knowledge of what the marketplace is like.

**Next, the business community must also continue to uphold its commitment to supporting standards and assessments, and keeping learning standards current.** I know there are legitimate concerns that the emphasis on testing is preventing students from becoming critical thinkers. And we certainly don't want students only learning material by rote and remembering it long enough to pass a standardized test. In fact, we need to think creatively about our curriculum, making multidisciplinary learning part of our education process. That's the way the marketplace works today. On the other hand, we must continue to measure results. There's no perfect tool for accomplishing this. But it's the same in the workplace. What gets measured gets done. And inevitably, I've found that measuring results tends to strengthen, not weaken, the quality of work and the quality of thinking.

**As part of preparing students to come into the workforce with marketable skills, we believe that New York should embrace the goal of doubling the number of math, science and engineering graduates by 2015.** Sometimes people say to me, "why do we need everybody studying math and science? Not everybody wants to work in technology?"

But the fact is it doesn't matter what field you pursue these days, a strong background in math and science is important. These subjects teach you the problem-solving and analytical thinking skills that are important no matter what the job. And certainly technology touches on virtually every job today – it doesn't matter whether you're working in manufacturing or you're a car mechanic.

In fact, GM predicts that by 2010 the average new car will contain 100 million lines of software code – more than the Windows operating system.

**Finally, we all know good students come from good teachers. To get more students turned on to math and science, we must significantly add to the ranks of qualified math and science teachers.** At a time when a solid grounding in math and science has never been more important for gainful employment, our schools are facing a dire shortage of math and science teachers – as many baby-boomer teachers in these subjects begin to retire. In fact, the U.S. Department of Labor estimates our nation's school will need more than 250,000 new high school math and science teachers in just two years.

As one step to address this problem, IBM recently created the “Transition to Teaching” program to help late-career IBMers with technical backgrounds move into second careers as math and science teachers.

We've launched this program across the nation with a special focus in New York and North Carolina. The response from IBMers was very enthusiastic, and our pilot program is on track to reach its initial goal to attract 100 eligible employees into the program. That first class will begin entering classrooms next fall. We are hoping other companies will follow our lead and start similar programs.

One recommendation the Business Council put forward to the Legislature last year was for the state to fund competitive scholarships each year for students who agree to earn a bachelor's degree in science or math – and full teacher certification. In return, the scholarship winners commit to teach science or math in New York public schools for a minimum of 5 years.

We were gratified that last year's final state budget contained a provision to begin creating these scholarships – though the details must still be worked out.

It's not just in secondary school where we need more math and science teachers. There's also a shortage of skills in these subjects in our elementary schools – the years when we need to start turning kids on to math and science learning. To help address this issue, we supported a measure in last year's state budget to fund the Summer Institutes for Math and Science,

which helps cover tuition costs for teachers taking math or science college courses during the summer.

So these are several important areas where the business community is making commitments – and using its influence – to help strengthen education in New York.

### **Collaborating for Innovation**

We need to continue to look for ways where we can collaborate – and try new, innovative approaches to addressing some of our biggest challenges – including improving our high school graduation rate and closing the achievement gap, which I know you'll be talking about more today. If we're going to produce a new generation of innovators, we must innovate around the education process itself – and I applaud all of you coming together today to share your different perspectives – that's how innovation happens.

Speaking on behalf of the business community, we are eager to roll up our sleeves and work with you to help our young people prepare to succeed in the global economy – and restore New York to its rightful place as the Empire State -- the world capital of innovation.

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