

# No better time to diversify NM

BY DALE DEKKER

FOUNDING PRINCIPAL, DEKKER/PERICH/SABATINI

The pandemic has changed everything. The world as we knew it will never be the same. In my opinion the future will bring great opportunity to thrive in the “next normal.” The time to act is now. If we don’t, the all-too-familiar story will prevail and we will again ask, “Why is New Mexico last on good lists and first on bad lists?”

I’ve often referred to New Mexico as the “hole-in-the-donut” state compared to neighboring states Texas, Arizona, Colorado and Utah. These four all have prospered and grown with higher per capita incomes and lower unemployment rates and poverty rates, while New Mexico has struggled and literally been the hole in the donut.

But the pandemic has shifted the way global business will be done, now and forever. Massive supply chain interruptions during the pandemic exposed U.S. dependence on foreign countries that supplied critical infrastructure, like pharmaceuticals, medical protective equipment and microelectronics. New Mexico has the opportunity to capitalize on a new global business model that relies on distributed supply chains, nearshoring to Mexico and reshoring of critical infrastructure manufacturing back to the United States.

A major transformation that has accelerated during the pandemic is e-commerce. Pre-pandemic e-commerce made up about 15% of all sales. Post-pandemic e-commerce is the biggest game changer to the way we live since the introduction of the internet. Projected online sales could hit \$1.5 trillion by 2025. One of the largest industries for the foreseeable future will be e-fulfillment.

In Albuquerque, we already are seeing that demand with the huge Amazon fulfill-

ment center and the Ben E. Keith distribution centers. Albuquerque and the region have space, affordable rents and a ready workforce. Our fantastic weather, coupled with our state’s lowest cost of renewable energy, are strengths that will resonate with companies looking to relocate and establish operations in states like New Mexico during the next normal. Now is our time to seize this market opportunity.

The pandemic has also further accelerated the advancement of Industry 4.0, robotics, additive/advanced manufacturing, artificial intelligence — and with three national labs in Sandia, Los Alamos and Air Force Research, the University of New Mexico, New Mexico State University, New Mexico Tech and Central New Mexico Community College, our state has cutting-edge research and talent to help reset and diversify our state’s economy in the future.

Albuquerque Economic Development (AED), under the leadership of our new CEO Danielle Casey, has engaged in a strategic planning exercise. It’s amazing what happens when silos are dismantled and people and organizations work collaboratively instead of competitively.

The New Mexico Economic Development Department is also engaged in a strategic planning process, and the AED work is a critical piece of their overall planning. AED’s member organizations and partners make up half of New Mexico’s industries. Together, we will develop actionable plans that will make a marked difference for generations. It is important work. Both organizations are committed to changing our state’s trajectory and in the process achieving positive quality of life and economic outcomes for all New Mexicans.

If ever there was a time, this one is ours.