

LOYALTY DRIVES ALUMNI PALS TO HELP BOYHOOD REGION

The roots that Teo Tijerina and Leo Ramirez, Jr. share are long — they run from their hometown of McAllen, Texas, to Stanford and back again. Those roots also run deep. Both men, successful



Leo Ramirez, Jr. and Teo Tijerina

technology professionals in Austin, are putting their hearts and souls into a quest to bring some Silicon Valley- and Austin-style tech success to the impoverished border region where they grew up.

“Our mission is to work on facilitating and participating in the startup of high value-added enterprises in the U.S.-Mexico Border region,” says Tijerina (BS ‘96 ChemE). To do this, Tijerina recently founded the not-for-profit Economic Development Catalyst Organization (EDCO) and invited Ramirez, his buddy since junior high school and a fellow former Stanford engineering student, to join the board of directors. The venture is still quite young but this May it received a huge jump start: a three-year, \$384,000 grant from the U.S. Department of Commerce.

These guys know the meaning of loyalty, both to each other and to their neighbors. Tijerina and Ramirez’s home county, Hidalgo County, is among the poorest in Texas. Median household income averaged \$25,894 in 2003 compared with \$39,967 across all Texas. Almost a third (31 percent) of the population lives

below the poverty line, compared to 16.2 percent of Texans overall, according to the U.S. Census Bureau. It’s not that there aren’t jobs, Tijerina says. There just aren’t good ones. Retail, wholesale, and agricultural businesses just don’t earn enough of a profit for decent returns to trickle down to rank and file workers. EDCO’s focus will be on identifying high-tech business opportunities that can use novel intellectual property to create high-margin businesses. Those are the type of enterprises that create the living-wage jobs the area is missing.

These businesses are something that Tijerina and Ramirez know about. Tijerina works at a major consumer electronics company, where he is a manager responsible for ensuring the quality of the liquid crystal displays the company buys. Tijerina is also an investor (and former executive) at an electronics repair company he helped found in El Paso. Ramirez, meanwhile, works at Sun Microsystems where he leads the Latin American consulting branch of the company’s Identity Management Practice (he’s also helping produce an independent film).

At Tijerina’s invitation, a couple of other Stanford alumni, investment bankers Angel Fierro (BS ‘96 IE) and Steven Chang (BS ‘94, MS ‘95 Biology, BS ‘94 Economics), have joined EDCO’s Directive Board and Group of Advisors, as well.

EDCO is too nascent to have brokered any blockbuster deals yet, but the group has an emerging strategy that seems well-tailored to the region it hopes to serve. The trick for EDCO will be to assemble three key components: money, talent, and ideas. “The area has all three,” says Tijerina, “but what is missing is the sophisticated entrepreneur that knows

how to bring these three resources together into a successful enterprise. EDCO plans to facilitate and participate in this process; hence, its catalyst role in economic development for the region.” Amid the poverty, for example, there are pockets of wealthy angel investors who have been waiting for good ideas and teams to invest in, he says.

Certainly there is talent, too. Hidalgo County has sent some great students to Stanford Engineering. This year, in fact, a McAllen-area student, Daniel Salinas, won a Terman Scholastic Award for finishing in the top five percent of the undergraduate class. And, of course, there were many of Tijerina and Ramirez’s high school science and math teammates, who went on to top schools such as Stanford, MIT, and the University of Texas at Austin. Many studied with Ramirez’s father, an award-winning local math teacher and many still keep in touch with each other. “We maintain an informal network,” Tijerina says. EDCO plans to tap into much of this human capital scattered across the country to become leaders in their enterprises.

The bonds Tijerina and Ramirez retain with each other and their hometown are so strong, that when Tijerina asked Ramirez earlier this year to join him on the EDCO board, Ramirez didn’t think twice. “What really excited me about EDCO was its social impact,” he says. “The legacy that I hope to leave in my life is how I touch and help people. That coupled with my friendship with Teo and my confidence in his leadership hooked and continues driving me.”

EDCO’s Web site is www.developcat.com.

