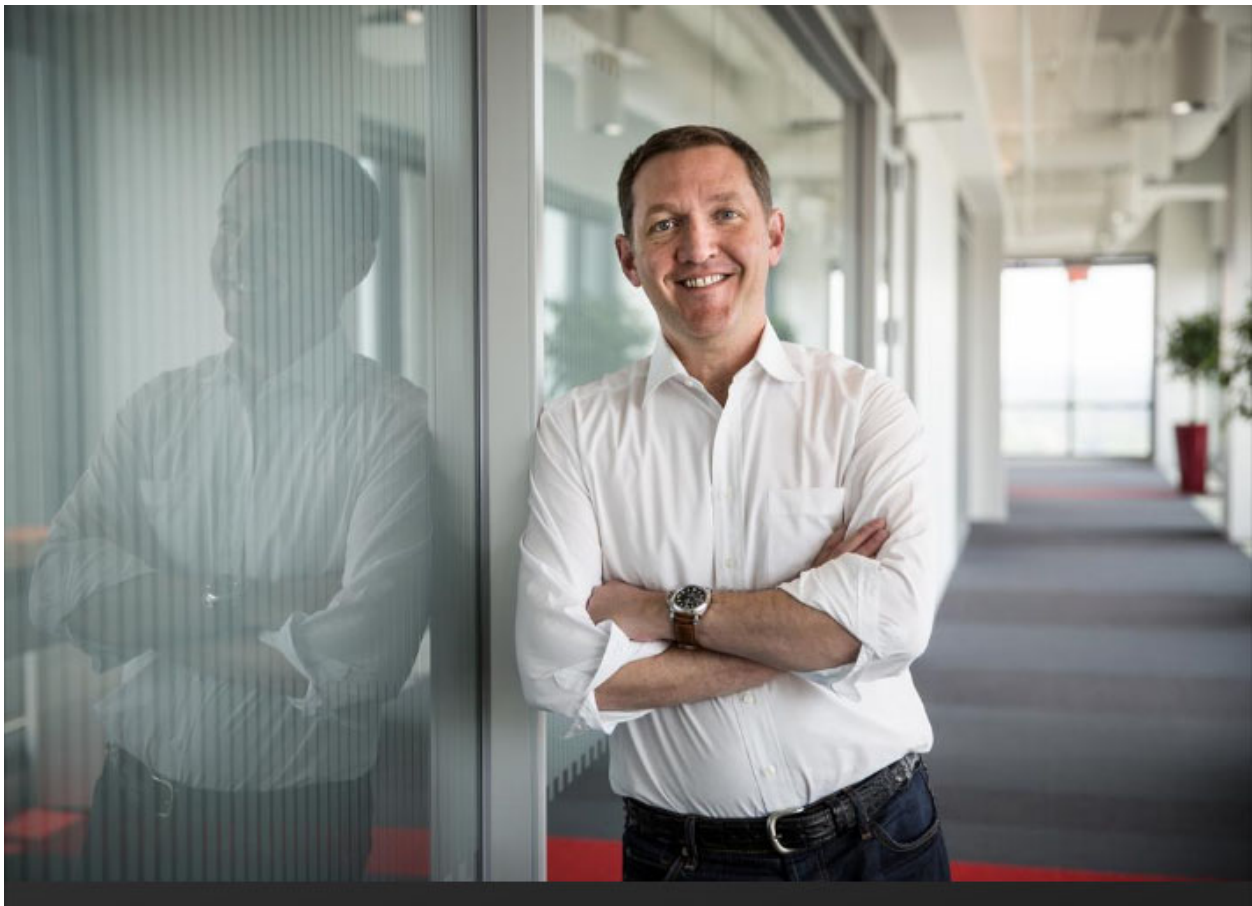


# TRIANGLE BUSINESS JOURNAL

## Emails reveal Red Hat CEO Jim Whitehurst's efforts to help lure jobs to NC



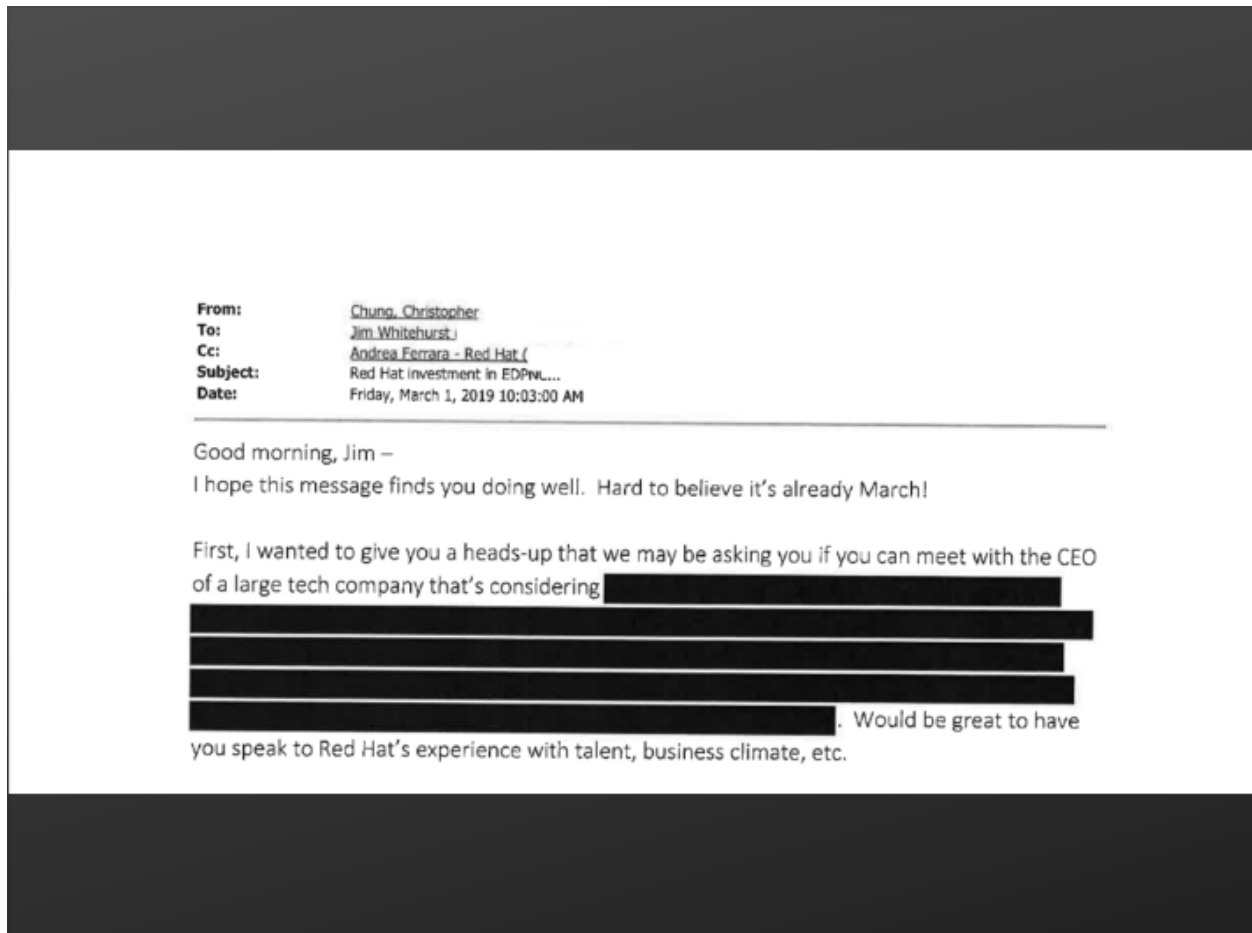
*Jim Whitehurst, CEO of Red Hat.*

By Lauren Ohnesorge – Senior Staff Writer, Triangle Business Journal, October 3, 2019

Public records show that, even as the now-closed IBM deal was heating up, Red Hat CEO Jim Whitehurst continued to advocate for economic development in the Triangle – communicating frequently with the business recruiters working to lure big companies to North Carolina.

A review of emails between Whitehurst and Chris Chung, CEO of the state's top economic development recruiting agency, the Economic Development Partnership of North Carolina, showcases Whitehurst as a repeatedly-deployed resource for the organization.

"I wanted to give you a heads-up that we may be asking you if you can meet with the CEO of a large tech company," Chung wrote March 1. The names of both the CEO and company – along with details of the investment being considered – were redacted from the records, provided by EDPNC at the behest of a public records request.



*Public records - including this excerpt from an email sent by EDPNC CEO Chris Chung - show Red Hat CEO Jim Whitehurst worked to help state officials lure companies to North Carolina.*

Whitehurst agreed to Chung's request – and quickly - responding on March 3 -- a Sunday.

"Thanks, Jim – Appreciate your willingness to help with the [REDACTED] mentioned, it could be a big one," Chung replied the same day.

It's a pattern of communication that appears to repeat itself, such as an exchange in January where, despite travels to Boston, Whitehurst was quick to respond to a request for a "favor," even as he admitted he was "pretty swamped."

Whitehurst, who led Red Hat through its recent \$34 billion buyout by IBM, has helped the state win projects before. When Trilliant Networks, for example, was considering moving its headquarters out of California, it was the personal lobbying of Whitehurst that helped seal its investment in Cary.

Whitehurst's name also pops up in the public records surrounding the state's ultimately failed effort to reel in the General Electric headquarters. And a Whitehurst quote was included in the state's Amazon HQ2 presentation last year, records show.

Experts call his inclusion in the recruitment effort a "big positive."

"He is respected and has a record of success," says Michael Walden, North Carolina State University professor and economist. "I suspect, when Whitehurst talks, business people listen."



*Christopher Chung, CEO of Economic Development Partnership of North Carolina.*

John Boyd, a site selection expert from New Jersey, says execs the "caliber" of Whitehurst can make a huge difference.

"It is just so much more credible and relatable to prospect companies that the pitch comes from a peer CEO, not just chamber of commerce rhetoric," he says.

In an interview earlier this year, Chung said support from business leaders like Whitehurst has become a crucial tool for recruiters.

"[Whitehurst] says exactly what you'd want an existing industry leader or business executive to say when you're hosting other companies," Chung said in July. "He's lived in other places and that can make it even more powerful when an executive like that can contrast doing business in other places."

State recruiters have been pushing to attract another Fortune 500 company headquarters to the Triangle. While they were able to ink Advance Auto Parts last year, the greater Triangle region has had some near misses when it comes to other big expansions – from Apple to Toyota.

Boyd says that other executives following Whitehurst's example could accelerate officials' efforts to win the next one.

"To the degree that other CEOs and private sector town fathers of the Triangle Region can personally take part in the promotion of Raleigh, it will set Raleigh apart and enhance its chances of bringing home a new Fortune 500 headquarters," Boyd says. "Head offices are more mobile than ever before, so there are great possibilities out there for Raleigh."

Email records also show Commerce reached out to Red Hat for broader initiatives – such as when a contingent from the United Arab Emirates was scheduled to be in town.

"If there's someone at Red Hat who focuses on business development in the EMEA market, would love an introduction so we can make the proper connections... in case it can lead to business opportunities for Red Hat," Chung wrote Aug. 19.

While the UAE contingent didn't ultimately meet with Red Hat, they did meet with a variety of other business leaders in the Triangle, officials confirmed.

As for Whitehurst, the favors went both ways. On June 14, he asked if Chung could meet with Andrew Huston, the North Carolina Executive Director of the Audubon Society.

"He's trying to figure out how to build tighter relationships with the business community, and I thought it might make sense to get your (point of view) on the role recreation/environment play into our business recruitment/tourism industries," Whitehurst wrote. Chung agreed to the meeting.

Whitehurst, now part of the senior management team at IBM, has been rumored to be among those who could one day replace Ginny Rometty as CEO of Big Blue, potentially raising the Triangle's status within the company even further. Already, IBM has a sprawling operation in Research Triangle Park.