

COMMENTARY

Editorials, letters, columns and other opinions

An Independent Qualcomm Is Vital Resource

Now that President **Trump** has prohibited **Broadcom's** proposed hostile takeover of **Qualcomm** and disqualified all 15 of **Broadcom's** candidates from standing for election to the board on the grounds of national security concerns, what becomes of **Qualcomm**? The fate of San Diego's most famous and important company will have a profound impact on our community and our innovation.

From our view, there was nothing to like, and much to dread, if **Broadcom** had succeeded in taking control of **Qualcomm**. These companies are like oil and water. **Qualcomm** is an innovator; heavily investing in R&D and playing a longer game. **Broadcom** under CEO **Hock Tan** has become an operations company, with its acquisitions emphasizing efficiency and short-term profits are paramount. Let **Qualcomm** or someone else invent 5G, **Tan** would prefer to buy it instead of make it.

What's Next?

It's impossible to say what might happen next in this bizarre dynamic, but even if **Broadcom** is out of the picture there will be other domestic corporate raiders and shareholder activists.

To be sure **Qualcomm** for the past few years has tested the patience of investors.

OUR VIEW

Its stock is at a similar price as five years ago, while in the same time the **NASDAQ** index has increased a whopping 235 percent.

Qualcomm has steadfastly maintained its patent licensing model, drawing the ire of regulators and companies around the world who contend they make companies pay a royalty for technology in addition to paying for the state of the art chips and semiconductors. **Qualcomm's** tactics have resulted in billions in fines and lawsuits with some of its biggest partners, first **Samsung** and now **Apple**.

We are seeing up close how difficult it can be to execute a long-term vision amid the herd of what seems like increasing short-term investors. **Qualcomm** has heard them.

Tan is known for ruthless cost-cutting, and in an effort to fend him off **Qualcomm** already has promised to shareholders \$1 billion in annual savings, which will mean an end to some of the 13,000 jobs in San Diego. In recent days the board has increased its dividend and removed former CEO **Paul Jacobs** from the executive chairman position, which it has eliminated.

The new chairman is **Jeffrey Hender-**

son, who joined in 2016 following an activist effort led by **Jana Partners**. There will be many more changes in **Sorrento Valley** in order to reduce the tension with regulators, business partners and shareholders. As painful as it will be, these changes are for a worthy cause.

San Diego's Beacon

Qualcomm has been San Diego's beacon, an always visible force guiding us in innovation, education, technology, health care and philanthropy. Its founders and employees have championed **UC San Diego** and other higher education institutions. The company has contributed millions of dollars and countless hours to build **Connect**, **EvoNexus** and our startup ecosystem. They created **Qualcomm Life** and **Qualcomm Technologies**, which in turn have helped find and create scores of companies and thousands of jobs. **Irwin** and **Joan Jacobs** have contributed hundreds of millions of dollars, and so have other officers, executives and employees.

We understand what's at stake with the future of **Qualcomm**. If the U.S. is to remain a leader in advanced wireless communications, 6G and 7G will be invented here. San Diego needs an independent **Qualcomm** as much as ever.

Is Your Business Ready for Gig Workforce?



COMMENTARY

Genine Wilson

The world is in the midst of a fundamental change in how people work and the words they use to describe it. When San Diego residents discuss full-time, permanent employment, it remains straightforward, "I

work full-time at [insert employer]." However, how do they relate non-permanent employment?

Non-permanent employment spans all types of work and includes a wide range of positions where people can perform full-time-equivalent work, such as a **Lyft** or **Uber** driver or a six-month contract as an administrative assistant or a three-year position as a project engineer.

In recent years, there has been dramatic growth in organizations using non-permanent workers to enable greater flexibility and innovation as a means to better compete in today's lightning-fast economy. According to industry reports, there are currently 50 million "free agents" in the U.S.

Why should San Diego employers care about this changing market dynamic?

First, millennials will largely account for the increase in free agent workers in the coming years, as work-life balance continues to play a key role in their employment decision-making process. Because San Diego has one of the largest populations of millennials among major metropolitan areas nationwide, according to separate reports from the **San Diego Regional Chamber of Commerce** and real estate firm **JLL**, the composition of the city's workforce will begin to

lean heavily toward free agent growth in the coming years.

Second, employers can leverage the skills and expertise of as-needed workers without the restraints and bureaucracy of employment practices. In fact, how organizations integrate nonpermanent workers into their employment mix can make the difference between their short- and long-term business successes.

Trend is Growing

Two common descriptors for non-permanent employment are "freelancing" and — more recently — "gig workers." While these two terms may sound synonymous, there are relevant differences for employers and workers alike.

For organizations such as **Upwork** and the **Freelancer's Union**, the comparison is important. In a recent report, the two organizations indicated that the majority of the U.S. workforce will freelance in some capacity by 2027, up from today's one third of workers. The report also concluded that only 10 percent of freelancers surveyed consider themselves a part of the "gig economy," citing that gig work implies less-skilled labor acquired through a platform such as **Uber** or **Postmates**.

Fair characterization or not? Looking more deeply into the gig economy, "gig workers" are spread across diverse occupation groups; however, there is one quality that links them all: those who pursue gigs as a self-employment option to earn money. What is a gig? The **U.S. Bureau of Labor Statistics** describes a gig as, "a single project or task for which a worker is hired ... to work on demand."

For example, a leading nonprofit organization for community services

in San Diego scales its workforce with on-demand resources when it partners with local city and county agencies. As important, the organization can quickly find workers who offer the quality, innovative thinking, and great customer service that its government agency clients require.

An established local biopharmaceutical company incorporates gig workers on hard-to-fill roles, project-based roles and openings that require an immediate cover on a leave of absence. In this case, the organization benefits from hiring higher-qualified candidates for roles that are sometimes tricky to fill.

Gig Work Expanding

One quality that has been attributed to gig work is that it is only facilitated through a digital marketplace, third-party website or mobile app. While many gig workers do source work through an online platform, they find employment through traditional means, such as personal networking and referrals, too. In this respect, it encompasses new and traditional methods of securing work.

According to **Intuit CEO Brad Smith**, "The gig economy ... is expected to be 43 percent by the year 2020."

San Diego employers need to understand how to access and employ this new, fast-emerging class of gig workers who want the flexibility to set their own schedule and compensation. As this population of workers continues to have a profound effect on the nation's economy, local businesses and their hiring managers will need to fundamentally shift how they plan for and carry out their talent acquisition.

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