



**Southern Minnesota Competitiveness Project
Roundtable Discussion Report**

October 2008



Southern Minnesota Competitiveness Project



Globalization has turned regions into the athletes of the global economic race. Accumulating evidence reveals that as markets for goods and services integrate around the world, regions are where the impacts are felt most acutely. Unlike the International Athletic Olympic which happen every four years, the Global Economic Olympics happen every hour, every day.

A winning strategy in the Global Economic Olympics has two critical parts. The first is identifying the region's best events, i.e., in which economic niches does a region have the best shot at gold? Economists call it the region's competitive advantage, and the challenge is distilling it from a wide range of possibilities. The second is creating a strong framework for regional investment in action, i.e., thinking and acting as one region so that investments leverage the region's resources, skills and desires.

A series of 10 roundtables are being held across southern Minnesota to identify critical economic assets and valuable regional partnerships. A diverse collection of community leaders from the region are coming together to identify :

- Trends most critical to southern Minnesota's economic future—for better or for worse?
- New and emerging industries and which of these could grow into a bigger economic engine?
- Economic assets in southern Minnesota on which a stronger economy can built
- Signs (or lack of signs) of innovation and entrepreneurship in this region
- Regional initiatives, key groups and institutions in southern Minnesota with whom a strong regional economic partnership can be built.

The roundtables were held in 2008 on the following dates and locations.

Date	Location
September 4	Blooming Prairie
September 9	Winona
September 10	Byron
September 11	Cannon Falls
September 16	Mankato
September 17	New Ulm
September 30	Fairmont
October 14	Marshall
October 14	Worthington
October 21	Willmar

Best shot at the gold

Act as a single region

Innovate; better things

Grow entrepreneurs

Align public investment, private investment and education



Marshall Southwest Minnesota Initiative Fund Region – 18 Counties October 14, 2008



Approximately 40 persons attended the roundtable in Marshall. The participants represented the private sector, K-12 and post-secondary education, elected officials, healthcare, workforce and other groups. They were presented data on the southern Minnesota region—38 counties as proposed by the Project partners—as well as information on the local three-county area.

TRENDS

The goal of this discussion was to identify trends critical to the region's economic future, for better or for worse. Participants cited many key trends, but demographic shifts were cited most often. An aging population presents challenges for the workforce as the area's skilled technicians enter retirement. Another demographic concern is in agriculture, where many farm operators are nearing retirement without an heir interested in taking over the business. Concern was expressed about the outmigration of youth, but participants were encouraged by what seems to be an influx of persons between the ages of 20-40. They also were encouraged by a large projected increase in the number of households with incomes greater than \$75,000. Finally, participants suggested the growing ethnic diversity in the area provides both opportunities and challenges.

Participants also cited changes in social, civic, and physical infrastructures. Families are spending less time together. Communities are seeing a decrease in civic engagement. And area roads, bridges and utilities need repair and upgrades due to general neglect over the past several years.

Lastly, participants identified a number of global factors that are having an impact on local businesses: the rising cost of energy and transportation (which is slowing the transportation and construction sectors), global competition for resources raising land values and agricultural input costs, and increasing demand for renewable energy bringing new opportunity to the area economy.

EMERGING INDUSTRIES

This discussion focused on what new industries, if any, have emerged in recent years and which of these could grow into a bigger economic engine. Virtually all the participants agreed that the convergence of the agriculture and bioscience sectors provide the greatest opportunity to grow into a bigger economic engine. Renewable energy, particularly wind and the businesses that support it (transportation, specialty manufacturing, higher education) received considerable attention. In addition, participants identified local foods, including community supported agriculture, organics, and specialty food production, as a growth industry. Participants also pointed to green tourism, services for the aging population, and businesses created by and serving the new immigrant and refugee populations as new sources of strength for the area economy.

ASSETS

The goal of this discussion was to identify specific economic assets that could underpin stronger growth in the future. Participants identified assets in many sectors. Within specialty manufacturing, participants identified a talented and experienced workforce, small business flexibility and a continuing spirit of innovation as assets. Within food production and agriculture, assets discussed included the deep knowledge base in agriculture and bioscience, productive land, area cooperatives, and large turkey and hog production businesses. Bioscience assets included many educational resources. The University of Minnesota is one of these

"I was surprised to learn how many youth are not aware of how many science and technology related employment opportunities we have locally. We need to be more intentional about sharing those experiences with our young people, instead of letting them think, 'I think I need to go catch my fortune in the Twin Cities.'"

- Roundtable participant



strengths, with research and outreach provided through several centers and Extension. MnSCU institutions are another source of strength, providing critical education and training. Also identified in the bioscience sector were AURI, Prairie Holdings Group, and private sector research on plant genetics being conducted in the Olivia area.

Recreation and tourism also have strong assets in the area, centered around the natural amenities available locally. There was also discussion of arts and cultural tourism, including the area's Native American heritage. Within the renewable energy sector, assets included the abundance of raw materials such as wind, crops, and livestock. Participants also mentioned education and training expertise in wind and ethanol offered locally through MN West Community and Technical College.

Finally, several other assets were identified that crossed sectors. Participants stressed the strong networks of organizations and businesses that have facilitated effective collaboration in the area for many years. Educational institutions, banks, regional development commissions, economic development authorities, and healthcare institutions were among the organizations cited.

INNOVATION and ENTREPRENEURSHIP

What signs (or lack of signs) of innovation and entrepreneurship are found in the area? The area appears to be rich in both innovation and entrepreneurship. Signs of ongoing entrepreneurial activity include the continued demand for and success of Minnesota Inventor's Congress and area Small Business Development Centers. Participants also identified the entrepreneurship academy and resource website being initiated by the Southwest Minnesota Initiative Fund. The many businesses and other organizations born in the region were also cited as signs of innovation. These included the Rural Energy Board, Students in Free Enterprise at Southwest Minnesota State University, and the Youth Energy Summit held annually in Willmar. Another sign of innovation is the approach being taken by Marshall Public Schools to create meaningful work experiences in science and technology for its students and provide college credit at the same time.

"Part of the success comes from having a champion, the person who drives it. We need to find those people and be encouraging to entrepreneurs."

"We are still facing turf and recognition issues which facilitate secrecy and silos.

We need to challenge those notions of who gets credit and disjointed efforts versus seeing a vision that has broader geographic benefits."

- Roundtable participant

PARTNERSHIPS and PEOPLE

What regional initiatives are underway in the area on which a strong regional economic partnership could be built? Many regional initiatives were identified, including:

- Hwy 23, Hwy 212 and I-90 Coalitions;
- Southwest Minnesota First Grant;
- Rural Energy Board;
- Area economic development professionals association;
- MN Valley Regional Rail Coalition;
- Regional Superintendent's Network; and
- Area Chambers of Commerce Network.

Those identified as needing to be invited to this initiative included:

- City, County and State elected officials;
- Chambers of Commerce;
- MN Soybean Growers and Corn Growers Associations;
- Rural Electric Associations;
- Tribal leaders;
- New immigrant and minority leaders,
- Southwest and Southcentral Service Cooperatives;
- Arts leadership organizations, and
- Young people.