



**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



New Ulm Brown, Nicollet, Sibley Counties September 17, 2008



Approximately 35 persons attended the roundtable in New Ulm. 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. A widely discussed trend in the area is economic downturn. Across the area the housing downturn, rising energy costs, and rising healthcare costs are wreaking havoc on small businesses. Job losses are reported throughout the area. One school reported that various small business job losses led to the departure of 28 families from the district. The spiraling effect has also meant reduced revenue for the already burdened district.

Changing demographics were also discussed. As in other parts of the Project region, youth outmigration and an aging population are major concerns. Workforce readiness, particularly a lack of technical and soft skills, such as communication and interpersonal skills, are also a concern. On a positive note, there was some reference to the opportunities that internet commerce brings, especially as a means of commercializing ideas from young people. “Young people see online strategies as a way to build growth and vitality to brick and mortar business.”

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. A number of emerging industries were identified, including:

- Organic farming and local foods;
- Internet commerce;
- Alternative agriculture, crops like grapes;
- Animal health;
- Tourism;
- Renewable and alternative energy;
- Healthcare and elderly care such as assisted living and nursing homes; and
- Trucking.

ASSETS

The goal of this discussion was to identify specific economic assets that could underpin stronger growth in the future. Assets were identified in multiple sectors. Within education, participants felt the area has good programs to assist with workforce training, primarily for new residents. There are bi-lingual health care programs and

“New Ulm is at the end of the utility grid. We need to bring energy to New Ulm. What is going to happen when we all plug in our hybrids at the end of the day? Energy consumption is going to continue to climb despite conservation efforts. We need to build this infrastructure.”

- Roundtable participant



partnerships among K-12, post-secondary institutions, and workforce centers to maximize strengths. Within healthcare, numerous assets were cited, including many quality rural facilities, strong volunteer EMS systems, excellent wellness training programs, and the area's proximity to Mayo Clinic. Manufacturing assets included the local work ethic, telecommunication infrastructure, and banks with deep experience financing.

"Lots of wind, lots of corn:" The region's capacity to produce the necessary ingredients was the top asset identified for renewable energy. Other assets included the rail system, local funding sources, and policies that encourage renewables, such as Minnesota's 2025 that requires utilities to get at least 25 percent of their energy from renewable sources by 2025. The area's fertile soils, favorable climate, and plentiful water resources are cornerstones of the area's agriculture. Above all, participants believe the area's farmers are sophisticated and make effective use of technology. Participants pointed to some local businesses as real assets, including MVTL Laboratories, Inc. and the Associated Milk Producers, Inc.

INNOVATION and ENTREPRENEURSHIP

What signs (or lack of signs) of innovation and entrepreneurship are found in the area?

Roundtable participants felt that the growth of ethanol within the area was a strong sign of innovation. "People had to come together to build the industry and business." The creation of the Minnesota Renewable Energy Marketplace was also identified as entrepreneurial. Several technological innovations in manufacturing and agriculture, such as robotic milking, can also be found in the area. One local business is maximizing green technology by utilizing winter air to cool, and heat generated from its plant to heat its administrative offices.

While participants saw ongoing signs of innovation, they also saw some room for improvement. Access to capital needs to be strengthened, as does the physical infrastructure. Bridges and roads need to be upgraded to support newer and bigger machines.

PARTNERSHIPS and PEOPLE

What regional initiatives are underway in the area on which a strong regional economic partnership could be built? Among the organizations and partnerships identified were:

- Small Business Development Center in Mankato;
- Region Nine Development Commission;
- Minnesota Renewable Energy Marketplace (WIRED);
- Brown County economic development planning initiative;
- Bridging Brown County; and
- Highway 14 Group.

"Access to markets is not just about roads but also about location. We are closer to east coast big markets than many other dairy producing areas. Are there other advantages that can be built upon from a location standpoint?"

- Roundtable participant