



**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



Willmar Southwest Minnesota Initiative Fund Region – 18 Counties October 21, 2008



Approximately 55 persons attended the roundtable in Willmar. 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 18-county southwest Minnesota area

TRENDS

The goal of this discussion was to identify trends critical to the region's economic future, for better or for worse. Participants identified three major demographic trends: continued aging of the population, corresponding outmigration of youth and talent, and greater ethnic and cultural diversity. There was also discussion about the deterioration of the area's physical infrastructure (steady decline in the quality of roads, bridges, and rails) and a concern that the area continues to lag behind the rest of the world in broadband availability. Increased costs of operation (partly tied to the outmigration) were cited as continuing a longstanding trend toward consolidation of schools and businesses. Some participants expressed concern over the “homogenization” of retail businesses, that is, a shift away from local merchants to big box stores. Finally, participants expressed optimism about prospects for growth in the renewable energy, bioscience and agriculture sectors.

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 by participants. Most frequently cited was a broad group of renewable energy enterprises, including wind, geothermal, biomass, methane and ethanol and the many businesses that support energy production. Second was the organic and community supported agriculture influences on agriculture and food production. Tourism was also frequently mentioned, with many references to wineries, breweries, bed and breakfasts, arts, and outdoor recreation as the drivers. Another emerging sector in the area centers around the “green economy.” This takes many forms, including green design, green construction and green manufacturing processes. The planned expansion of an electronics manufacturing company into the area was also identified. Finally, healthcare and services geared toward the elderly population area are also on the rise.

ASSETS

The goal of this discussion was to identify specific economic assets that could underpin stronger growth in the future. Assets were identified across many sectors. Within specialty manufacturing, assets included a quality workforce, a strong history of manufacturing in the area, post-secondary workforce training, and several businesses with niche expertise (Jonti-Craft, RELCO, Altimate Medical and others that produce control systems, recycled goods, and more). In the food production and agriculture sectors, participants cited many assets: the quality K-12 and post-secondary education, good work ethic, extensive and deep expertise in forming and running agricultural cooperatives, abundant raw materials, availability of capital, AURI, and ethnic diversity.

“We are developing and growing community supported agriculture, organic crops, and local food networks. We are growing locally, selling here and other places collectively.”

- Roundtable participant



Participants also identified assets within the bioscience sector. These included an area-wide spirit of entrepreneurship, the ready availability of higher education, a history of effective partnership, and a strong agricultural base. Within the recreation and tourism sector, participants discussed 8-foot corn (for mazes), and the many natural amenities that provide a wide array of outdoor activities.

Within the renewable energy sector, participants identified the abundance of renewable resources (wind, sun, biomass, crops) as assets. They also spoke about a number of renewable energy related business incubators, the WIRED grant, and the outreach center at the University of Minnesota Morris. Of concern was the substandard transmission capacity, which does not yet match the area's ability to generate electricity from new sources. Last, several cross-sector assets were identified, including quality healthcare, the Minnesota Inventor's Congress, and excellent programs at MN West Community and Technical College and Ridgewater College. A new bioscience program expansion at Willmar highlights the area's ability to tap into new economic engines.

INNOVATION and ENTREPRENEURSHIP

What signs (or lack of signs) of innovation and entrepreneurship are found in the area? Signs of innovation in the area include a significant number of business incubators.

Participants identified several such incubators, and noted that they are sponsored by both public and private entities. The investments in renewable energy production and utilization made by the community of Benson were also discussed as a sign of innovation. Participants spoke about the "bioenergy beltway" between Willmar and Morris. Minnesota Inventor's Congress, Prairie Holdings Group and the Youth Entrepreneurship Academy were cited as innovative organizations that will help stoke more entrepreneurial activity in the future.

PARTNERSHIPS and PEOPLE

What regional initiatives are underway in the area on which a strong regional economic partnership could be built? Regional initiatives upon which new economic initiatives could build included:

- Collaborations initiated by the Southwest Minnesota Initiative Foundation;
- Regional Development Commissions;
- Regional Customized Training and Education Solutions;
- Region Chamber of Commerce network;
- First Grants across southern Minnesota;
- Workforce Councils;
- Regional business leaders;
- WIRED grant; and
- Economic Development Professionals.

Participants were also asked to identify who was missing and who should be invited to be a part of the broader effort. Among those discussed were:

- City, county, and state elected officials;
- Ethnic minorities;
- People from economically diverse backgrounds;
- Blandin Foundation;
- Community foundations; and
- More bankers.

"It shouldn't be just public dollars that reward or encourage collaboration. There needs to be public policy to reward and encourage collaboration. Public funding does not provide all the solutions."

- Roundtable participant