



**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.

Best shot at the gold

Act as a single region

Innovate; better things

Grow entrepreneurs

Align public investment, private investment and education

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



Winona Fillmore, Houston and Winona Counties September 9, 2008



Approximately 50 persons attended the roundtable in Winona. 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. One key trend is the ongoing commitment by local manufacturers to keep plants in the region, so as to attract other businesses and retain valued workers in the community. Fastenal is an excellent example of a successful, retained local manufacturer. In this case, and in others, local ownership has provided leadership, spurred local investment, created a good work environment, and empowered employees. That said, succession planning will be very important to retaining local ownership in the future. Continuing the area's tradition of high-quality leadership is also an area of concern in education, healthcare and government. Participants noted that southeastern Minnesota is part of a global network in both industry and education, and they expect this global presence to continue. With fuel prices going up, local businesses are seeing more opportunities to provide products to domestic markets rather than source products overseas.

This area was severely affected by localized flooding in the spring of 2006. The effects linger for businesses and local governments that provide services to the area. Participants noted some significant demographic trends. Like other parts of rural Minnesota, the population is growing older. In addition, new ethnic populations are settling in the area to work for the healthcare industry in Rochester. This is increasing the need for more public transportation for the workforce.

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. Emerging and expanding industries in Bluff Country include renewable energy. This takes many forms: wind, ethanol, biomass, battery storage, and of particular interest to this area, hydro-electric. Also, medical innovations developed at Mayo Clinic represent great opportunities for commercialization in Southeast Minnesota. There are also a growing number of organic and local food producers who provide fresh fruits and vegetables for both regional and metropolitan markets. The local foods, combined with new trails, lodging and local arts contribute to a thriving tourism industry. Finally, the University of Minnesota's Southern MN Research and Outreach Center is developing commercial crops with new health attributes (nutraceuticals). These crops (notably blueberries and hazelnuts) could provide significant opportunities for the region.

Manufacturing is our strength, but it is difficult getting kids and education interested in it as an employment option. Communication is needed to illustrate that it is not old dirty jobs on the floor. High technology manufacturing can be interesting.

- Roundtable participant



ASSETS

The goal of this discussion was to identify specific economic assets that could underpin stronger growth in the future. The area's transportation system, which includes rail, roads and rivers, is a huge asset for this area of the state. The area also benefits from its prime central location in the United States. A portion of the area also benefits from a seamless integration of trade, services and education on both sides of the Mississippi. This area is rich in educational institutions, with several public and private institutions of higher education: Rochester Community and Technical College, Winona State University and St. Mary's University. The area also has a strong network of innovative K-12 systems. The area has a strong presence of research institutions, including IBM, Mayo Clinic, Hormel Institute, and the composite cluster in Winona. Wind, as well as a strong agricultural sector and scenic landscapes also benefit the area. Winona's leadership many years ago in providing broadband access has paid many dividends to the community. Rural parts of the area, however, still do not share this level of broadband infrastructure.

INNOVATION and ENTREPRENEURSHIP

What signs (or lack of signs) of innovation and entrepreneurship are found in the area? There is strong entrepreneurial activity in the area, but it needs to be improved and nurtured. New business and second generation ideas from established entrepreneurs are two types of entrepreneurship that are occurring in the region. Each requires different services and has different needs. Providing the technical assistance, the professional services, the entrepreneurial networks and the capital to fund these innovative ideas is an ongoing challenge, but not an overwhelming one.

PARTNERSHIPS and PEOPLE

What regional initiatives are underway in the area on which a strong regional economic partnership could be built? Although this area has several county and local partnerships, most participants do not see themselves as part of a 3- county area, much less a 38- county region. Local government may be the best example of doing programs regionally. Participants suggested that differences in topography, ethnicity, and other features might make working together as a 38- county region difficult.

This local roundtable acknowledged many public and private partnerships that focus on a variety of sectors within the Houston, Fillmore and Winona county area.

- Joint powers boards. (Southeastern Minnesota Counties partner together to provide services to citizens whenever possible)
- Winona Composites Consortium
- The tourism and arts community. (Local partnerships exist on both the Wisconsin and Minnesota sides of the Mississippi.)
- The Southeast Minnesota Economic Development Corporation
- MN Partnership for BioTech
- EdInnovation
- Rural Energy Development Initiative: Southern and Southwest Minnesota Initiative Foundation
- Winona State University (The university has about 10 different groups working on renewable energy and going green.)
- Elk Run, a biobusiness park that offers many possibilities

“La Crescent Public Schools it working closely with the chamber in identifying local employer needs and addressing them. They are getting students into businesses. The students are learning what they need to know and applying that. They needed to overcome some of the rules and regulations to make it work.”

- Roundtable participant