



**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



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



Approximately 45 persons attended the roundtable in Worthington. 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. The discussion of trends prompted a vigorous discussion with many comments about the area's economic opportunities. Participants also posed many questions about the future that may shape the area's future strategy. Key topics discussed included:

- Growing ethnic and cultural diversity and questions around training and education;
- Outmigration of young talent and strategies for retention;
- Rising costs of fuel and food and the area's strong position in both;
- Rising agricultural land values and questions about the future structural and economic landscape of farming; and
- A history of effective collaboration in the area and the strong foundation that provides for regional collaboration.

“Young people in area (and adults) are not aware of the job opportunities locally. We do have some of the science or tech based “glamorous” jobs, but not a lot of people know about it.”

“Technology in plants, animals and humans is converging. We have a chance to be on the leading edge of the life science industry with the power of the University of Minnesota, Hormel Institute, Mayo Clinic, and abundant agriculture production. We need to connect these dots.”

- Roundtable participant

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. By far, the most talked about industry was renewable energy, with particular emphasis on wind and ethanol. Participants talked not only about the emergence of production of renewables in the area, but also of the new businesses that support and maintain the industry. This also includes specialty parts manufacturing and a significant increase in training and education at area higher education institutions. The conversation around ethanol was broader than just corn—participants also listed algae and other biomass sources as having potential in the area. The second most widely discussed industry was the increasing convergence of agriculture and bioscience. Participants identified the area's capacity for livestock production and bioscience knowledge emerging in the areas of animal and human health. Finally, healthcare was discussed; specialty care and supportive services for the aging population are growing.

ASSETS

The goal of this discussion was to identify specific economic assets that could underpin stronger growth in the future. Participants identified several assets in various sectors. Within specialty manufacturing, assets included a number of local businesses with a wide range of manufacturing expertise. Also figuring prominently were breweries and Shaker's vodka. Assets within the food production and agriculture sector included good transportation infrastructure, access to leading-edge technology, strong educational support, effective area networks and local knowledge, quality land, and engaged bankers who provide



adequate financing. Several individual businesses in the area represent significant economic assets, including Swift, Gold'n Plump, and MLS Alcomp.

Within the bioscience and renewable energy sectors, participants discussed the plentiful resources in the area--abundant wind, plentiful crops, and a concentration of livestock production. Participants also felt that there is a lot of innovation coming from the people who live and work here. Research and education that is readily available was also identified as an asset. In recreation and tourism, assets included the many environmental amenities in the area, including lakes, rivers, state parks, and trails. Participants believe the area is rich in cultural amenities: colleges with arts departments, local history museums, and area music associations. I-90 provides a strong transportation asset. Finally, assets that crossed sectors were identified, including good quality of life, services for the disabled, excellent healthcare, strong financial institutions, and quality education.

INNOVATION and ENTREPRENEURSHIP

What signs (or lack of signs) of innovation and entrepreneurship are found in the area? Signs of innovation included Southwest Minnesota Initiative Fund's entrepreneur initiatives, AURI, available small business education, and Prairie Holdings Group (an economic development group active in the area). While participants generally felt the area is generally innovative, they also agreed there are barriers to innovation and entrepreneurship, namely a lack of start-up capital. Some sources of financing were cited, but participants felt that they were not ready to accept the risk of start-up ventures. As a result, a lot of the region's wealth tends to leave the region rather than fund new businesses in the area. There also appears to be no effective way to connect area inventors with mentors who have development expertise. Another barrier identified was the lack of tax credits or policies that encourage local investment.

PARTNERSHIPS and PEOPLE

What regional initiatives are underway in the area on which a strong regional economic partnership could be built? Participants felt that partnerships are a way of life in the area, and provide a strong foundation for future economic initiatives. Existing partnerships identified included:

- Southwest Economic Development professionals;
- Travel Southwest;
- SW Minnesota First grant;
- Hwy 60 Coalition;
- I-90 Coalition;
- SW Minnesota Affordable Housing Partnership; and
- Many education and industry partnerships (Prairie Holding Group/MN West CTC, Jackson County Schools/area welding industry, MN West CTC/Smith Trucking, U of M and other post secondary institutions including those from South Dakota).

Participants were also asked to identify who was missing from the roundtable or who needed to be involved. Among those mentioned were:

- Education from all levels;
- Youth;
- AURI;
- More private sector leaders; and
- Elected officials.

"Larger yields in corn may change the dynamic of food vs. fuel. Research on increased yields is going on in southwest Minnesota. In Renville and Meeker counties there is the largest concentration of seed genetics research happening."

- Roundtable participant