

Follow on to Wisconsin's Business Climate
Scribe's Report, June 1, 2010 Meeting
St. Norbert College Bemis Center

On June 1, 2010, business leaders from the New North Region gathered to bring focus and conversation to a repeating theme, "the relative competitive posture of the State of Wisconsin". The meeting concluded with the following group leadership and volunteer-manpower assignments to begin shaping the recommended tactical suggestions (below) to implementation plans, with a stretch goal of having the selected and shaped tactical efforts complete within a six month to one year time frame.

Next steps will be the organization of three selected priority issues/and related tactics. Group leaders will work to arrange for a least one working session to define/refine and work toward conclusion of selected tactical efforts. Group leaders and volunteers are encouraged to grow the manpower for each subject-area for the design phase of the tactics and for implementation of the same. Everyone is encouraged to incorporate others (existing resources, organizations, institutions) in the building of tactics as well as implementation of the tactics.

Tim Weyenberg, (Foth Engineering) to lead the group on visioning-Business Climate.

- Mark Radke, (Integrus Energy Resources)
- Monica Vomastic, (Landmark Staffing)
- Amy Pietsch, (Fox Valley Technical College-Venture Center)
- Dean Gruner (ThedaCare)
- Randall Lawton, (C.A. Lawton Company)
- * Paul Lynzmeyer, (Innovative Sustainability for Organizations International)
- * Jim Rankin (Air Wisconsin)
- * Lanny Viegut (Green Bay Pet Food)
- * Paul Raucher, (EMT, International)
- Others

Tom Schmidt, (US Oil) and Bob Pederson, (Goodwill Industries) to co-lead the group on the Impact of Government on the competitive posture of the region/state.

- Thom Kunkel, (Sant Norbert College)
- Tom Wiltzius, (Wiltzius Associates)
- Mike Thomas (Maki and Associates)
- Tim Schneider (Investors Community Bank)
- Kim Basset-Heitzmann, (Basset Mechanical)
- Robyn Gruner, (AT&T)
- * Russ Wanke, (Thilmany)
- * Dan Airens (Airens)
- * Larry Chaplin (Mater Fleet)
- others

Jerry Murphy (initially) to lead the group on the Value Proposition and Branding of the Region.

- Kathi Seifert (New North)
- Tom Frawley, (Paper Airplane)
- John Davis (Great Northern Corp.)

- Mark Kjorlic, (Thilmany)
- David Ward (North Star Consulting)
- * Bob DeKoch, (the Boldt Company)
- * Sharon Hulce, (Employment Resource Group)
- * Marianne Dickson (Ideal Manufacturing Services)
- * Kevin Cornelius (Oneida 7 Generation)
- * Kevin McNamara, (TIDI Products)
- * Marty Lenss (Outagamie Co. Airport)
- * Susan May, (Fox Valley Technical College)
- others

* = assignment made on behalf of the attendee/of those that intended to be there, but could not make the date.

Additionally, efforts are underway to schedule a reporting out of the findings of the competitive assessment being conducted by Deloitte Consulting (directed by the Wisconsin Economic Developers Association). The report is due out by early August; likely follow on reports throughout the state would follow.

Notes from the June 1, 2010 meeting.

The agenda for the conversation included a brief review of four recognized ranking systems (CEO Magazine, Forbes, Milken Institute, and Policom Corporation) that utilize unique selected and quantified characteristics to evaluate state to state performance (or in the case of Policom--Metro/Micropolitan Statistical Areas) and concluding weighted and indexed scores. An electronic version of the research findings-presentation of the selected rankings can be found by [click here](#).

Net of the review of the research is that data-founded rankings (as opposed to opinion-founded) place Wisconsin or MSA's as low as single digits to as bad as 48th of 50. Part of the purpose of the review was not to focus on the score-ranking, but rather on the elements that drive or derive the rank-outcome.

Characteristics that were included in the scores included:

- Cost of business as a category was comprised of specific costs related to: real estate (industrial and office rental), tax rates, wage rates, and energy costs.
- Economic climate encompassed job, income and state gross product growth, business openings/closings and venture capital investments.
- Regulatory environment as measured by tort climate, incentives, transportation and bonding ratings.
- Labor rankings can be good/or/bad...depending on the index. Labor attributes can be interpreted as favorable if they are low... as any business costs or if the index values higher labor costs as a reflection of more sophisticated or technical employment high labor costs are a positive characteristic.
- Quality of life was an index of schools, health, crime, costs of living and poverty rates.

New North's regional orientation to scores also demonstrated the statistical significance of large metro-markets in state economic factor comparisons. Essentially, demographic bias due to large urban centers in the states reviewed (Great Lakes region) disadvantage states with small urban concentrations.

To sensitize the conversation to a regional landscape, New North's metrics were demonstrated. Most of the metrics are oriented to income, employment, education and quality of life. A similar bias is built into the Policom Corp. ranking of Metro's and Micro-politan areas, where wage-earning income is the bias of the rankings of municipal economic growth/health.

A listing of current efforts/organizations that are working to affect positive economic development and to create new conversations with policy makers was listed, including: The Wisconsin Business Council, Wisconsin Economic Developers Association's Deloitte study, Competitive Wisconsin, and New North. These were provided to suggest that subsequent tactical efforts may involve alignment or joint efforts with others equally motivated to see positive change in the State's competitive posture.

Following questions/observations about the score/ranking research, Dean Talon, UW Oshkosh Business School, led a discussion about general topics of concern or capacity to change.

Net of the discussion, four topics were identified for small group discussion.

1. The need for a uniform vision for the New North Region/the State of Wisconsin regarding its business climate. There was a near split in the audience as to what the geographic horizon should be for this element (State/Region).
 - a. The first group felt that the New North Regional orientation afforded a control capacity and a localized impact capacity that is not likely at a State arena.
 - b. The second group felt that most of the issues discussed, most of the cost elements, and most of the regulatory elements were the business of State-wide dynamics....mostly oriented to State Government.
 - c. Both groups suggested that a State-wide vision for economic development or strategic development is lacking.
2. Respond to Government's impact and related responses or course of action to take.

This was a conversation that incorporated education of – communication with policy makers, legislators, and gubernatorial candidates.

The sense here was government is simply under-informed about the role, economic value, and inter-dependence of business and government. Cost to business to comply or to change ahead of capacity to pay or technology to support change (mostly regulatory) simply does not have a practical place in the creation of public policy, particularly when the public policy bias is job retention and job creation.

3. What is the Value proposition for the New North Region/State of Wisconsin.
 - a. This was directed at the ability to effectively tell the tale of what is valued and meaningful to the existing business leadership of the region. Some of this conversation dealt with effective messaging about the talent that supports the region's economy and the talent needs that will be needed to continue to feed this regional economy.
 - b. The other channel of discussion focused on elevating the place and strength of the region's firms that export value (to markets outside the region/state) or that appeal to new investment from foreign direct investment source points.
4. Are we ready...with appropriate Business Infrastructure

- a. The sentiment of this part of the discussion was to focus on growing the existing business base, or... from another perspective, to take advantage of the capacities, business clusters, built-out infrastructure and community relationships that exist. Further discussion reiterated some of the lack of knowledge by public entities/public policy makers about the nature of Wis.'s legacy strengths in production, productivity, and contribution to healthy communities (philanthropic/social/academic partnerships).

Four small discussion groups met for roughly 1 hour to cover the four topic areas, with the intent to identify tactical outcomes that could be designed and implemented within the next six months to a year.

The following is a summary of the four groups discussion points:

- 1. The need for a uniform vision that incorporates a clear sense of the business climate for the New North Region/the State of Wisconsin. There was a near split in the audience as to what the geographic horizon should be for this element (State/Region).**

The vision statement for New North was used for a starting point, to address the large group discussion on the need for vision...to get to uniform focus on what's important.

The NN Vision Statement:

To be recognized as nationally and globally competitive for job growth while maintaining a superior quality of life.

The groups identified a variety of 'vision' and 'business climate' descriptors and qualifiers.

- Work ethic
- Family connectedness
- Collaboration as a value/and as a way of doing business
- Reputation for productivity
- Demonstration of international product brand-value to vision in defense contracting
- Need to change vision to include a 'pro-business' vision element
- Vision incorporates investment in (new/expanding) resident industry
- De-politicize the confrontational conversation among public policy folks and business folks.
- Eliminate the sense of competition with 'government'
- Elevate intent of New North's six strategic initiatives as value-affirming efforts
- Does this vision statement still make sense?
- Sustainability as a vision descriptor...collaboration around the environment and business.

Tactical suggestions:

1. Convene legislators and business leaders to conclude a vision statement for the state that includes affirmation of the role of business to the state's economy.

2. New North to meet with political candidates to relay regional vision and its relationship to a State vision.
3. Schedule/hold regular meetings with regional legislative delegation (all)
4. Build a coalition of business leaders (10 per region) to represent business and industry inclusion in the communication of impacts of public policy on businesses.
5. Create vision – metrics
 - a. Sales per capita
 - b. Productivity per capita
6. Create metrics that show progress/obstacles toward a common vision
7. Create a vision that includes the predominant place of manufacturing in the region/state
 - a. Support this with advocacy to reinstate education/training needs that fulfill next generation workers within the manufacturing sector...to keep it strong.
 - b. Work to understand the reason(s) and values behind our strong manufacturing sector and build strategic (operations, marketing, and public policy/public investment) priorities and efforts to retain/grow the differentiating value of our manufacturing sector.

2. Respond to Government’s impact and related responses or course of action to take.

The groups over-riding commentary related to a disconnect between government and business or to the dissatisfaction with the legacy pathway of communication between government (including public policy makers, regulators, legislators). Generally, the tactical suggestions were aimed at remedies (or starter steps to remedy) for current, ineffective communication pathways. The suggested tactical measures are oriented to relating public policy to common, shared and valued objectives like: employment, income improvements, broader tax base – more businesses, more business activity, more innovation, more gross state product, etc.

Tactical suggestions:

1. Institute formal linkage to others that speak on behalf of the vision that includes a healthy business climate...others to include organizations like: WMC, WBC-Trade Council, Chambers, Economic Development Groups.
2. Request a “collaboration statement” from political candidates (ie...I _____, pledge to...)
3. Create debate issues for candidates
4. Build a information distribution system for New North to relay critical impact information to the business community of NN and to the government policy makers.
5. Recognize collaborations/collaborators that reinforce the vision (Summit suggestion)
6. Efforts to change the political landscape via: term limits, campaign finance reform (long haul suggestions)
7. Develop and disseminate metrics on six strategic initiatives
8. Increase the level of awareness and clarity of purpose/focus for each of the six strategic initiatives of NN among business and government leadership.
9. Create a separate group of business leaders from New North to tackle regulation and tax remedies for the region.
10. Create a common slate of concerns (agenda) for business leaders to relay (consistently) to their constituents and to their public (government) leadership.

11. Redefine the approach of business from one of confrontation over rules, to one of common focus (government and business) to objectives like retaining/growing jobs, elevating percapita income.
12. Maintain a prominent and consistent presence in government's decision making process...reiterating those elements that are critical to a healthy economy.
13. Industry sector-specific impacts to public policy need to be relayed as "consequential to the health of that sector in the state" (ex. State of Iowa luring insurance firms by public policy that enables the insurance sector)

Tactical suggestions:

1. Organize Business owners "town hall" meetings
2. Disseminate leadership group priorities/concerns/opportunities beyond the groups themselves.
3. Meet with economic development folks to better understand their challenges/opportunities and to better align the business community's concerns and aspirations.
4. Improve the communication links with (strong) technical college system in the region and encourage like-communication links with K-12 leadership.

3. **What is the Value proposition for the New North Region/State of Wisconsin.**

Groups assessed the value proposition and perception of brand as marketing, promotions and positioning the region/state. Most of the commentary was reinforcing of the vision statement of New North; at the same time, most of the commentary suggested that the brand – message is not being relayed effectively. The Packers brand affinity for the region/state reflect a national identity for the region that is generally positive, but is also limited in terms of depth of value that all agree is built into the 'real' brand value of the region/state.

Tactical suggestions:

1. Maintain a strong-industry driven/affirming public relations stance.
2. New North (brand) needs to affirm a leadership role in the state in terms of defining and differentiating (and subsequently delivering) on brand value/promise...as opposed to waiting for that definition and effort to come from State Government.
3. Publish/celebrate metrics where they are strong/work on tactical measures to address those that are weak.
4. Look to the Manufacturers Alliance as a stand-out success of industry lead brand affirmation along our manufacturing sector
5. Create brand-image that is global in perspective and in terms of audience.
 - a. This took separate tracks in two different groups, where one focused on foreign direct investment and the other focused on manufactured or value added technical services that cater to markets outside the State of Wisconsin.
 - b. In addition to recognizing "new" dollars via the points made in 'a.', there was also a tactical suggestion that in order to maximize that brand-identity, that the export/import/global market player brand needs to be developed, defined, and deployed to win economic benefits for the region/state.
6. Engage State in underwriting brand promotion.

7. Focus on existing landscape of resident foreign owners of firms to understand the brand or value proposition-appeal that led to their investment in the region. Given that, create a value proposition for foreign direct investment and a strategy for leveraging existing/resident relationships with foreign-owned firms in the region.
8. Determine mutual benefit relationships to access the promotional capacities of the Packers.

4. Are we ready...with appropriate Business Infrastructure

The volume of notes-taken and related conversation for this final item suggested that the time for discussion simply ran out. One group didn't have time to begin discussion on the subject.

Net of the conversations held, it seems that infrastructure is not a priority element to the competitive posture of the region/state. References were made to specific infrastructure elements in the region (Hwy. 41/Broadband extensions, etc) as critical to future growth. Soft infrastructure references to communication systems among the business leadership groups and economic development or community connections were also made, but the focus seemed oriented to education/communication enhancement.