

# MN Manufacturing: A Formula for Success

October 2010

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Minnesota Chamber of Commerce

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## Mfg MN Success =

$$(IC + W)S + E$$

IC = Innovate & Commercialize

S = Service

W = Workforce

E = Export customers

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## I&C: Critical to MN

- Homegrown economy
- Homegrown economy
- Homegrown economy

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## I&C: Status

- Angel Tax Credit: New in 2010
- R&D Credit: Increased in 2010
- U of MN stepping up!

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## I&C: Opportunities

- “Tonnage” mfg won’t work in MN
  - Never has, never will.
- Better “mouse traps”...
  - Surgical tools
  - Packaging equipment
- Custom products...
  - Vaccines
  - Tooling
  - Lifting
- New process...same product

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## Innovation & Scale Matter: A MN Tech Business Retools, Grows & Is More Competitive

Location	MN -- <u>Now</u>	U.S. -- <u>Not</u> MN	Japan	Taiwan	MN -- <u>Post</u> <u>Expansion</u>
\$ Per Unit	\$27	\$25	\$29	\$22	\$23

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## Workforce: Current Status

- Legendary productivity
- But, old, getting older, retiring...
- And, 100,000 fewer mfg jobs since 2000

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## Workforce: A “New Normal”

- Mfg jobs are being created...  
...8,700 since September '09
- But, they are different...  
...Mismatch of current skills & current openings

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## What Is Grow MN!?

- **Private sector economic development**
- **MN Chamber sponsored**
- **54 local chamber partners & affiliates...**
- **3 parts:**
  - Business retention
  - Business assistance
  - Business expansion

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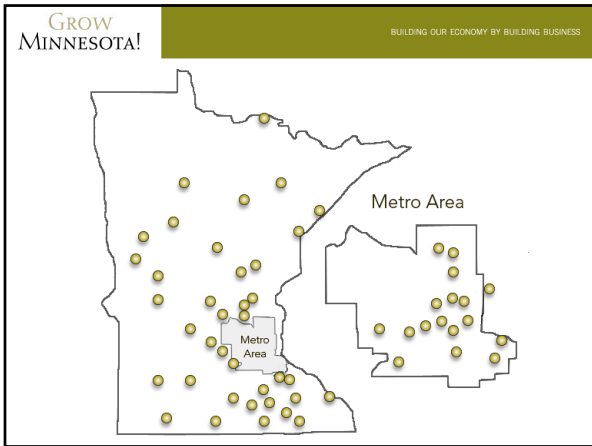
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**GROW MINNESOTA!** BUILDING OUR ECONOMY BY BUILDING BUSINESS

## Grow MN! 2009-2010 Results

- 826 one-on-one business retention visits
  - 33% are revisits
  - 66% < 50 employees
- 108 firms assisted, affecting 1,300 jobs
- BusinessConnection:
  - 6,000 on line searches
  - 120 email questions answered

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**GROW MINNESOTA!** **BusinessConnection**  
Connecting your business to Minnesota resources

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Submit a question to us.

**Contact Us**  
If you can't find what you're looking for on our site, give us a call at 1-800-MIN-612.

**Give Feedback**  
How can we make this site more useful for you?

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## So, Ask a Question!



Everyone's got an answer...

**BusinessConnection**  
Your connection to business answers.

...ours will **GROW** your business.

We know times aren't easy for Minnesota businesses these days. You need a resource that provides direct and immediate help for all of your important business questions. BusinessConnection is your free, go-to service in Minnesota for any and all business questions. Its purpose is to help Minnesota businesses grow by breaking down barriers, opening doors and answering questions – so you can get back to business.

**Connect anytime:** [www.mnbizconnect.com](http://www.mnbizconnect.com)  
**Call toll-free:** 1-888-MINN-BIZ / 1-888-646-6249  
Personal assistance is available 9 a.m.-5 p.m. Mon.-Fri.

BusinessConnection is a service of Grow Minnesota! and sponsored by the Minnesota Chamber of Commerce, its local chamber partners and the Minnesota Department of Employment and Economic Development.

Connect online: [www.mnbizconnect.com](http://www.mnbizconnect.com)

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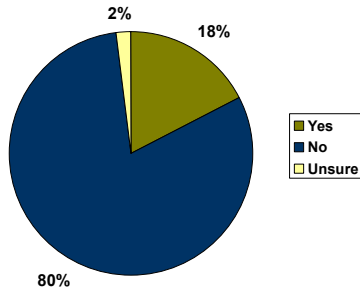
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## '09-'10 Trouble Recruiting Employees?



N = 488

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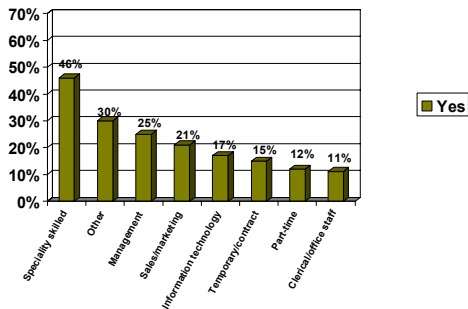
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## '09-'10 Hard to Find Employees




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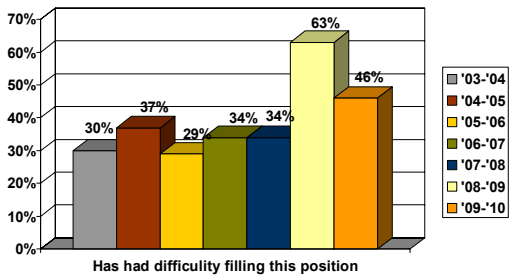
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### '03-'10 Specialty Skilled



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### Service: Current Status

- Plenty of horror stories
- Each is an opportunity for another supplier

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### Service: Necessity & Niche

- "Home sourcing" is on the rise
  - Better "just in time" delivery
  - Better trouble shooting
- Know what to do where
  - New: MN
  - Short runs: MN
  - Long runs: Global
- "Give the lady what she wants!"

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## Mfg. Export Sales: Current Status

- \$4.3 billion, 2<sup>nd</sup> quarter '10
- Up 19% over 2<sup>nd</sup> quarter '09
- Approaching '08 level

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## Export Sales: Opportunities

- What: high value and/or made-to-order
  - Rail maintenance equipment...India, Singapore
  - Silicon wafers (semiconductors)...Japan, Phillipines
- Where: look for growing middle class
  - Custom windows...Middle East
  - Custom draperies...Singapore
  - Custom doors...Finland

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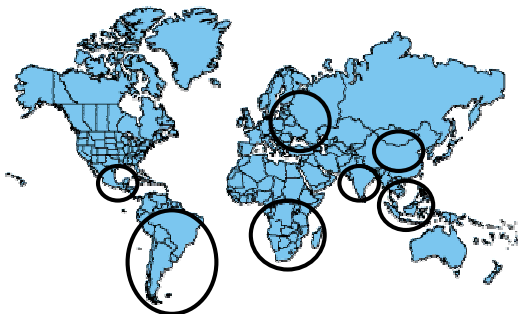
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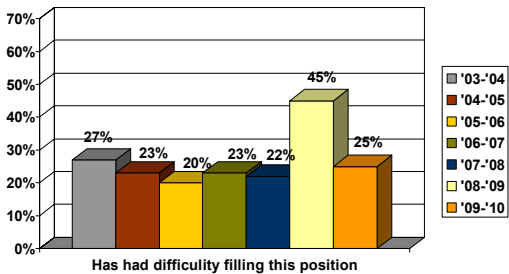
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# '03-'10 Management



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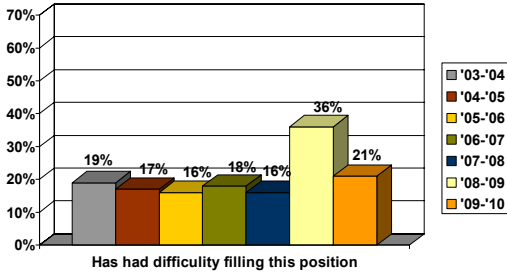
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### '03-'10 Sales/Marketing



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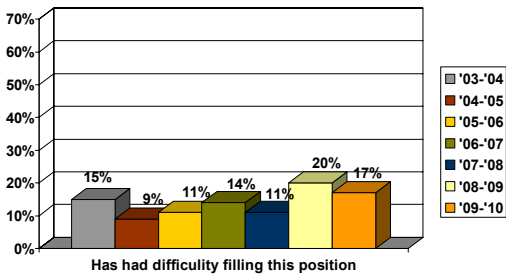
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### '03-'10 Info. Technology



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