



Michael Langley, CEO of Greater MSP

Civic Caucus, 8301 Creekside Circle #920, Bloomington, MN 55437

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Notes of the discussion

Present : Verne Johnson (chair), David Broden, Janis Clay, Paul Gilje, Jim Hetland, Sallie Kemper, Ted Kolderie, Dan Loritz, Tim McDonald, Ted Mondale, Wayne Popham (phone), Clarence Shallbetter, Fred Zimmerman (phone)

Summary of discussion: Michael Langley, CEO of Greater MSP, a new economic development organization serving the Minneapolis-Saint Paul region, describes that organization's vision and strategy for promoting the region globally. Langley discusses the region's assets and challenges, and describes five "levers" that can be employed to advance the region, and five areas for potential growth.

A. Welcome and introductions - Michael Langley is the founding CEO of Greater MSP, a Minneapolis Saint Paul regional economic development partnership. Greater MSP's goal is to lead global promotion, regional strategy, and project management to stimulate economic growth and job creation in the region.

Langley has led regional economic development organizations in Florida and Pennsylvania. Prior to becoming an economic development practitioner he worked in leadership positions for Westinghouse /CBS subsidiaries. He is a graduate of the Naval Academy and Naval Postgraduate School, and served as a Navy pilot with more than 5,000 hours of flight and crew time on surveillance and intelligence missions. He retired in 2000 at the rank of Captain. Langley has been awarded a doctorate in Humanities by American Intercontinental University for his work in community improvement.

A video from Greater MSP may be found online at the following address: <http://tinyurl.com/6tyjmns>

B. Discussion - During the course of the discussion the following points were raised:

In opening remarks Langley, who is relatively new to the region, said he appreciates the contributions that have been made to Minnesota by past generations that have brought the state to where it is.

He explained that Greater MSP grew out of an interest in how the state can effectively grow capital investment and jobs in the metro area for the future.

Toward that end, he noted, there are three things that civic leaders can do: (1) promote the region; (2) do research and analysis to see what future improvements are needed; and (3) advocate.

Greater MSP seeks to work on the first two, promotion and research, and then turn that information over to their "advocacy partners"-the state's Chambers of Commerce, the Minnesota Business Partnership, and many others.

Three-pronged strategy to promote economic development

It is no longer enough for all of Minnesota business to be homegrown, Langley said. In a global economy relying solely on homegrown business leaves gaps in the local economy and there are additional opportunities beyond the region that should not be overlooked. The region has not focused enough on sharing its positive story on a national and international scale.

To address these needs, Greater MSP seeks to serve three functions:

First , to create an economic development strategy for the Greater Minneapolis-Saint Paul area to ensure there is an adequate, effective narrative about the region, and to promote and market the 13-county metropolitan region as a unified economic entity;

Second , to develop an effective strategy of advocacy, that is, to determine to whom they need to sell ideas for regional growth and how best to sell it;

Third , to work to get people committed to living and doing business in Minnesota.

"We're not a public policy arm of any organization - we are a sales and marketing organization," Langley said. Their role in "product improvement" is to listen to what companies are saying regarding their interest in coming to Minnesota to do business, and find ways to meet those companies' needs.

The marketing activity provides feedback about what people find appealing about the region and what they don't. Greater MSP compiles that information into a database and provides the findings to affiliated organizations such as chambers of commerce that already have a lobbying component to influence legislative and regulatory decisions.

"Our region already is a global competitor," Langley said, but this aspect of our economy has to be functioning as a "continuous-improvement" model. Minnesota is presently sliding on indicators such as job growth relative to comparative cities.

Five levers for excellence

To strengthen and improve the metropolitan region's economy Langley described five "levers" that should be used and assessed Minnesota's standing with regard to each.

Brand and image

Minnesotans certainly view the state's reputation as excellent, but it's not well known either nationally or internationally. This lack of recognition is a weakness that is compounded by the state's lack of a clear image, or "brand" that might be used to convey its strengths. Because of this absence of a

positive branding image companies can tend to focus on perceived negatives. That makes it more difficult, for example, to attract graduates from top business schools on either coast to take on management roles here.

Education and workforce

Minnesota is "better than average" on a relative scale; however it's not consistently better in all areas. There are serious racial and economic disparities. However, when companies look at expanding in the metropolitan region and judge whether we have the quantity and quality of workforce they require, Greater Minneapolis-St. Paul competes well against other areas. Many companies are looking not only for high-achieving, well-educated workers but also for workers with strong ethics who are job-ready with "soft" skills. Overall Langley considers education and workforce to be competitive strengths of the region.

Culture of innovation and entrepreneurship

Minnesota is still well above the average in the country in entrepreneurship, and are fortunate to have significant R&D in our region.

Having a tier-one research university is almost a necessary component to this position. The presence of corporate R&D is strong but the region needs to increase its rate of commercialization and new starts in innovation.

Despite this success access to capital and early stage development is a challenge for the region

Quality of infrastructure, including physical and governmental

The metro region has a well-developed physical infrastructure but the region will need to be more creative in how it addresses major infrastructure improvements.

Having a hub airport is a major boon. In conversations with corporate site selectors having a capacity for executives and sales people to fly in and out daily is essential. MSP is the third or fourth most traffic in the country.

Additional investment is going into the airport over the coming years which will bode well for both the consistency of service by Delta, and attracting competitive carriers.

Regarding its public transit systems the region as at a mid-point in the country. On one end Pittsburgh relies solely on buses and it's a limited system and is dirty." Meanwhile in Denver they are leading the way on light rail and building the economy around that.

There are positive examples of leadership in governance structure such as the Met Council which caused a boon in regional development. The region has saved billions of dollars on water and sewer over the decades by doing it in a coordinated way, Langley said.

Quality of life

Consistently rated highest in the country. Demographic changes occurring provide opportunities and challenges.

Focus on improvement of human and physical infrastructure

To a question regarding which of the levers he would select as being the impetus for others, Langley responded that the continuous improvement of infrastructure will cultivate trade.

"If we make Minnesota what it used to be we'll probably be uncompetitive," he said. The state and the metro region need to be continually seeking improvements that are different.

The economic development efforts to date have been extremely fragmented. There are many staff members at organizations that have development as part of their job description, but it has been under resourced.

To a question regarding the possible expansion of the Metropolitan Council, Langley replied that regions are defined by their economic foot print not their political boundaries. The reason Greater MSP focuses on the larger 13 county metro region - and including St. Cloud and Rochester - is because they see the activity encompassing all of them. The Met Council as a planning agency may not have the same effect over that region.

Need to attract more workers to the region

Within the coming ten years even if every student who graduates from school graduates job-ready, the region will fall short of being able to meet goals for growth. "We have a skills mismatch of present skills to the jobs of the future," Langley said.

Part of Greater MSP's marketing efforts are targeted not only to companies, but also to those that would come to the region to work.

"For example one thing we should do is give a green card to every qualified PhD that wants to come here," Langley said.

The country's EB5 Visa-which allows an international investor to remain in the country if they invest a certain amount and create jobs-is not available in the region.

Five key areas to focus for future growth

Langley laid out five areas where the Minneapolis-St. Paul region should look for growth:

- Food and agribusiness, driven by innovation and technology growth.
- Health and life sciences: Medical technology, biotech, insurance - this too driven by innovation and technology growth.
- Corporate headquarters and business services. The Twin Cities tend to be a great head quarters location because of the professional services around those head quarters such as printing and IT, law, marketing. This is one of the components of our brand and image that people don't know-they don't realize the number of Fortune 500 companies.
- Financial services and insurance. The region has significant strength in banking.

- Innovation and technology.

Focus development efforts

C. Conclusion - The degree of regional cooperation in Minnesota is unlike how economic development normally works, Langley said. Those involved in the effort are not competing amongst themselves, but against other regions. There is a lot of buy in.

The chair thanked Langley for the visit.