



Battelle Targeted Industry Groups

ISSUE BRIEF

Critical Issue

Technology, innovation, and productivity—the watchwords of the New Economy—have long been part of the business climate in Iowa. Aware of this potential, the Iowa Department of Economic Development retained the services of the Battelle Memorial Institute to produce a formal strategy and roadmap to drive economic growth in the targeted industries of advanced manufacturing, biosciences, and information technology sectors. Through interviews and focus groups with industry leaders, members of the academic community, and users of the products and services, Battelle identified the critical segments of each sector where Iowa needs to concentrate its development efforts. Several consistent themes emerge from Battelle's findings:

- Best practice states and regions have created business driven commercialization entities to provide strategic planning assistance, networking opportunities, and access to capital for businesses at all stages of growth and development.
- Iowa must aggressively increase its marketing and outreach efforts both in and out of the state to raise the profile of our targeted industries.
- The state must have a talented labor pool ready to fill the new jobs created in the targeted industries.
- Supporting entrepreneurs and the growth of entrepreneurial companies must be a critical component of Iowa's economic development efforts.

Initiative

Working closely with our targeted industry advisory groups composed of members of the private sector and academia, the Iowa Department of Economic Development will invest in a series of the recommendations identified by the Battelle strategic roadmaps as being immediate and critical. Specifically, the Department's efforts will focus on (1) the creation of a statewide commercialization entity; (2) aggressively marketing the employment and economic opportunities that exist within the targeted industries; and (3) developing a skilled pool of Iowa workers.

Cost

\$10.55 million

Results

This phase of implementation of the Battelle recommendations will result in wealth and job creation through expansion of existing companies, the creation of new companies, and through attracting and relocated out-of-state firms.

If you have any questions, please contact the Iowa Department of Economic Development's Legislative Liaison, Diane Foss at 515.242.5907 or diane.foss@iowalifechanging.com.

FY '08 Battelle Budget Request of \$10,550,000

Building and Connecting Companies :: Creating Jobs \$5,480,000

FY '08 Budget Action Items	First Year	What are we buying
1. A not-for-profit Statewide Commercialization Entity 2. Prototype development Fund	\$4,000,000	A. Providing expert assistance in developing new products for the marketplace including business plan development, finance and IP issues as required by the individual project B. Grants and loans providing early-stage financing not available from other sources: Range \$25K-\$100K
1. Connecting large Iowa Firms with small Iowa companies in a supplier network 2. Networking events to bring together business people	\$1,260,000	A. Matching grant program to facilitate large firm/small firm commercialization projects. B. Create supplier database and implement process to connect Iowa companies for the purpose of developing strong clusters
Upgrade statewide training program of local developers	\$220,000	A. Development and delivery of developers' training courses reflecting needs of innovation economy and development of local entrepreneurial culture

Bringing It Home; a relevant and specific marketing campaign

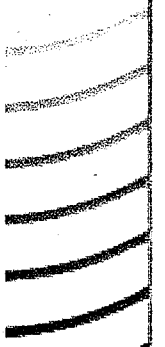
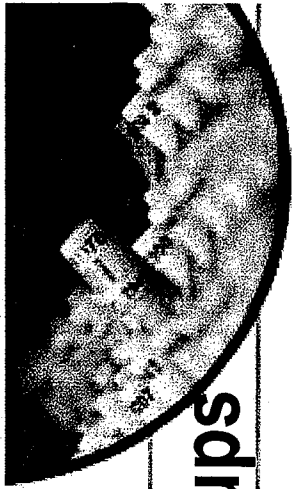
\$1,790,000

FY '08 Budget Action Items	First Year	What are we buying
In-state marketing campaign to: <ol style="list-style-type: none"> 1 Highlight business success stories 2. Attract skilled talent 3. Showcase management opportunities of start-ups, 4. Expand marketing to target ex-pat entrepreneurs 5. Expose kids, parents, teachers to opportunities 	\$1,530,000	<ol style="list-style-type: none"> A. Hire marketing consultant to develop a campaign within the Iowa Life Changing brand targeted to students and their parents regarding career opportunities in the three sector industries. B. Recruit top management talent to the state through targeted efforts and upgrades to the Iowa Career Consortium websites. C. ICC systems upgrade, support and expanded web services, collateral marketing pieces, targeted sector outreach efforts. D. Dream It Do It Campaign
<ol style="list-style-type: none"> 1. Statewide IT Development Conference 2. Rural statewide manufacturers conferences targeted to small and mid-size companies 3. Support for student showcases including Robotics Competition, Cyber Defense Showcase, Bioscience Innovation 	\$260,000	<ol style="list-style-type: none"> A. IDED sponsorship for IT and rural manufacturing conferences B. IDED Marketing Staff develop student showcase in coordination with 3 industry groups and the Dept of Education, IWD. Coordinate with existing student academic showcases to combine events to create an annual showcase modeled after a state high school sports tournament

Kid Connection: Developing a Skilled Talent Pool

\$3,280,000

FY '08 Budget Action Items	First Year Cost	What are we buying and who are we paying
1. Increase capacity of Community Colleges to respond to manufacturers' workforce needs including training and equipment funds 2. Up-skilling of existing IT workers	\$1,750,000	A. Community Colleges purchase up-to-date applications, modeling software and manufacturing equipment to support training provided through existing IDED workforce training programs currently run by the community colleges. B. 260 dollars specific for IT needs. 2:1 company match.
1. College student summer internships and student research support 2. Statewide Intermediary network 3. Upgrade Career Counselor understanding of new career opportunities 4. HS teacher skills upgrade	\$1,280,000	A. Matching dollars for small and mid sized manufacturers college internships B. Expand intermediary through community college network across entire state C. Provide training for counselors and others on new types of jobs and career opportunities in technology D. Support math and science teacher training through per diem stipends
Lean Manufacturing Institute	\$250,000	A. Survey current providers of service. B. Feasibility study and model design.



Battelle Targeted Industry Groups

Biosciences

**Information
Technology**

**Advanced
Manufacturing**



Three Industry Groups Established

- Serve as a catalyst for public and private sector collaboration
- Central communications point
- Oversee implementation, establish the metrics and prioritize the dollars
- Advocacy



Industry Group Leadership

- **State Chief Technology Officer:**
Ted Crosbie, VP Global Plant Breeding, Monsanto
- **Biosciences Alliance of Iowa Chair:**
Chris Nelson, President, Kemin Worldwide
- **Iowa Information Technology Council
Co-Chairs:**
Irving Hahn, President, QCI
Mark Kittrell, President, Team Technologies
- **Iowa Advanced Manufacturing Council Chair:**
Peter Hong, President & CEO, Positech



Advanced Manufacturing Council

Industry Group Members

- Accumold**
- Al-Jon**
- Deere & Company**
- HNI Corporation**
- Lennox**
- Norplex-Micarta**
- Positech**
- Rockwell Collins**
- Turbine Fuel Technologies/
Goodrich Corporation**
- Vermeer Manufacturing**
- Iowa Association of Business &
Industry**
- Iowa Business Council**
- Professional Developers of Iowa**
- Iowa Association of Community
College Trustees**
- Iowa State University/CIRAS**
- University of Iowa**
- University of Northern Iowa**
- Iowa Department of Education**
- Iowa Workforce Development**
- Iowa Careers Consortium**



Biosciences Alliance of Iowa

Industry Group Members

American Natural Soy Proc., LLC
Cargill Grain & Oilseeds
CIVCO Medical Solutions
Elmira Biologicals
Farmers Elevator Company
Fort Dodge Animal Health
Genencor International
Global VetLink
Horan Brothers Ag Enterprises
Integrated DNA Technologies
Kemin Worldwide
MidAmerican Energy
Monsanto
Penford Products
**Pioneer Hi-Bred International,
Inc. / a DuPont Company**

Proliant Biologicals
Struve Labs
TransOva Genetics
West Central Cooperative
Iowa Board of Regents
Iowa Capital Investment Corporation
Iowa Capital Investment Board
Iowa Chamber Alliance
Professional Developers of Iowa
Iowa Biotechnology Association
Iowa State University
University of Iowa
University of Northern Iowa
**Iowa Association of Independent
Colleges and Universities**
**Iowa Association of Community College
Trustees**



Information Technology Council

Industry Group Members

- ACT, Inc.**
- Advanced Technologies Group**
- CS Technologies**
- Entrepreneurial Development Center**
- G Commerce**
- Genova Technologies**
- Integrated DNA Technologies**
- John Deere Credit**
- Principal Financial Group**
- QCI**
- Team Technologies**
- Wells Fargo**
- Technology Association of Iowa**
- Professional Developers of Iowa**
- Iowa Association of Community College Trustees**
- Iowa Association of Independent Colleges and Universities**
- Iowa State University**
- University of Northern Iowa**
- University of Iowa**



Impact of Industry Strategies

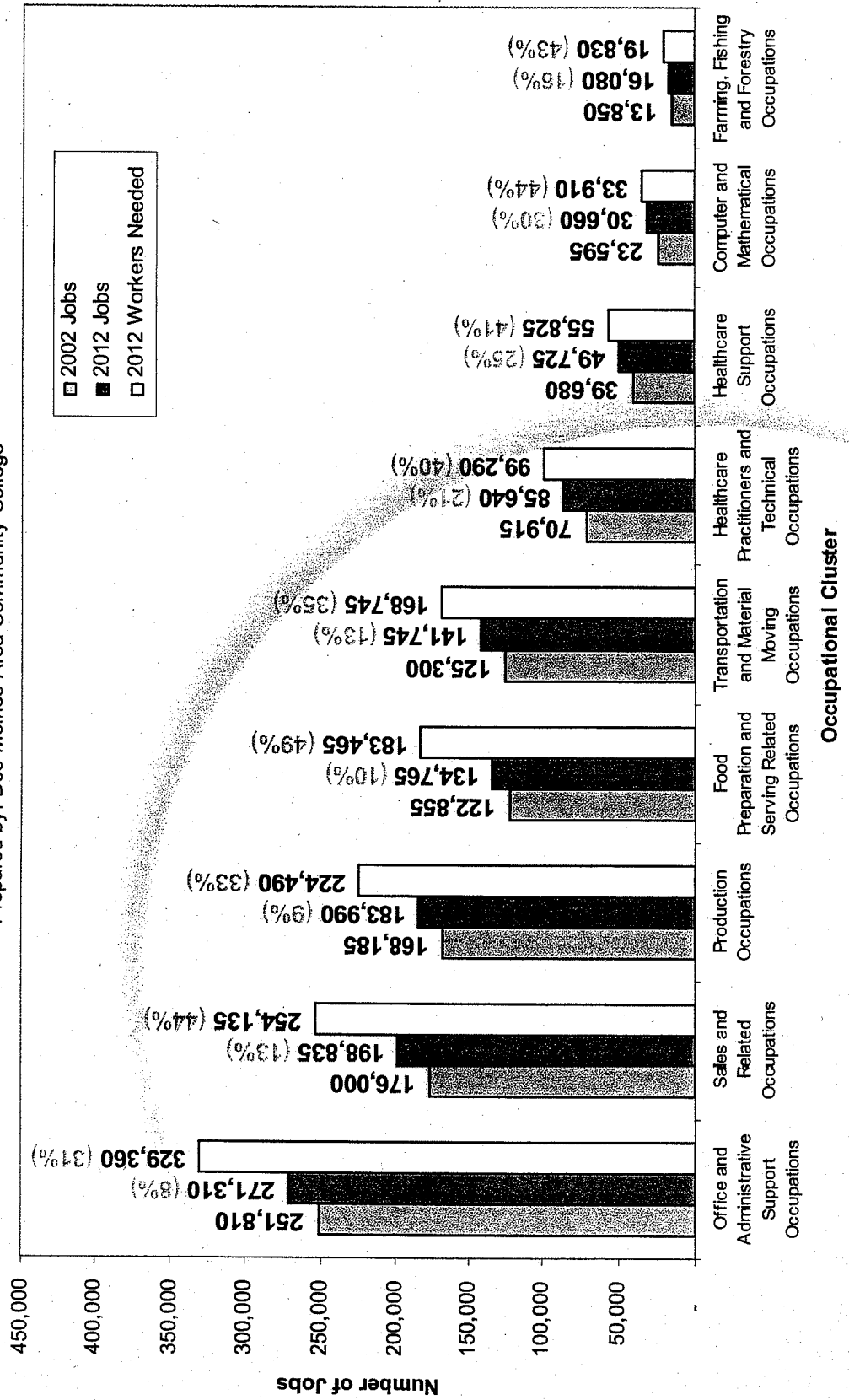
- Raise profile of industries in Iowa
- Grow new firms through commercialization of university-based and industry-based R & D
- Support efforts to assist existing companies
 - Ensure their competitiveness
 - Retain and expand their Iowa - based employment
 - Maximize their ability to reach their economic potential

Education Workforce Development

- Worker shortage and training is a major issue facing all three Industries

Number of 2002 Jobs, 2012 Jobs and Total Number of New and Replacement Workers Needed by 2012

Source: Iowa Workforce Development, Iowa Statewide Occupational Projections 2002-2012
 Prepared by: Des Moines Area Community College





Unified Budget Proposal

- Addresses a critical need identified in the Battelle reports
- Developed either by business members or a group's committee structure with its business members
- Received final approval from all members in each group, including non-business members



Building and Connecting Companies:

Creating Jobs & Wealth - \$5,480,000

- Statewide not-for-profit commercialization entity
- Prototype development fund
- Networking events
- LEAN Manufacturing Institute
- Small IT firms/large IT users capability integration



The New Economy

**Educate Iowans with a relevant and
specific marketing campaign - \$1,540,000**

- **In-state marketing campaign**
 - Business success stories/Opportunity identification
 - Entrepreneurial support services
 - Curriculums to build for the future
- **Iowa Careers Consortium upgrades**
 - Target skilled talent for targeted industries
 - Recruit management talent for start-ups



Unified Budget Proposal Total:

\$10,550,000

- Battelle recommendation for annual investment/resource allocation is \$43 million
- Conservative budget proposal for implementation effectiveness
- Supports *existing* programs/ initiatives by “connecting the dots”



Battelle Legislative Advocacy

Work Group

- **Mid American Energy**
Dave Caris
- **Hellman**
Ross Bruno
- **Monsanto**
Keith Luchtel
- **Rockwell Collins**
Tom Hobson
- **John Deere**
Mara Sovey
- **Pioneer Hi-Bred International, Inc./a DuPont Company**
Billi Hunt
- **Technology Association of Iowa**
Leann Jacobson
- **Iowa Business Council**
Elliott Smith
- **Iowa Biotechnology Association**
Doug Getter
- **Iowa Association of Business and Industry**
Mike Ralston
- **Iowa Association of Independent Colleges and Universities**
John Hartung