



Retain & grow businesses in life sciences

What's working

Minneapolis has benefitted from businesses expanding and locating here.

- Coloplast located its North American corporate headquarters in north Minneapolis.
- Tactile Systems moved to northeast Minneapolis.
- Children's Hospital expanded.

The University of Minnesota offers strength and depth.

- The university has a powerful audience and community buy-in.

- The university's research and achievements produce great things beyond its borders.

The Minnesota Legislature passed a bill to build a science corridor.

The Minnesota Department of Employment and Economic Development launched a new Office of Science and Technology to help newer Minnesota companies find funding and business partners.

What isn't working

Minnesota has a leadership vacuum.

- Wisconsin's governor is a huge champion and has a passion for this issue; our governor does not.
- The Midwest-Japan conference was attended by five Midwestern governors, but Minnesota's governor was missing. Our governor wasn't at the life science lecture series in Madison when we were finally talking about our problems instead of patting ourselves on the back.

Minnesota isn't taking action.

- Years ago, Wisconsin invested heavily and now it's seeing the benefits. Minnesota missed the opportunity.
- I'm tired of going to meetings with lots of talk but no action.

Our mindset works against us.

- Minnesota's great entrepreneurial stories are 60 years old. The original entrepreneurs are not here anymore. We need to get over that and start asking what's next.
- Minnesota is smug. We think we're big, but there are more people employed at Medtronic locations outside of Minnesota than in Minnesota.
- Everything in Minnesota is set up for the 20th century. We should be thinking about the 21st century.
- The prevailing public opinion is that dealing with companies is bad. The University of Minnesota is pursuing a policy that would prohibit it from taking money from industry. That signals that it doesn't want to do business with the private sector. Getting an idea from the lab to a patient's bedside requires that you work with industry. Without industry, there is no medical innovation.

We don't have the tools to compete.

- A lot of talent is being laid off right now and these people could turn layoffs into an opportunity to start their own businesses, but that can't happen without more venture capital.
- Experienced engineers are hard to come by; the biggest challenge is finding people.
- Funding for the early stages of starting a biotech business is a huge gap.
- It's hard for DEED to get assistance from Minneapolis because the City has so many layers. On top of that, companies give you no advance notice. They make requests and want answers in hours.
- The City doesn't have the tool bag when it comes to dollars. Bonding is one option, but we don't have tools on the venture capital side.
- Minnesota doesn't have the money. The State starts organizations but they aren't sustainable because they're underfunded.
- We're in a knife fight with other states, but we're unarmed. A lot of things are missing at Minnesota's policy level. We have no tax credit or tools to compete with. The Minnesota Department of Employment and Economic Development (DEED) doesn't have the tools to fight or leadership from the governor. At the same time, DEED needs to get leaner and meaner.

The moratorium against stem cell research has been a barrier.

- The stem cell moratorium meant we were missing the 21st century rush. With the election of Barack Obama, we're looking forward to a change in this policy.

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What should be done next

Find ways to do big-scale collaborations.

- Take steps to reduce our fragmentation and do big-scale collaboration. The City and business community could emulate the Atlanta Way or the Boston super cluster.
- Pursue technology clustering — a biomedical research district could be a beginning.

Minneapolis should get in the global game.

- Minneapolis is in the best position in the region to spearhead efforts to get companies to come to Minnesota. Minneapolis shouldn't wait for State government to act.
- The mayor could lead missions on biological sciences to Stockholm and Beijing. These are emerging markets that are eager for American cooperation.
- Take advantage of our Scandinavian relationships when seeking international investment.
- Pursue opportunities in Israel and Russia. There are partnership opportunities even if they don't have capital.
- Create a checklist of what foreign companies would get if they came here and what the City would provide. Tell companies that, compared to California, your company won't get lost if you come to Minnesota.

Work with companies that are already here.

- Pursue bio-business alliances by looking for connections (similar industries and similar cultures). Look at the suppliers for the international companies that are already here.

- Big companies are large distribution networks that will expand through acquisitions. We should look for their next crop of acquisitions and get these companies to put down roots here so they can't easily be moved.
- Put policies in place to allow companies to grow organically.

Be proactive and take steps to encourage investment.

- Create a culture that brings together the four elements needed for success (great science, great people, risk capital and physical infrastructure).
- Find ways to develop early risk capital. Find ways to stimulate investment at the earliest stage — the exact moment when companies most need it. Encourage the State to provide a discount on State income tax to people who invest in a startup company.
- Enact tax credit legislation immediately.
- Get politicians to look beyond obvious fast job gains and start laying the groundwork for the future. Get politicians to talk about the *value* of jobs instead of talking about the *number* of jobs. Instead of thinking about minimum-wage jobs, work to attract big brains.
- Support the University of Minnesota's efforts to recruit managerial talent.
- Work *with* industry rather than distancing ourselves from industry.

“European companies are looking to go global and that means they want to come to the U.S. They’re asking what Minnesota is like. This is a great opportunity to build bridges.”

- Medical professional
