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- Minnesota, we grow success, we know



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# MINNESOTA

WE GROW SUCCESS, WE KNOW SUCCESS



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1994





ARNE H. CARLSON  
GOVERNOR

## STATE OF MINNESOTA

OFFICE OF THE GOVERNOR  
130 STATE CAPITOL  
SAINT PAUL 55155

Advantage Minnesota, the State's marketing arm for economic development, and the Department of Trade and Economic Development have teamed up to create "Minnesota: We Grow Success, We Know Success," which outlines the finest qualities Minnesota offers to businesses that locate or expand here.

I invite you to consider Minnesota as a location to open a business or expand a current operation. Minnesota's diverse economic fabric provides a strong foundation for business growth. Our quality of life is among the best in the nation.

Minnesota's business climate speaks for itself: it has the most highly educated, productive workers; an abundant work force at competitive wages; a world-class transportation system; an innovative, entrepreneurial environment; reliable, low-cost utilities; a sophisticated, efficient telecommunications system; and abundant natural resources.

Minnesota provides the tools necessary for job creation: availability of capital and financing, skilled employees, effective management and responsive markets. And the best vehicle to facilitate this lies in public-private partnerships, such as Advantage Minnesota.

We are ready and eager to work with you in Minnesota. Please contact Advantage Minnesota or the Department of Trade and Economic Development to learn more about how we can meet your needs.

A handwritten signature in dark ink, reading "Arne H. Carlson".

ARNE H. CARLSON  
Governor

# EXECUTIVE SUMMARY

Advantage Minnesota, Inc., and the Minnesota Department of Trade and Economic Development invite you to consider

Minnesota as a location for your business. Minnesota's dynamic, diverse economy has been fertile ground for a wide variety of businesses. Your business can know success in Minnesota, too, particularly if you are seeking the following benefits:

- Highly educated, productive workers
- Abundant work force at competitive wages
- World-class transportation system
- Innovative, entrepreneurial environment
- Reliable, low-cost utilities
- Sophisticated, efficient telecommunications system
- Abundant natural resources
- Collaborative business environment
- High quality business services
- Superior quality of life

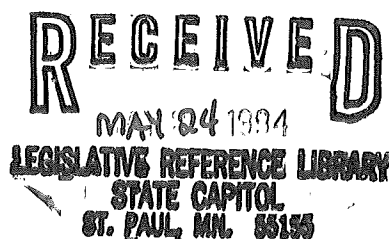
Contact us for information and assistance about expanding or relocating in Minnesota.

Large Minnesota companies and all out-of-state businesses contact:

Advantage Minnesota, Inc.  
(612) 224-9901  
(800) 224-9901

Small and mid-sized Minnesota companies contact:

MN Dept. of Trade & Economic Development  
(612) 297-1180  
(800) 657-3858



Minnesota has long been a hotbed of business growth. Such diverse companies as 3M, General Mills, Honeywell, Cargill, Cray Research and Medtronic got their starts here. They tapped Minnesota's vast business resources — productive workers, quality education, solid infrastructure and innovative technology — and they grew. Today, they are part of a nucleus of prominent Minnesota-based companies that help drive one of the

# WE GROW SUCCESS

nation's most stable, well-balanced economies. ¶ Minnesota continues to grow successful businesses. The state's emerging and mid-sized companies, nurtured in a collaborative business environment, regularly appear on national lists of fastest growing companies. We grow success.

#### GLOBAL VISION

- Annual exports of nearly \$7 billion in manufactured goods and \$2 billion in agricultural commodities and value-added food products
- 4 companies on *Fortune's* list of the world's 500 largest companies, including 3M, General Mills, Honeywell and Hormel
- National League of Cities ranks Twin Cities among top 20 U.S. cities for international business
- 6 strategically located foreign trade zones

#### NATIONAL SUCCESS

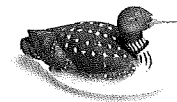
- Ranks 4th nationally in *Fortune* 500 industrial corporate headquarters per capita, with 18 firms
- 10 firms on *Forbes'* 400 list of the nation's largest private companies, including top-ranked Cargill
- 6 companies on *Business Week's* list of the country's top small companies
- 13 companies on *Forbes'* 200 best small companies list, the highest number per capita in the nation
- 16 companies on *Inc.'s* two fastest growing companies lists
- *Fortune* ranks Twin Cities among the nation's 10 best places to do business

We know success. We've known it since the 1800s, when our earliest businesses relied on our abundant natural resources to achieve success. We know it today, when businesses require sophisticated technology and highly skilled workers to successfully compete in worldwide markets. We will know it in the future, because our

# WE KNOW SUCCESS

efforts to create a successful business environment are continuous, reflecting the needs of today and the potential of the future. ¶ Join us in Minnesota.

We grow success. We know success. And you will, too.



# A SOLID FOUNDATION

In Minnesota, business success starts with a solid foundation of the

resources and systems businesses need to grow: Efficient transportation systems to get products to market and people to work. Reliable, low cost energy to run plants and offices. Highly developed communication networks for fast, clear transmission of important information. Abundant,

accessible supplies of water, land and other natural resources. ¶ Whether it's communicating with a satellite office in another part of the state or exporting products around the world, Minnesota has the systems in place to meet business needs efficiently and cost effectively. Our transportation

## ABUNDANT RESOURCES


- Underground water supply includes 5 Twin Cities aquifers with capacity of more than 65 million gallons of water per day
- Nearly 5 million acres of clean, fresh surface water
- Low-priced land and inexpensive building construction costs throughout Minnesota
- 14.8 million acres of timberland

## LOW COST, HIGH QUALITY SERVICE

- One of the nation's most efficient networks for high speed transmissions, including more than 1 million digital access lines and 11,000 miles of fiber optic cable
- Served by 10 major electric companies and 9 major gas companies
- Commercial and industrial electric rates 18% and 12% below the national average
- Commercial and industrial natural gas prices 16% and 14% below the national average

system includes an international airport, the world's largest inland port and the nation's fifth largest road system. Minnesota takes pride in providing high quality industrial resources — often at costs lower than other states. ¶ Some call it infrastructure. We call it an investment in helping businesses grow.



"For the past 80 years, we've been proud to be a thriving part of Bayport. Minnesota has much to offer businesses, including a central location and well-developed transportation systems that allow us to ship our products competitively and with ease to distributors throughout the U.S. and overseas.  We have access to a dedicated, skilled work force, solid infrastructure that has helped us become the industry leader in the design and production of low maintenance windows and patio doors."

*Jerry Wulf, President & Chief Executive Officer, Andersen Corporation*



#### WORLD-CLASS TRANSPORTATION

- The Minneapolis/St. Paul International Airport is a major hub for Northwest Airlines and has the 4th best on-time performance among U.S. hub airports
- 87% of Minnesota's population is within 1 hour of scheduled air service
- Twin Cities' road system ranks 2nd lowest in the nation for congestion
- Twin trailer trucks can travel on nearly 6,300 miles of Minnesota's highway system
- Rail system includes more than 4,700 miles of track, owned by 3 major carriers and 16 regional and local carriers
- Water access includes the Mississippi River and Lake Superior's port of Duluth, the largest volume port on the Great Lakes

# QUALITY EDUCATION

Minnesota has a national reputation for providing its businesses with home

grown, highly educated workers. It starts at the elementary and secondary levels, where Minnesota consistently rates among the nation's best on nearly every educational measure. The success we've known has as much to do with innovation as tradition. Among Minnesota's many

educational innovations, the state's process for integrating technology into education has been cited

## A QUALITY START

- High school graduation rate of 89.5%, highest in the nation
- 3rd highest computer/student ratio in the nation
- 4th graders rank 6th and 8th graders rank 3rd nationally in math proficiency
- Ranks 4th in the nation in ACT college entrance exam scores and 5th in SAT scores
- Minneapolis and St. Paul public schools ranked among the best urban schools in the nation by Council of Great City Schools
- One of 10 states that dominate the nation in all measures of student performance, according to American Legislative Exchange Council

## CONTINUED SUCCESS

- 88% of high school graduates continue their education within 5 years
- 34-campus technical college system provides businesses with convenient access to trained workers and custom, on-site training
- 17 University of Minnesota graduate programs rank in the *Gourman Report* Top 10, including chemical, mechanical and agricultural engineering; economics, forestry, agricultural economics and agricultural sciences
- 7 state universities, 21 community college campuses and 24 private colleges and universities

as a national model. ¶ Minnesota's commitment to education extends to our post-secondary institutions, which provide high quality, advanced education and training. The state also is well equipped to help grow the workers a company needs to succeed. Our technical colleges, as well as other public and private educational institutions, offer customized training programs tailored to each company's requirements. Today's successful businesses need highly educated workers — and Minnesota knows how to grow them.



"We have grown from a single product to over 60,000 different products in about 90 years. 3M products include such innovations as reflective sheeting for highway signs, medical imagers, videotape and, of course, Post-it brand notes. A large part of our success can be attributed to the quality of our workmanship here in Minnesota. We hire only the best and the brightest, and we find many of them in Minnesota's education system."

**3M**

*L. D. DeSimone, Chief Executive Officer & Chairman of the Board, 3M*

#### A TRADITION OF INNOVATION

- A national leader in allowing parents and students to choose the best public school for their needs, regardless of geographic location
- One of the 1st to allow motivated high school students to enroll in college courses, free of charge, as part of their high school program
- Pioneer in creating educational "magnet" programs offering elementary and secondary students expanded educational opportunities in such areas as science, computers and languages



# PRODUCTIVE WORKERS

When Minnesota businesses are asked to explain their success, the state's high quality, productive work force is always near the top of their lists. Our businesses know success because Minnesota workers embrace such traditional values as loyalty, hard work and dedication. They also bring up-to-the-minute skills, innovative thinking and a commitment to finding new ways to improve quality and productivity — traits that help Minnesota businesses grow. ¶ For all this quality and productivity, Minnesota workers are an exceptional value. Overall, wages in

Minnesota are three percent lower than the national average, with even greater values in many

## COMPETITIVE WAGES

In many manufacturing industries, Minnesota's wages for production workers are often lower than the U.S. average:

- Electronic & Other Electrical, 6% lower
- Printing & Publishing, 12% lower
- Chemicals & Allied Products, 22% lower

## EXCEPTIONAL PRODUCTIVITY AND WORK ETHIC

- Consistently more productive than the national average
- The nation's 2nd highest labor participation rate, at 73%
- Productivity growth in the scientific instruments industries 50% faster than the national average
- Productivity levels in the medical instruments industry 27% higher than the national average
- Productivity levels in forest products industries ranging from 13% to 52% higher than the national average
- One of the 10 best states in lowest annual percentage of workers "out sick"
- One of top 5 states in average number of hours worked by full-time employees

industries. Low turnover cuts training and recruitment costs for many Minnesota companies. When Minnesota companies say their workers are their most important resource, it's not sentiment talking. It's success.

"Our success in the global marketplace depends on our ability to provide a high quality product. Minnesota workers deliver that quality and we see it paying off with increases in both market share and customer satisfaction. In five years, IBM Rochester's AS/400 has become the world's most popular multi-user computer. We also depend on high productivity and quality from the workers at the 1,400 Minnesota businesses that supply us components and services. Working together, this Minnesota team earned IBM Rochester a Malcolm Baldrige National Quality Award, ISO 9000 registration, and most importantly, high satisfaction from customers around the world."

*Bob Unterberger, General Manager, IBM Rochester*

#### KNOWN FOR QUALITY

- *Business Week* and the National Governors Association cite the Minnesota Council For Quality's Quality Award program for businesses as a national model
- Since 1990, 7 of 48 Malcolm Baldrige National Quality Award finalists (15 percent) were Minnesota companies
- One of only two states with two Baldrige Award winners: Zytec and IBM Rochester
- The world's largest chapter of the American Society of Quality Control, with nearly 4,000 members
- 10 of the 100 products on *Fortune's* list of "What America Makes Best" are made in Minnesota





# INNOVATIVE TECHNOLOGY

Minnesota businesses are known for innovation and technological

breakthroughs such as the cardiac pacemaker and the supercomputer.

They have pioneered surgical techniques such as the world's first open

heart surgery, new engineering feats such as aeronautic sensors, and new

agricultural varieties that help the world's food producers be more pro-

ductive. ¶ Innovative ideas continue to grow in Minnesota because we have the people, programs

## INNOVATIVE IDEAS

- Graduates of the University of Minnesota's Institute of Technology have founded more than 1,000 companies
- Minnesota ranks 5th in the nation in the number of patents issued per capita
- The University ranks among the top 6 universities in the number of patents received
- The University of Minnesota ranks 3rd in R&D expenditures
- Minnesota's private industries rank 7th in the nation in R&D spending per capita

## TECHNOLOGICAL SUPPORT

- The University's Office of Research and Technology Transfer was nationally recognized by the Technology Transfer Society for exemplary efforts in working with businesses
- Minnesota Project Outreach, which provides technology-based companies with low cost access to technical information, has been cited as a national model for technical extension services
- Large Minnesota companies encourage innovation. 35 medical companies have been started by former employees of Medtronic
- Minnesota Technology's \$7 million Equity Fund makes equity investments in technology- and manufacturing-related small businesses

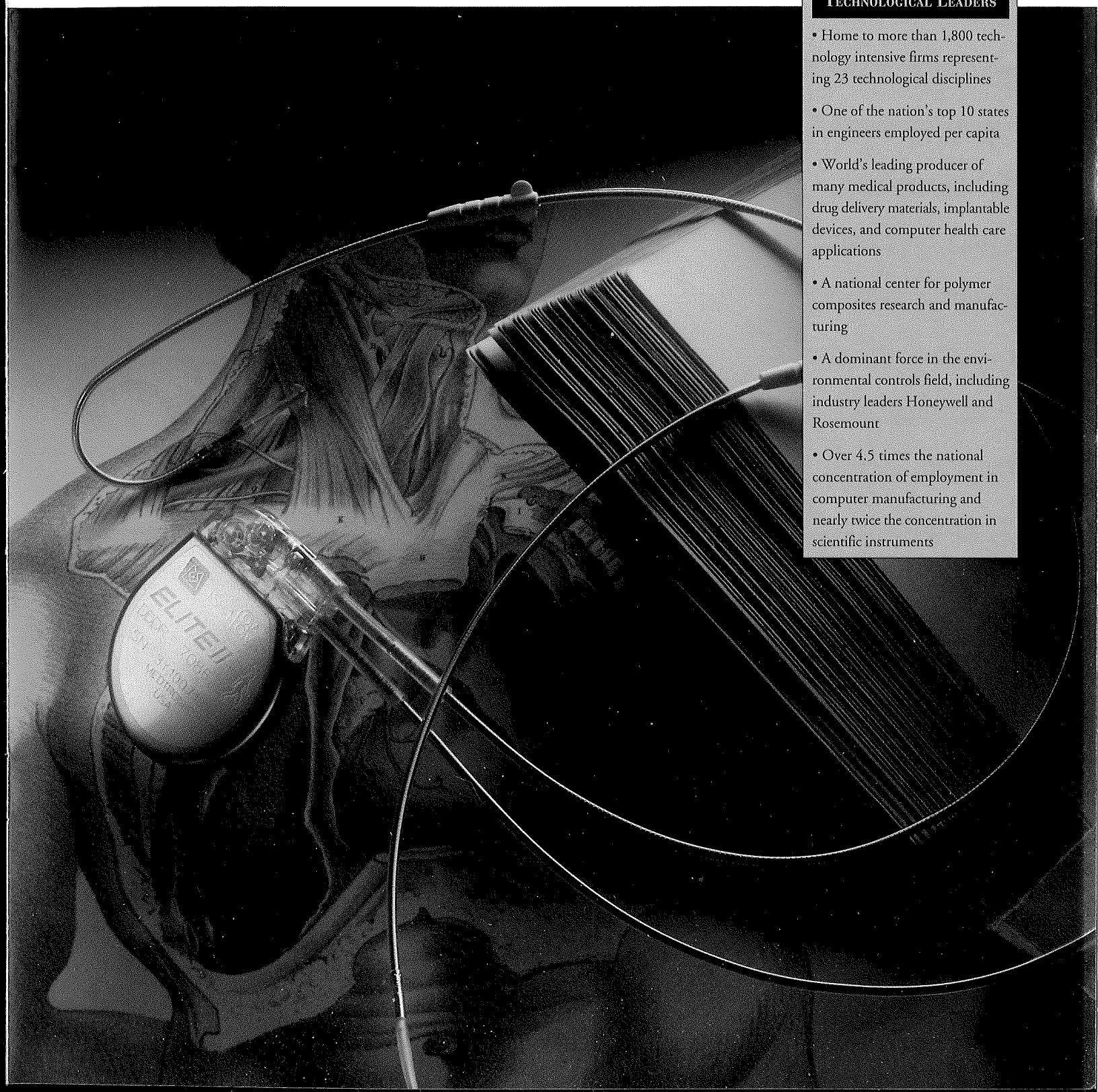
and systems in place that help make it happen. The University of Minnesota is a national leader in technology transfers to businesses, holding 222 licensing agreements with 179 companies. A variety of organizations, such as Minnesota Technology, Inc., offer programs to help companies develop and market new technologies and access existing technology. Companies nationwide come to Minnesota to take advantage of the innovative technology that is already here. They stay to become part of the new technology that is about to be.

"Innovation happens when talented people mix. Medtronic began as a collaboration between our co-founder and doctors at the University of Minnesota Hospitals. We continue to partner with Minnesota educational institutions and to benefit from the highly educated, motivated workers most competent, advanced medical communities, **Medtronic** they supply. Minnesota has one of the world's which we're proud to participate in. There's a rare willingness in Minnesota to share knowledge, and that benefits us all. This cooperative environment and core of expertise draws and keeps innovative people and companies in Minnesota."

*William W. George, President & Chief Executive Officer, Medtronic, Inc.*

#### TECHNOLOGICAL LEADERS

- Home to more than 1,800 technology intensive firms representing 23 technological disciplines
- One of the nation's top 10 states in engineers employed per capita
- World's leading producer of many medical products, including drug delivery materials, implantable devices, and computer health care applications
- A national center for polymer composites research and manufacturing
- A dominant force in the environmental controls field, including industry leaders Honeywell and Rosemount
- Over 4.5 times the national concentration of employment in computer manufacturing and nearly twice the concentration in scientific instruments



# VALUABLE With Minnesota's BUSINESS SERVICES wealth of cor-

porate headquarters, the state has grown into a major center for business services. Minneapolis/St. Paul, the largest metropolitan area between Chicago and Seattle, is a regional hub for financial, accounting, engineering, law, advertising, public relations, and other services that support businesses. Because of Minnesota's diverse economy, businesses find an ample selection of suppliers and subcontractors to meet their needs.

¶ Minnesota also supports business growth through the efficient use of

tax dollars, ranking third in *Financial World's* list of best-run states. The Corporation for Enterprise Development ranked the state first for its balanced tax and fiscal system and business

## SUCCESSFUL SERVICES

Minnesota has a high concentration of these valuable business services:

- Ranks 4th in the nation in Security and Commodity Brokers
- 6th in Advertising and Public Relations
- 6th in Graphic Design
- 9th in Architectural Services
- 11th in Computer and Data Processing Services
- 15th in Commercial Research

development capacity. Minnesota offers a variety of special programs and services for businesses, including export assistance, low interest loans, small business assistance and business tax credits. Successful businesses know the importance of high quality business services. That's why some of the most successful businesses in the country are here, in Minnesota.

## HELPING BUSINESSES GROW

A variety of public and private organizations assist Minnesota businesses:

- Advantage Minnesota
- Minnesota Chamber of Commerce
- Minnesota Council for Quality
- Minnesota Department of Trade & Economic Development
- Minnesota Regional Initiative Funds
- Minnesota Technology, Inc.
- Minnesota Trade Office
- Regional and Local Development Organizations
- Small Business Development Centers
- Utility Companies



"I'm very appreciative of what Minnesota offers a small business. When we outgrew our old facility, the Port Authority of Winona worked with the Minnesota Department of Trade & Economic Development and others to find us a new location and package the funding we needed to expand. In addition, the Minnesota Cooperation Office helped us form a strategic partnership with a Finnish oil company, giving us access to European markets and a larger company's expertise. Without the help we received from Minnesota organizations, I'm sure our company wouldn't have grown as fast as we have."



*Ron Hawley, Chairman, Composite Products Inc.*

#### FINANCIAL SUPPORT

- Headquarters to 4 *Fortune* 500 financial institutions
- With more than 20 venture capital firms, ranks 7th nationally in venture capital disbursed per capita
- Savings & loan associations ranked among the nation's highest in profitability, loan growth and stability
- Ranks 12th in the nation in commercial and industrial loans as a percentage of all loans



# AN ENVIABLE LIFESTYLE

From the smallest towns to the largest cities, Minnesotans

enjoy a strong sense of community. People come here to stay. The state offers an irresistible mixture of natural beauty, world-class cultural and recreational attractions, high quality goods and services, low crime and a low cost of living. There's plenty of time to enjoy these attractions,

too, thanks to compact metro areas and one of the lowest average commute times in the nation –

## FOUR SEASONS OF ACTIVITIES

- 66 state parks and one national park
- More than 2,400 miles of groomed cross country ski trails and 14,400 miles of snowmobile trails
- More fishing licenses per capita than any other state
- 95% of Minnesotans live within 5 miles of recreational water
- More than 1,100 theaters, music companies, museums, dance companies and other arts organizations throughout the state
- 2nd in the nation in live theaters and symphony orchestra concerts per capita
- 3 major league sports teams, basketball, football and baseball
- Home of Mall of America, the nation's largest shopping and entertainment complex

## QUALITY OF LIFE

- 4 Cities on *Money's* list of the best places to live in the U.S., including 1st ranked Rochester, and 3rd ranked Minneapolis/St. Paul
- Health care costs average 15% or more below the national average
- Ranked as the healthiest state in the nation by Northwestern National Life
- Twin Cities' cost of living is 8th lowest among large metro areas
- Overall crime rate nearly 31% below the national average

about 21 minutes in the Twin Cities. It's no wonder Minnesota communities regularly rank high on lists of the best places to live in America. ¶ Minnesotans relish the different activities that come with the changing of the seasons – whether it's hitting the cross country ski trails, grabbing a sunny spot by one of 15,000 lakes, or enjoying the fall colors on a hike with the kids. In Minnesota, business and personal success go hand-in-hand. If your idea of success includes feeling safe and healthy, having fun, knowing your neighbors and enjoying good food and entertainment, get to know Minnesota. Those who have never want to leave.



"Minnesota is not glamorous upon first meeting, though on a day in May you could fall in love at first sight. There is a truth about Minnesota, in our land, our clean water and air, our vital, safe cosmopolitan cities. If we have a fault, it may be caring too much and working too hard our theaters and orchestras, we work with our ourselves accountable. I invite you to Minnesota. We'll be here, nearly four and a half million strong, to welcome you."



Carlson  
Companies  
Inc.

to maintain our valued quality of life. We support schools. We have a bias for action and we hold

Marilyn C. Nelson, Vice Chair, Carlson Holdings, Inc.

#### FAMILY LIVING

- 2nd highest home ownership rate in the nation
- Twin Cities ranks 2nd in home affordability among large metro areas
- Ranks as the 2nd best state for kids, according to *Kids Count Data Book*
- Twin Cities is 3rd lowest in percent of people living below the poverty line
- Ranks among top 10 states in quality of child care according to *Working Mother*





# GROW WITH US IN MINNESOTA

If you are interested in learning how your company can grow in Minnesota, call us today. Advantage Minnesota

is a private corporation supported by private companies and public development agencies throughout Minnesota. Advantage Minnesota and the Minnesota Department of Trade and Economic Development work in partnership to provide prompt, confidential service to companies interested in Minnesota as a business location. We would be happy to develop a complete, customized business proposal for your review or provide information on individual business topics, including:

- Labor and training information
- Site selection
- Regulatory review
- Cost projections
- Capital resources and incentives
- Corporate and personal tax information
- Industry profiles
- Professional referrals
- Other questions you may have about doing business in Minnesota

We think you'll agree that in Minnesota, "We Grow Success, We Know Success." Come grow with us.

Contact us for information and assistance about expanding or relocating in Minnesota.

Large Minnesota companies and all out-of-state businesses contact:

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