

## Economic Opportunity Keynotes June 2011



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### Welcome, Dan Bullert!

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It is our pleasure to announce that Dan Bullert has joined our team as the new Business Finance Officer! Dan comes to us with over 20 years of commercial lending experience with both national and community banks. Dan and his family reside in rural Stearns County and he is eager to become oriented to the Initiative Foundation region and our many partners. We look forward to introducing Dan to you over the next several months. In the meantime, Dan can be reached at 320-631-2013, [dbullert@ifound.org](mailto:dbullert@ifound.org).



We would also like to extend a special welcome to other folks who have joined central Minnesota's economic development efforts!

- Luke Bauman, Executive Director, Wright County Economic Development Partnership [info@wrightpartnership.org](mailto:info@wrightpartnership.org)
- Cathy Mehelich, Economic Development Director, City of St. Cloud [cathy.mehelich@ci.stcloud.mn.us](mailto:cathy.mehelich@ci.stcloud.mn.us)
- Marty Moran, Interim Director, Greater St. Cloud Development Corporation [mmoran@clrpath.com](mailto:mmoran@clrpath.com)
- Heather Rand, DEED Business & Community Development (east central & northeast region) [Heather.Rand@state.mn.us](mailto:Heather.Rand@state.mn.us)
- J.B. Scherbenske, West Central Economic Development Alliance, Sebeka [wceda@wcta.net](mailto:wceda@wcta.net)
- Joe Schulte, Business and Loan Developer, Region 5/NCEDA, Staples [jschulte@regionfive.org](mailto:jschulte@regionfive.org)

### The Initiative Foundation is here for YOU!

#### *If you're a business owner...*

Our business loans and equity investments work to strengthen communities and diversify local economies. The foundation offers loans to entrepreneurs who:

- *Wish to start or expand a locally owned business.*
- *Have a sound business plan and acceptable credit.*
- *Create quality jobs with living wages and benefits.*
- *Advance local and regional goals for target industries*

Targeted sectors for our financing include manufacturing, technology, local foods and value-added agriculture, and green products/services. And in order to increase the chances of a successful venture, we offer consulting and executive training to prospective and existing borrowers

### *If you're a banker or lender...*

We partner with financial institutions to “get the deal done”! Since 1987, we have teamed up with 101 banks and credit unions in our region to strengthen communities and diversify local economies. Since 1987, our economic opportunity program has approved 858 business loans and equity investments totaling \$38 million and leveraged over \$243 million in private loans – creating and retaining over 10,500 local jobs. The foundation was certified as a Community Development Financial Institution (CDFI) in 1997 and has since received two CDFI grants, further strengthening its position as a lender.

The foundation helps alleviate risk or equity concerns that may prevent a promising business from receiving the needed financing to start-up or expand. When the foundation evaluates a potential business investment, our strongest consideration is given to community-focused entrepreneurs whose business plans include quality jobs, especially in the hometowns that need them most.

### *If you're a city/county admin or economic development professional...*

The foundation participates in a variety of economic development efforts; monitoring the economic pulse of the region by identifying emerging issues, linking regional, state and national partners, and facilitating action. We continue to convene groups that are addressing regional economic development issues and support partners that are providing micro-lending and business development services to culturally diverse populations.

And as a charitable entity, we award economic opportunity grants to new and existing partners that are tackling issues like community planning, transportation, childcare and workforce development.

**We are currently seeking high-quality financing and investment opportunities!** To learn more about our business financing program, economic development efforts or how we can partner with you, visit [www.ifound.org/business\\_index.php](http://www.ifound.org/business_index.php) or contact Randy Olson, VP for Economic Opportunity ([rolson@ifound.org](mailto:rolson@ifound.org), 320-632-9255).

## **Client Updates**

### **Smude's Sunflower Oil, Pierz**

The following is an excerpt from the [Star Tribune's June 3, 2011 article, "The Taste 50"](#):

*On their Pierz, Minn., farm, Tom and Jenni Smude are making a Minnesota-made cooking oil, and a superior one at that. After switching out soybeans for 500 acres of drought-tolerant sunflowers, the entrepreneurial couple imported German-made equipment and began producing their cold-pressed, filtered, hand-bottled product. Their gamble has been a win-win situation. Not only have the Smudes created a fragrant, amber-tinted sunflower oil, but their process also turns byproducts into feed for the farm's 400 head of Black Angus cattle. On the market for just over a year, Smude's Natural Sunflower Oil is catching on with chefs and cooks across the state, including chef Marshall Paulsen of the Birchwood Cafe in Minneapolis, who has been going through "a ton" of it since he discovered it last fall, using it for sautéing as well as*

*embellishing the restaurant's popular granola. At home, he mixes it with lemon juice and splashes it on greens, or blends it with butter when preparing eggs. "It has a complex flavor, and it tastes a little more nutty when it's cooked a little," Paulsen said. "The bottom line is that it tastes great. I met the guy, and I liked him. That goes a long way."*

To learn more about Smude Enterprises visit their website [www.smudeoil.com](http://www.smudeoil.com).

### **Roden Iron, Milaca**

Roden Iron, Inc., owned and operated by Brian and Kelly Roden, provides services for structural steel erection (beams/columns, joists, decking) and miscellaneous metals installation (mezzanines, catwalks, stairsteps, handrails, ornamental). It is also one of only a handful of businesses in central Minnesota that's certified as a Woman Based Enterprise.

Roden Iron was incorporated in June 2007, and began operations in August 2007 as a commercial structural steel erector. The company's mission is to offer quality service at a fair price to the clients it serves, as well as providing a safe and enjoyable work environment for its employees. The company has successfully completed over 50 steel erection and miscellaneous metals projects since inception, including projects for CVS Pharmacy, Walgreens, Wal-Mart, and numerous office, professional and government buildings.

To learn more about Roden Iron visit their website: [www.rodeniron.com](http://www.rodeniron.com) or [browse through an article](#) published in the June 2011 issue of *Upsize Magazine*.

### **Work Continues in Wadena**

One year after a tornado ripped through the Wadena area, work and rebuilding continues. The Initiative Foundation is still administering a \$150,000 emergency loan fund to help Wadena County businesses keep their doors open after the June 17, 2010 storm.

In partnership with the Minnesota Department of Employment and Economic Development and the Blandin Foundation, the Initiative Foundation is offering low-interest loans to provide working capital/recovery expenses to businesses as they return to normal operations.

To date, Fresh Freeze, Leaf River Ag & Wadena Lodging have all taken advantage of this special financing. More information about the Wadena Tornado Relief Fund can be found at: [www.ifound.org/business\\_index.php](http://www.ifound.org/business_index.php).

And be sure to look for our next issue of *IQ* in July, focusing on disaster preparedness as well as Wadena's many triumphs and lessons learned. Browse the issue online at: [www.iqmag.org](http://www.iqmag.org) or sign up for a free subscription at: [www.iqmag.org/pages/Subscribe1/](http://www.iqmag.org/pages/Subscribe1/).

### **Initiative Foundation Borrower Survey Results**

Curious to know how our borrowers fared in 2010, our Economic Opportunity team recently surveyed the current pool of 77 loan clients. From the 36 that responded, we were happy to learn that most are faring well, if not improving, in this slowly recovering economy. Among the major findings:

- The average wage for full time employees was \$18.37 (up from \$16.45 in 2009).

- Nearly all employers offer a suite of benefits, with over 70 percent offering health care, vacation and holiday benefits.
- Compared with 2009, 56 percent of employers hired employees, about 30 percent maintained employment levels and only 14 percent laid off employees.
- In 2011, 71 percent of employees plan to hire employees.

To learn more, [download the complete results of the survey](#). *A big thank you to our borrowers who participated in the survey!*

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## Workshops & Conferences

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### Starting a Business: FastTrac New Venture

St. Cloud State University is offering this course in conjunction with the Central Minnesota Small Business Development Center, based in St. Cloud. They have successfully finished four of these workshops and are pleased to note that their program is “performing beyond expectations”!

*The fifth workshop is scheduled to start on July 11, 2011.  
Early bird deadline is Thursday, June 30!*

If you or someone you know is considering starting a business, this 30 hour course might be a good first step. It is also geared for those who are already in business but want to learn more. For more information and to register, visit [www.scsutrainig.com/start](http://www.scsutrainig.com/start) or contact Tammy Anhalt-Warner ([Tammy@SCSUTrainig.com](mailto:Tammy@SCSUTrainig.com), 320-308-4252).

### Anderson Center Forums

The Anderson Center provides management and business development services that facilitate economic progress in Greater Minnesota. In Anderson Center’s forums, skilled Discussion Leaders challenge experienced participants to teach and learn from each other through real-world case studies.

Upcoming forums include:

- [Strategy Forum](#): August 8-12
- [International Business Forum](#): NEW! August 29-31, 2011
- [Governance Forum](#): September 12-14
- [Roundtable Annual Retreat](#): September 29-30
- [Managers' Forum](#): October 10-14
- [Family Business Forum](#): NEW! October 24-26
- [Marketing Forum](#): November 28-30

For more information about the forums and other resources provided by the Anderson Center visit [www.acmbd.org](http://www.acmbd.org) or contact Venita Wilkes at 320-251-5420, [venita@acmbd.org](mailto:venita@acmbd.org).

### Upcoming Small Business Development Center Workshops

The Minnesota Small Business Development Centers throughout central Minnesota, (including those in the Brainerd, Little Falls, Cambridge and St. Cloud areas) offer a variety of workshops and seminars for business owners. Upcoming workshops (late June through September 2011) include:

- *Using the Internet to Promote Your Business*
- *Growing America Through Entrepreneurship: An Orientation to Starting a Business in Minnesota*
- *Going into Business for Yourself*

Usually there is no cost to attend these workshops. For more information about these and other workshops offered by SBDCs in the area visit:

<http://mnsbdc.ecenterdirect.com/Conferences.action>.

### **Breakfast With the B.E.S.T.** (Building Excellence through Strategic Thinking)

September 14, 2011 & November 9, 2011

*(Every second Wednesday of the month)*

*Registration 7 - 7:30AM and breakfast 7:30 - 8:30AM*

*Minnesota WorkForce Center: St. Cloud Technical College, St. Cloud*

Breakfast With the B.E.S.T. is a monthly training series presented by Stearns-Benton Employment & Training Council in partnership with Stearns-Benton Workforce Council. Topics and presenters vary each month.

Cost is \$25 per session. Register by calling Rosie Beager at 320-308-5701 or email at [admissions@workforceu.com](mailto:admissions@workforceu.com). More information can be found at:

[http://www.workforceu.com/pdfs/breakfast\\_with\\_the\\_best.pdf](http://www.workforceu.com/pdfs/breakfast_with_the_best.pdf).

## **Resources**

### **Manufacturing Industry Resources**

*Did you know?* More than 38,000 people are employed by manufacturers in central Minnesota, representing about 14% of total employment in our region. Their wages are 25.6% higher than the average of all other industries in central Minnesota.

*But that's not all!* Each manufacturing job supports another 1.3 jobs elsewhere in the economy through supplier purchases and employee spending.

For more facts and information about Minnesota's manufacturing industry we suggest visiting the following websites:

- Central Minnesota Manufacturers Association: [www.centralmnmanufacturing.com](http://www.centralmnmanufacturing.com)
- Minnesota Precision Manufacturing Association: [www.mpma.com](http://www.mpma.com)
- Enterprise Minnesota: [www.enterpriseminnesota.org](http://www.enterpriseminnesota.org)
- Summer 2009 issue of *IQ Magazine*: [www.iqmag.org/pages/09SUMMER](http://www.iqmag.org/pages/09SUMMER)

### **And be sure to attend CMMA's FREE summer social!**

July 14 from 4:00-9:00 PM at Engel Metallurgical, Sauk Rapids. This free event includes a hog roast, tour of Engel Metallurgical, and live music by "The Ellie Wallace Show." Please bring a donation for the local food shelf, your family and a lawn chair! [More info...](#)

## Home Ownership Resources

Through its network of community partners, the Minnesota Home Ownership Center provides 15,000 households each year with the tools they need to purchase and sustain affordable homes. No matter how you come in contact with struggling homeowners - as an employer, social service worker, clergy or government official, the Minnesota Home Ownership Center wants to help YOU help struggling homeowners.

For professionals working with homeowners, they offer a variety of resources on their website at: <http://hocmn.org/en/ProfessionalResources.cfm>. The March 2010 issue of *IQ Magazine* also offers some great statistics and stories and can be found online at [www.igmag.org/pages/10MARCH](http://www.igmag.org/pages/10MARCH).

## Business Development Training & Opportunities

*St. Cloud State University's Center for Continuing Studies* works with businesses, industries and nonprofit organizations to identify the training needs of their workforce. Their training and professional development is then tailored to those needs. More information about these and other trainings offered by the Center for Continuing Studies can be found by visiting: [www.scsutrainng.com](http://www.scsutrainng.com).

*St. Cloud Technical & Community College's Customized Training and Education Center*, provides flexible educational options for workplace training and professional development. They also provide consultations and customized training programs to suit the needs of their local business partners. Some of their most popular training topics include: Leadership, Sales, Customer Services, Change Management, Human Resource Laws, Conflict Resolution, Stress Management and much more! For more information visit: <http://www.sctcc.edu/customized-training> or contact the Customized Training & Education Center at 320-308-0015 or [ctecinfo@sctc.edu](mailto:ctecinfo@sctc.edu).

*Central Lakes College's Business and Industry Center* provides education, training and consulting to customers so individuals can achieve their business goals and objectives. For more information visit: [www.clcmn.edu/busind/](http://www.clcmn.edu/busind/) or contact Jan Sterner at the Business and Industry Center, 218-855-8142, [jsterner@clcmn.edu](mailto:jsterner@clcmn.edu). You can also follow the events and happenings of CLC's Small Business Development Center online at: <http://www.clcmn.edu/smallbusiness/> or on [Facebook](#).

*Anoka-Ramsey Community College Professional Training* offers development, consulting, assessment and training for individuals, small business and corporations. They have campuses in Cambridge and Coon Rapids. To learn more call 763-433-1200 or visit: [www.anokaramsey.edu/Training.aspx](http://www.anokaramsey.edu/Training.aspx).

## Business Owners Toolkit

The Business Owner's Toolkit™ ([www.toolkit.com](http://www.toolkit.com)) offers more than 5,000 pages of free cost-cutting tips, step-by-step checklists, real-life case studies, startup advice, and business templates to small business owners and entrepreneurs. The site also offers a monthly newsletter, up-to-date news topics, and Ask Alice!, a column that closely follows industry trends and provides trusted advice to inquiring site visitors.

Over 70 other great business-related resources can be found on the Initiative Foundation's website by visiting: [http://www.ifound.org/business\\_resources.php](http://www.ifound.org/business_resources.php).

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## Things To Know

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### We Appreciate Your Support!

The following businesses have contributed to our general endowment this year, helping to strengthen our economic development efforts. *Thank you!!*

- AgStar Fund for Rural America
- Anakkala, Berns, & Co. PLLP
- Clow Stamping Company
- Eich Motor Company
- Gold'n Plump Poultry
- Granite Equity Partners, LLC
- LarsonAllen LLP
- LINDAR Corporation
- NOR-SON, Inc.
- Venture Allies LLC
- Viking Label & Packaging, Inc.

Don't forget! Contributions to the Initiative Foundation yield a 501% average return to central Minnesota communities. For every dollar that individuals, city and county governments or businesses invest, we give back an average of \$5.01 through grants and business loans. What's more, every gift to our general endowment is doubled by a matching contribution from The McKnight Foundation.

If you're interested in learning more about how your business can make a charitable contribution to the Initiative Foundation contact Sandy Voigt, Business Development Specialist at [svoigt@ifound.org](mailto:svoigt@ifound.org) or 320-631-2012.

Or if you want to learn about how other central Minnesota businesses develop and deploy their charitable giving strategies browse through "Present Tense", an article published in the Spring 2011 issue of [IQ Magazine](#).

*Like any other investment decision, central Minnesota businesses employ strategies for their charitable gifts.*

*Once each week, staff from Baxter-based Mid-Minnesota Federal Credit Union teach financial education classes at the local high school. They also offer free seminars to the public on financial planning.*

*At St. Cloud-based Marco, which provides technology and other services to businesses, employees offer discounted tech support to nonprofits. They also loan out laptops and projectors and give free or discounted copy and print services.*

*Those are just a few examples of how central Minnesota companies support their communities through business giving, a term that used to refer mostly to cash donations to charities.*

Read or download the entire article online at [www.iqmag.org/pages/11SP\\_F\\_PresentTense](http://www.iqmag.org/pages/11SP_F_PresentTense).

## **Made in the USA, Again.**

The following is an excerpt from "The Agurban", a free newsletter distributed each week to community and economic development professionals throughout the United States. Credit: The Agurban and Jack Schultz ([www.boomtowninstitute.com](http://www.boomtowninstitute.com)).



## **Made in USA**

The Boston Consulting Group (BCG) recently released part of an ongoing study they are undertaking on the future of global manufacturing. Their research is very positive for the future of manufacturing in the United States. Their report, in part, follows:

*Within the next five years, the United States is expected to experience a manufacturing renaissance as the wage gap with China shrinks and certain U.S. states become some of the cheapest locations for manufacturing in the developed world.*

*With Chinese wages rising at about 17 percent per year and the value of the yuan continuing to increase, the gap between U.S. and Chinese wages is narrowing rapidly. Meanwhile, flexible work rules and a host of government incentives are making many states—including Mississippi, South Carolina, and Alabama—increasingly competitive as low-cost bases for supplying the U.S. market.*

*"All over China, wages are climbing at 15 to 20 percent a year because of the supply-and-demand imbalance for skilled labor," said Harold L. Sirkin, a BCG senior partner. "We expect net labor costs for manufacturing in China and the U.S. to converge by around 2015. As a result of the changing economics, you're going to see a lot more products 'Made in the USA' in the next five years."*

Read the entire article at: [www.bcg.com](http://www.bcg.com).

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*This newsletter is designed to share resources and conferences or training events of common interest for program participants and supporters of the Initiative Foundation. For more information about these and other economic development opportunities, contact [Randy Olson](mailto:Randy.Olson@ifound.org), Vice President for Economic Opportunity.*

*If you wish to be removed, update your email address or change your subscription preferences please contact Sharon at [sgottwalt@ifound.org](mailto:sgottwalt@ifound.org).*