

Positively Minnesota

There's good news on the economic horizon in the North Star state.

The global market is ferociously competitive, but Minnesota has an upbeat attitude about meeting its challenges. Confident in its ability to compete economically, the North Star state has embraced “Positively Minnesota” as its theme, and has set about building on its own great strengths. It’s a theme, says Governor Tim Pawlenty, that sends a message about what Minnesota has to offer, to businesses and people.

“Positively Minnesota is the essence of what we are — a great place to live, visit and do business,” says the governor. “It’s also a brand, a plan, and a band of public and private partners who share our vision of attracting more than our ‘fair share’ of business expansions. It’s the front page of a most compelling story about successful businesses, cutting-edge technology and innovation, and the best quality of life in America. And with the help of our partners, www.PositivelyMinnesota.com will soon become the medium by which we share that story with the world.”

The 12th largest of the 50 states, and home to slightly more than 5 million people, Minnesota has earned a stellar reputation as a place to do business. In any number of relevant categories, the North Star state shines. Transportation connections are outstanding, energy resources are reliable and affordable, and high-speed telecommunications are state-of-the-art. The state’s educational system is acknowledged to be one of the very best. Its business base includes corporate names that are among the most recognized in the world. Last year, Minnesota companies exported an estimated \$17 billion in manufactured goods, professional services and agricultural commodities to more than 185 countries. And “Medical Alley,” a 350-mile corridor that extends from Rochester through the Twin Cities to northern Minnesota, encompasses more than 8,000 health-care companies.

Minnesota also provides fertile ground for scientific and technological innovation. Two world leaders in bioscientific research — the University of Minnesota and Mayo Clinic — recently forged a multi-year research partnership to position the state as a world center in biotechnology and medical genomics. It’s part of a state-sponsored initiative to attract research grants and medical talent to Minnesota.

Within this business-friendly environment, a vast spectrum of companies has flourished, reflecting the state’s diverse abundance of talents and resources.

Viewers of ShopNBC, the nation’s third-largest home shopping network, might be surprised to learn that it broadcasts live not out of Los Angeles or New York, but out of studios in a 150,000-square-foot facility in suburban Eden Prairie, Minnesota.

Rebranded after NBC bought a 40 percent stake in the shopping channel in 1999,



Minnesota Governor
Tim Pawlenty



SPECIAL ADVERTISING SECTION

ShopNBC is in fact the flagship property of publicly traded ValueVision Media, which operates in the converged world of television, the Internet and e-commerce. Specializing in selling high-end jewelry and consumer electronics, along with a wide breadth of merchandise offerings, the home-shopping network broadcasts to 58 million cable and satellite homes.

With an average price point of \$250 and a target of \$125,000 an hour in sales, the network presents anywhere from 10 to 15 items at 60-minute intervals.



ShopNBC host Lynne Schacher at work in the Eden Prairie, Minn., studios.

The business operates in real time, with a state-of-the-art control room serving as the nerve center of the operation. "Hour by hour and minute by minute, you know what's going on," says COO Dick Barnes, "which is critical to running our business."

ValueVision had fiscal 2002 sales of \$555 million, with almost \$100 million of that coming from Internet sales on ShopNBC.com. This year, says Barnes, while diversifying its products and services, the company should have sales of between \$630-\$650 million, or about 15 percent growth over 2002.

Smaller enterprises also take root and thrive in Minnesota's nourishing environment. In 2001, more than 23,000 jobs were created by companies with less than 50 employees. Many began as modestly as Paisley Consulting, Inc.

It wasn't so long ago that Stacey Paisley Welu sat in the extra bedroom of her home struggling to write a software program that would enhance her performance as an auditor. Self-taught and determined, Welu came up with a software product — AutoAudit — that became the foundation of a new business. By the end of 1996 she and husband Tim Welu were running Paisley Consulting, Inc., with Stacey handling the production end, and Tim in charge of sales and marketing.

"We're a computer software company specializing in business accountability software," explains Tim Welu. The corporate governance scandals of the late 1990s, he says, were a boost for business.

AutoAudit remains a flagship product of the company, which is located in Cokato, Minnesota, about an hour west of the Twin Cities. The company has also added an enterprise risk management tool called Risk Navigator as well as Focus control assurance software to support the Sarbanes-Oxley Act of 2002, which brought about sweeping accounting and corporate reforms.

What was once a mom-and-pop business now employs 75 people and has clients in more than 30 countries. Tim Welu estimates revenues should reach \$10-\$11 million this year.

Minnesota can point to successes such as Paisley Consulting to prove that it is indeed the place to be. The evidence is even more overwhelming when the state lists its top 10 reasons for doing business in Minnesota.

1. Proven Performance: Minnesota received the highest grades for economic performance, development capacity and business vitality in 2001 and 2002 from the Corporation for Enterprise Development.

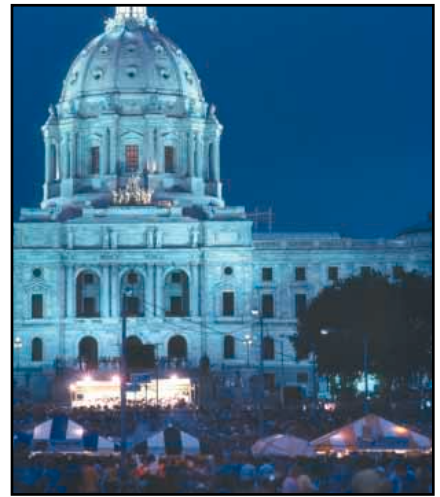
2. Business-friendly Climate: Government-imposed business costs in the state have fallen to their lowest level over the past decade. Major reforms include a 40 percent drop in workers' compensation costs, a 9 percent decline in the tax on unemployment insurance, and a 36 percent reduction in commercial property taxes.

3. World-renowned Work Ethic: Minnesota is known for its highly skilled, motivated workforce and low absenteeism. It is the nation's "hardest working" state, with the highest proportion of people in the work force.

4. Excellence in Education: The University of Minnesota ranks among the top three public research universities in the nation, and 82 of the state's public primary and secondary schools are cited for academic excellence by the U.S. Department of Education.

5. Fertile Ground for Innovation: Minnesota is one of the nation's top seven technology states, according to a 2001 report by the Massachusetts Technology Collaborative.

6. Best in the Business: Some of the world's most recognized corporations



Minnesota Office of Tourism ©

In St. Paul, Minnesota's State Capitol was designed by architect Cass Gilbert and completed in 1905. The domed structure was modeled after Saint Peter's in Rome.

make their home in Minnesota, and the state is one of only three in the country with at least six Malcolm Baldrige National Quality award winners.

7. Foundations of Commerce: The Minneapolis-St. Paul International Airport is the world's 16th busiest airport and overall customer satisfaction is tops in North America and among the top five worldwide.

8. Global Competitor: Since 1997, the state's manufactured exports have increased 12 percent to nearly \$9.5 billion in 2002.

9. A Wealth of Resources: Minnesota is richly endowed with the expertise and capital needed to support businesses at every stage. Minnesota ranked 14th in the country — tops in the Midwest — in venture capital investments in 2002, with more than \$325 million.

10. A Most Livable State: For the seventh straight year, Minnesota tops Morgan Quitno's "Most Livable State" rankings, based on indicators such as affordable housing, safe streets, a strong education system and excellent health care.

For these reasons and many more, when the question is business, the answer is positively Minnesota. ■

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