

# DRIVING BUSINESS SUCCESS IN WISCONSIN

2012-2013



When the Wisconsin Economic Development Corporation (WEDC) was created in 2011, it was founded on four guiding principles designed to transform the state's approach to economic development: Be Bold; Engage Business; Operate as an Extended Enterprise; Measure and Be Accountable. In its first year of transformation from a traditional state agency to an innovative public-private entity charged with reinventing economic development in Wisconsin, WEDC has held true to those guiding principles.

This annual report for Fiscal Year 2012 (July 1, 2011-June 30, 2012) demonstrates how WEDC has aligned the state's resources with customer needs, developed and deployed economic development tools, encouraged entrepreneurship and strengthened the extended enterprise of economic development partners throughout the state. We also lay out our vision for 2013, outlining major initiatives we have planned to advance our mission of creating the world's greatest economy here in Wisconsin.

Beyond the more than \$500 million of financial assistance WEDC provided to companies that have or will go on to start, expand or relocate their operations in Wisconsin, WEDC developed and executed several innovative economic development projects aimed at advancing key industry sectors.

WEDC can point to several significant "bold" successes that occurred as a direct result of our new structure including securing foreign direct investment in Wisconsin companies; advancing the state's water technology sector; implementing seed investments and expanded investment incentives into high-growth start-up companies; and forming a partnership with the UW System to align economic development resources.

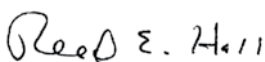
As a result of extensive efforts by WEDC staff in the preceding year, WEDC hosted a group of investors from the Chinese investment firm PiYi in September 2012. Out of 25 projects they are moving forward with due diligence from four states they visited, nine are from Wisconsin. WEDC is advancing Wisconsin's global leadership in water technology and research by helping start-up water technology companies get a foothold in the new International Water Technology Center in Milwaukee. Today, entrepreneurs are receiving needed seed capital to launch their businesses in Wisconsin rather than leaving the state to chase such investments. And WEDC's partnership with the UW System is designed to identify and build stronger connections that link UW System talent and research activities with Wisconsin business.

While WEDC utilizes all of the resources at hand in targeted, innovative ways, we also are advancing the need for a comprehensive approach to building a start-up and early-stage investment ecosystem. We are working with the Governor, legislators and other interested parties to develop investment capital legislation that will have bipartisan support.

Meanwhile, WEDC is delivering highly-customizable solutions to businesses and the communities that support them in an effort to maximize the potential of Wisconsin's economy. We have recently launched a new marketing initiative that promotes all that is good about doing business in Wisconsin. There are great things happening in this state, and our "In Wisconsin" campaign creates an opportunity for us to tell these stories in a compelling way so that companies looking to start-up, grow, or relocate their operations understand all of the advantages of doing so here.

We look forward to continuing to enhance the business climate in Wisconsin through transformative strategies. And we thank our many partners who share our vision for Wisconsin's future.

Sincerely,



Reed E. Hall  
Interim Secretary and Chief Executive Officer



“We’re moving Wisconsin forward. A survey of employers in 2012 showed 94 percent believe Wisconsin is headed in the right direction. That compares to just 10 percent who felt the same in 2010.

Our state’s ranking continues to rise on surveys all across America, too. People are taking notice that Wisconsin is Open for Business.

The WEDC plays a lead role in our increasingly positive economic climate. Let us help you grow your business in Wisconsin!”

—Scott Walker, Governor  
State of Wisconsin



# IN WISCONSIN

Number of jobs impacted in FY12



# 23,759

A total of 23,759 jobs in Wisconsin are anticipated to be impacted directly by investments made by WEDC in FY12.

# ALIGNING RESOURCES WITH CUSTOMER NEEDS

As part of WEDC's transformation, we created an organizational structure reflective of the businesses we serve. Rather than various agency bureaus working independently of one another, we established a customer-service model designed to effectively and efficiently deliver business development solutions to our customers.

We focused first on the services we provide, ensuring that they are properly aligned with the needs of businesses and the partner organizations and communities we work with to support them. Our divisional structure reflects the necessary ingredients of a strong economy: entrepreneurial spirit; specialized industry leadership; and a global outlook.

One of the most common themes we heard in the many listening sessions we conducted throughout the state during our establishment phase was that businesses "don't know where to turn" to learn about the myriad resources—financial and technical—available to them. Clearly, we needed to expand our own service delivery capabilities. We did so by bringing our Economic and Community Development team to full staffing levels, which increased our regional representation. At the same time, we redefined the roles of our front-line staff in order to maximize their consultative value. But even with our increased regional representation, we fully recognize the need for coordination between WEDC and the state's many stakeholders who share our interest in creating and sustaining a vibrant economy.

We call this network of economic development resources an "extended enterprise," and if we're doing our job right, it shouldn't matter where businesses turn—their chamber of commerce, a local university or technical college or regional economic development organization. In all cases, the full slate of Wisconsin's business development tools needs to be made available to companies seeking to maximize their potential.

For this reason, WEDC is reaching out like never before to partner organizations to share information, establish best practices, and foster the cooperation necessary to create a climate that supports sustainable business growth and job creation.

Wisconsin's new business-friendly atmosphere warrants celebration, as do the many businesses who have found success here. To that end, WEDC created and launched a new brand to promote Wisconsin's economic assets. "In Wisconsin" provides a platform for broadcasting the great things happening in the state with specific reference to Wisconsin's unique character as a state that is hardworking, innovative, independent and success-minded.

## ECONOMIC DEVELOPMENT IMPACT

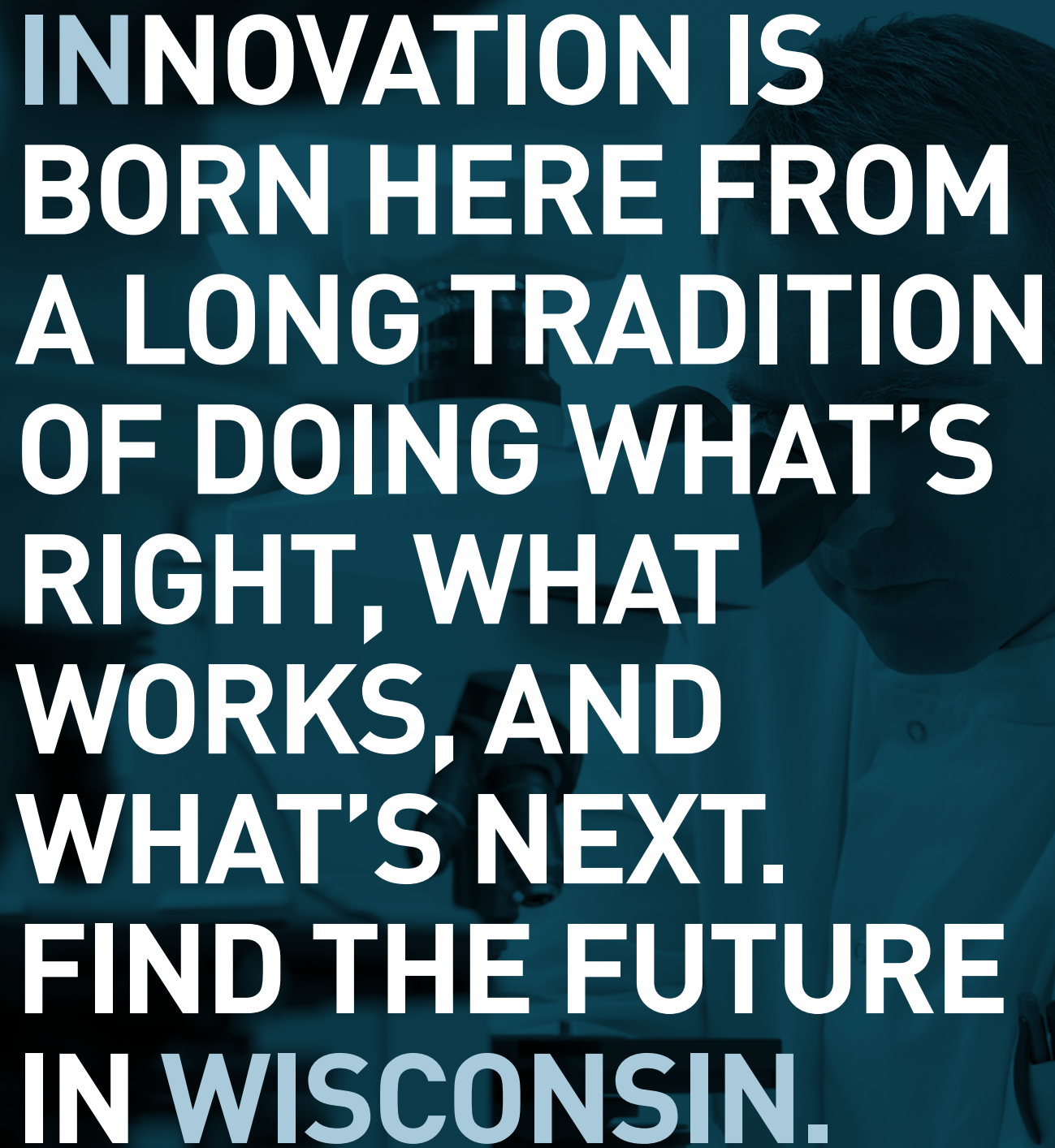
# IN WISCONSIN

Businesses and communities assisted in FY12\*

RECIPIENT	Financial Assistance		Technical Assistance	
	WEDC	EXTENDED ENTERPRISE	WEDC	EXTENDED ENTERPRISE
Businesses	218	97	423	911
Communities	65	—	35	—

\* Information relates to assistance provided during 2012 fiscal year. For more details regarding WEDC programs and investments, please refer to our Act 125 report published online at [www.inwisconsin.com](http://www.inwisconsin.com).



A background image of a scientist in a white lab coat, wearing safety glasses and looking through a microscope. The image is overlaid with a dark teal color.

**INNOVATION IS  
BORN HERE FROM  
A LONG TRADITION  
OF DOING WHAT'S  
RIGHT, WHAT  
WORKS, AND  
WHAT'S NEXT.  
FIND THE FUTURE  
IN WISCONSIN.**

# IN WISCONSIN

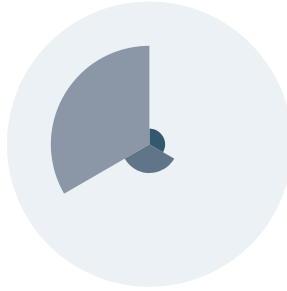
Impact of WEDC assistance in FY12\*

Proportion of Financial Assistance Awards

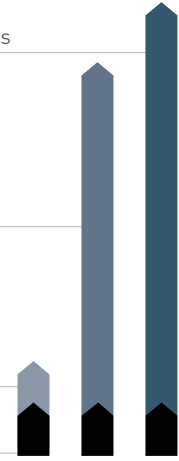


- Grants and Loans
- Tax Credits
- Bond Allocation

Proportion of Financial Assistance Dollars

Grants and Loans  
LeverageTax Credits  
LeverageBond Allocation  
Leverage

Investment



## GRANT AND LOANS

Amount

**170**  
awarded

**\$56.2**  
million

Co-Investment Leverage

**10.1:1**

## TAX CREDITS

Amount

**90**  
awarded

**\$98.8**  
million

Co-Investment Leverage

**8.9:1**

## BOND ALLOCATION

Amount

**27**  
awarded

**\$346.4**  
million

Co-Investment Leverage

**1.9:1**

Total Number of Awards

Total Amount

Total Co-Investment Leverage

**287**  
awarded

**\$501.4**  
million

**4.1:1**

\* For more details regarding WEDC programs and investments, please refer to our Act 125 report published online at [www.inwisconsin.com](http://www.inwisconsin.com).

# INVESTING IN WISCONSIN

WEDC uses a range of investment tools from state and federal programs to help businesses start up, grow and relocate in Wisconsin. Our regional account managers work with local economic development partners to determine what state assistance a company is eligible to receive. Direct financial investment options include the following:

- Business retention and expansion grants and loans
- Technology development loans
- Workforce training grants
- Tax credits for job creation and retention, capital investment and employee training
- Early-stage business investment tax credits

In 2013, WEDC will continue to utilize these instruments to support business start-up and growth in Wisconsin. These financial incentives combined with the state's low business costs, diversified economy, strong infrastructure, and business-friendly tax and regulatory policies also help WEDC attract new companies to Wisconsin.

## WEDC INVESTMENT SUCCESS STORIES

The following are some of the ways WEDC helped companies expand their operations in Wisconsin or relocate their business to the state in fiscal 2012.

**CREE'S RUUD LIGHTING, INC.**, Surtevant, is undergoing a \$24.5 million expansion project, which is expected to create up to 469 new full-time jobs. The company was also considering its location in North Carolina for this expansion. WEDC will provide up to \$4 million in tax credits to support the company's growth in Wisconsin.

**SPEECHTAILS, INC.**, Stevens Point, is developing a Web-based speech therapy and learning system that provides speech assessment to every school age child at no cost. WEDC certified SpeechTails for early stage investment tax credits to help the company attract investors to support its development.

**ZUREX PHRAMAAGRA, LLC**, Madison, has developed the proprietary antimicrobial solutions for use in the dairy industry to prevent mastitis in dairy cows. WEDC helped advance the company's development with a \$250,000 Technology Development Loan.

**EMMI ROTH USA, INC.**, is investing \$43 million in a new artisanal cheese plant in Platteville, which the company initially expects to employ about 32 people, with a possible expansion to as many as 60 full-time positions. WEDC is providing the company up to \$500,000 in tax credits and a \$600,000 loan to assist in the expansion.

**J.M. SMUCKER, LLC**, is making a significant investment to construct, repurpose and equip its specialty-foods production facility and train employees in Ripon. WEDC is providing up to \$300,000 to reimburse the company for training 118 current employees and four new full-time positions that the company plans to create.

**WISCONSIN ALUMINUM FOUNDRY COMPANY, INC.**, Manitowoc, is doing a \$7.5 million investment to expand its operation and create up to 43 new jobs. WEDC is providing up to \$210,000 in economic development tax credits for the expansion project. Wisconsin Aluminum Foundry Company is one of the leading producers in the country of non-ferrous castings for a wide variety of industries.

**ALTA RESOURCES**, Neenah, is undertaking a major expansion of its business process customer outsourcer operations. WEDC is providing up to \$1.0 million in tax credits to assist the company in adding 631 new jobs by the end of 2015.

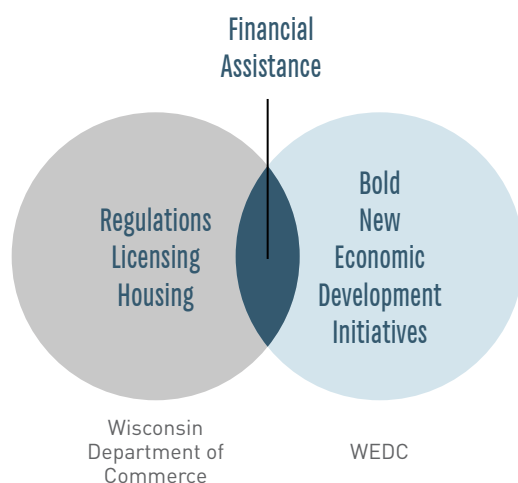
**AUTHENTICOM, INC.**, which provides data management services to the automotive industry, has undertaken a significant investment to lease, furnish and equip additional space at its location in La Crosse. WEDC made the company eligible for up to \$230,000 in tax credits to assist the company's expansion that will create 50 new jobs.

“As we worked with the Wisconsin Economic Development Corporation, at a time very early in their existence, both my executive team and I were significantly impressed with their understanding of our needs and their level of responsiveness and flexibility. WEDC exceeded our expectations, despite a very demanding internal timeline. We respect and accept our accountability to provide the evidence we are doing what we said we would do to earn the financial incentives awarded to Bostik for our site consolidation project. We look forward to continued improvement in the business climate in Wisconsin and the success we expect to have in choosing Wauwatosa, Wisconsin, as the home base for these essential business functions. We believe this is a win/win for Bostik and Wisconsin!”

—Robert L. Marquette, President and Chief Executive Officer  
Bostik

# IN WISCONSIN

Creating a world-class economy



WEDC's strategic plan directly addresses weaknesses that existed in Wisconsin's economic development capabilities identified by the Be Bold study, which received broad bi-partisan support.

“I wanted to thank you and the WEDC for your work with WEDA in bringing the NDC ED101 Economic Development Finance course to Wisconsin and your financial support with scholarships. This course was excellent and definitely the most useful course I have taken in many years if not ever. The skills taught can be used day-one back home, and I have already used them this week.

I like the direction WEDC is on, and this is exactly the kind of support of economic developers that can make a huge difference in the professional status of Wisconsin ED practitioners.”

— Edward L. White, Economic Development Manager  
SW Wisconsin Regional Planning Commission

WEDC also provides highly-specialized services that help companies decide that Wisconsin is the best place for their relocation or expansion. We have been engaged, for example, to conduct an advanced supplier search, a service that a private-sector consultant would have charged at least \$50,000 to perform. This is the type of value WEDC regularly demonstrates to companies looking to invest in Wisconsin.

## ON THE FRONT LINES

WEDC's Economic and Community Development Division team members interact directly with business and civic leaders in the communities they serve. The assistance WEDC regional account managers and community account managers provide to their clients spurs economic activity within their service areas resulting in new business opportunities for Wisconsin companies. For 2013, the team has identified the following goals:

- Generate assistance opportunities for more than 1,000 Wisconsin businesses
- Manage 400 business accounts and 150 community accounts to successful assistance engagements
- Implement seven significant statewide economic development improvements

The Economic and Community Development Division also works to maximize the performance of the state's economic development network. How do they do this? By first listening to these partners and their constituents describe what's working and where improvements are needed, and then offering solutions based upon national best practices and a healthy dose of common sense. In 2012, WEDC formed an Extended Enterprise Partner Advisory Council to establish open channels of communication among stakeholders who share in our mission. We also realigned WEDC service areas to mirror regional plan commission territories. The fewer maps we need to explain who does what, the better.

WEDC's Economic and Community Development Division achieved full staffing (20 positions) in 2012 and, in the process, redefined roles with increased attention given to customer service. The division's interest in professional development extends to all economic development practitioners throughout the state, which is why WEDC invested in three half-day educational workshops in 2012 for economic developers through the Wisconsin Economic Development Association (WEDA). WEDC also provides financial assistance to regional economic development organizations to support tool deployment initiatives and export activities.

In addition to continuing discussions with communities throughout the state to encourage regionalization of revolving loan funds in order to increase the availability of capital for business investment, WEDC's Economic and Community Development Division will execute the following strategies in pursuit of its 2013 goals:

- Deploy 13 account managers throughout the state to link businesses and communities with WEDC and local assistance resources
- Provide ongoing training and tools for account managers
- Leverage common tools to strengthen the state's economic development network
- Certify 10 sites through the Certified Sites Program
- Deploy Salesforce as a client relationship management tool with 50 partners to enhance business support coordination

## TOOL DEVELOPMENT AND DEPLOYMENT

WEDC has built a new highly-responsive culture dedicated to the success of the businesses and economic development partners we serve. We are both innovative and aggressive in providing solutions that help businesses grow and create jobs in the state. One way we do this is by aligning resources and building cooperation between WEDC and the local communities and regional economic development organizations we work with to help businesses succeed.

For example, WEDC is providing site location and economic modeling tools to partner organizations to help them market available properties. These site location tools also help companies and site selectors identify development opportunities and resources.

In 2013, WEDC will introduce Economic Modeling Specialists International's (EMSI's) Analyst program via Wisconsin's nine Regional Planning Commissions (RPCs). This Web-based tool will put detailed local employment data and analysis in the hands of economic developers throughout the state, allowing them to create standardized and customized reports for their areas.

WEDC partnered with GIS Planning Inc. to launch [LocateInWisconsin.com](http://LocateInWisconsin.com), a free online search tool for businesses looking to relocate to or expand in Wisconsin. The online tool provides company executives and site selectors with comprehensive information for making business expansion decisions in Wisconsin.

WEDC has also created, in partnership with Deloitte Consulting and community partners, consistent standards for industrial site certification in Wisconsin for sites with a minimum of 50 acres. WEDC's goal is to certify 30 development-ready sites over three years. Certification means that key approval, documentations and assessments most commonly required for industrial users will already be in place. Wisconsin's Certified in Wisconsin Program, a priority identified by Governor Walker, increases Wisconsin's attractiveness to businesses looking for new "development ready" locations for expansion.

WEDC has also developed an online resource to help entrepreneurs and businesses find the economic development resources they need to succeed. ConnectED is a one-stop search tool that helps users find local and state financial and technical assistance programs and professional development resources to help them launch, improve or expand in Wisconsin.

## HELPING COMMUNITIES HELP BUSINESS

As part of WEDC's transition, we also reorganized our community development services, placing greater emphasis on downtown development. Our Main Street Program, which provides technical support and training to Wisconsin communities committed to revitalizing their traditional business districts, added two communities—Omro and Waterford—to the growing list of municipalities benefiting from WEDC's community development services. Today, the list of Wisconsin Main Street Communities stands at 35. Of these, 18 communities have achieved national accreditation, showing that Wisconsin truly is serious about helping small businesses succeed in our historic downtowns.

In 2011-2012, the development efforts of the Main Street communities resulted in 160 new businesses and 498 new jobs. Over and above public funds contributed to these efforts, the participating communities leveraged \$23.7 million in private investment.

Participation in WEDC's Main Street Program requires a commitment of staff and resources that some communities are simply unable to make. Recognizing this gap as well as the need to spark similar interest in redeveloping urban commercial districts, WEDC launched a new program—Connect Communities—in 2012. The program's goal is to help local planners leverage the unique assets of their communities in order to reduce sprawl while spurring business and residential growth.



WEDC staff provide technical support and training to Wisconsin communities that have expressed a grass roots commitment to revitalizing their traditional business districts using a comprehensive strategy based on historic preservation.



A Wisconsin Certified Site is designated as "suitable for development" by Deloitte Consulting and the Wisconsin Economic Development Corporation. The site meets pre-defined criteria for site size, availability of utility and transportation infrastructure, physical and technical condition, environmental assessments, support by local communities and other factors.

“We are grateful for the continued support from the Wisconsin Economic Development Corporation of the redevelopment of CenterPoint Mall. This project will be an investment in the revitalization of downtown Stevens Point area and will ensure that Mid-State Technical College will have the resources to provide continued educational opportunities for community residents.”

—Michael Ostrowski, Director of Community Development  
City of Stevens Point



**INDUSTRY IS  
OUR HERITAGE,  
CAN-DO IS OUR  
ATTITUDE, AND  
SUCCESS IS  
WHAT WE ARE  
BUILDING  
IN WISCONSIN.**



# CREATING A MULTIPLIER EFFECT

## PARTNERS

WEDC leverages the expertise of organizations throughout the state whose work complements our own. By investing in partner organizations with specialized capabilities and a proven track record of success, WEDC increases the economic development impact of the funds we deploy. Partner investments include contracted business assistance services not provided by WEDC as well as strategic support for small business assistance operations throughout the state. Partner organizations are expected to match WEDC investments at a ratio of greater than 2:1.

WEDC's relationship with the Wisconsin Women's Business Initiative Corporation (WWBIC) is a good example of how our investments in extremely capable and focused economic development entities end up creating opportunities for businesses we otherwise would not reach. WWBIC offers loans to small businesses throughout the state and provides valuable technical services ranging from one-on-one business counseling to formal classes. In return for WEDC's financial support for the organization, we ask for documentation of the number of businesses assisted as well as the new jobs that result from WWBIC's work. Equally important for all WEDC partner relationships is the ability to leverage additional funding for services provided by the contracted organization. WWBIC not only achieved its state business assistance and job creation goals for 2012, it also matched WEDC's investment in its loan assistance programs at a ratio of 13.1:1!

WEDC also funds special projects where trade groups with specific skills sets apply their expertise to challenges facing Wisconsin businesses. Such is the case with the Wisconsin Manufacturing Extension Partnership (WMEP) Profitable Sustainability Initiative (PSI). In the first phase of the program, 67 small and mid-sized manufacturers received assistance on sustainable practices designed to save money and improve competitiveness. This resulted in \$6.4 million of reduced costs annually for these manufacturers and created 43 new jobs.

The three-year economic impact of this work is projected to be \$52 million in savings and increased sales among the participating companies—this in addition to long-term environmental benefits such as reductions in electricity usage of 12.9 million kWh and natural gas of 949,000 therms over this timeframe. WEDC funding leveraged \$5.9 million of private sector investment. Building on this success, WEDC and WMEP are partnering on another round of funding which includes an additional 30 manufacturers.

## INDUSTRY SECTORS

WEDC's Division of Business and Industry Development promotes economic activity in Wisconsin by supporting vital "driver industries" in the state. Driver industries are those that hold the greatest promise for future growth. Working collaboratively with our regional economic development partners, WEDC engages with industry sectors and sub-sectors not at the company level, but at the trade organization level. We form working relationships with established trade consortia and industry cluster organizations. Why? Because the built-in synergies of these groups greatly increase the efficiency and effectiveness of our engagements.

Milwaukee's International Water Technology Center scheduled for completion in summer 2013 is a good example of how WEDC works with a well-organized industry group—in this case the Water Council—to improve Wisconsin's economic standing. WEDC is providing a grant to underwrite the rent for new tenants in the seven-story, 98,000 square-foot building which will provide occupants access to a specialized water flow laboratory. This facility and the presence of researchers from the world's only graduate-level fresh water sciences program will streamline the testing of new water technology products, solidifying Wisconsin's status as a world leader in water technology advancements.

## PARTNERSHIPS

## IN WISCONSIN

Economic development extended enterprise

- African American Chamber of Commerce, Inc.
- American Indian Chamber of Commerce of Wisconsin
- Association of Wisconsin Regional Planning Commissions
- Bay-Lake RPC
- BioForward
- Capital Area RPC
- Centergy, Inc.
- Commercial Association of REALTORS® Wisconsin
- Competitive Wisconsin, Inc.
- East Central Wisconsin RPC
- Ethnically Diverse Business Associations Coalition
- Greater Milwaukee Committee
- Grow North Regional Economic Development Corporation
- Hispanic Chamber of Commerce of Wisconsin, Inc.
- Hmong Wisconsin Chamber of Commerce
- Milwaukee 7
- Mississippi River RPC
- Momentum West, Inc.
- North Central Wisconsin RPC
- Northwest RPC
- Northwest Wisconsin Manufacturing Outreach Center
- Prosperity Southwest Wisconsin
- Southeastern Wisconsin RPC
- Southwestern Wisconsin RPC
- The 7 Rivers Alliance
- The New North, Inc.
- Thrive
- Transportation Development Association of Wisconsin
- University of Wisconsin System
- VETransfer
- The Water Council
- West Central Wisconsin RPC
- Wisconsin Angel Network
- Wisconsin Black Chamber of Commerce
- Wisconsin Business Incubator Association
- Wisconsin Business Innovation Corporation – Visions Northwest
- Wisconsin Department of Administration
- Wisconsin Department of Agriculture, Trade and Consumer Protection
- Wisconsin Department of Revenue
- Wisconsin Department of Workforce Development
- Wisconsin Downtown Action Council
- Wisconsin Economic Development Association
- Wisconsin Energy Research Consortium
- Wisconsin Entrepreneurs' Network
- Wisconsin Housing and Economic Development Authority
- Wisconsin Manufacturers and Commerce
- Wisconsin Manufacturing Extension Partnership
- Wisconsin Procurement Institute, Inc.
- Wisconsin Technical College System
- Wisconsin Technology Council
- Wisconsin Women's Business Initiative Corporation
- Wisconsin Workforce Development Association

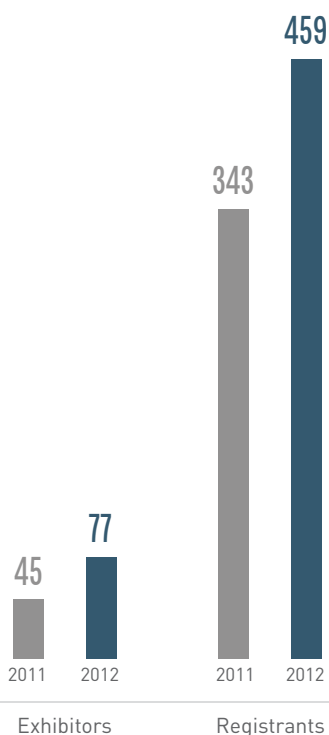
“I would like to thank WEDC for all the hard work and commitment all the key players put into ensuring that a business like mine not only gets started with a solid foundation, but also has the right tools to become successful. One of those tools that was introduced to my company was Marketplace 2012 ... I connected with solid contacts that are on the same playing field and whose drive to work within the diversity arena was priceless and leaves me speechless.”

—Amanda DeGrave, Owner  
Cole Marketing

#### MARKETPLACE

## IN WISCONSIN

Committed to diversity



Separately, WEDC provided financial support to the Wisconsin Energy Research Consortium's (WERC's) market study and strategic plan development. The study identifies the potential for market expansion of this key sector of Wisconsin's economy. And an investment by WEDC helped the Wisconsin Center for Dairy Research build a business model to support the commercialization of the organization's intellectual property technology. The beneficiaries of this business solution include the University of Wisconsin and smaller producers who now have access to the center's intellectual property.

WEDC continuously evaluates promising new opportunities to improve Wisconsin's business climate by leveraging the collective knowledge of industry representatives with shared interests. It's a model we used to bring together 34 partners and sponsors to represent Wisconsin's biosciences industry at the 2012 International BIO conference in Boston. The formula also served us well in creating the nation's first financial services industry consortia comprising representatives from the banking, credit union, accounting and insurance industries.

### MINORITY BUSINESS DEVELOPMENT

Wisconsin is well served when business ownership reflects the strength and diversity of our population. WEDC supports minority business development by working with and providing seed grant funding to the state's minority chambers of commerce. We have established revolving loan funds with the American Indian Chamber of Commerce and the Hmong Chamber of Commerce, both of which have matched WEDC's investment funds. We're also working on similar programs with the Hispanic Chamber of Commerce and the African American Chamber of Commerce. WEDC also brought these groups and others together to form a minority business coalition with the aim of building collaboration among participants faced with similar challenges.

WEDC also works with minority business leaders to host the state's premier annual capacity-building conference. Marketplace 2012, the most successful conference in the event's 30-year history, drew 77 exhibitors and 459 registrants, all of whom benefitted from networking opportunities with local, state and federal buyers.

WEDC's Business and Industry Development Division's mission is to develop high-quality jobs and significant job growth in Wisconsin by advancing targeted, high-growth economic development opportunities. The division has identified the following goals for 2013:

- Engage 25 distinct, targeted-industry sector development opportunities through criteria-based assessment for high, sustainable economic impact
- Advance seven high-value, industry-led sector opportunities as key priorities
- Assist 200 unique Wisconsin businesses through targeted industry support
- Achieve at minimum an overall 3:1 investment leverage ratio

#### Marketplace 2012

**77**  
Exhibitors

Marketplace 2012 attracted 77 exhibitors, who made meaningful connections with purchasing agents and representatives from a wide array of governmental and non-governmental agencies including representatives of some of Wisconsin's largest companies.

#### Marketplace 2012

**459**  
Registrants

Marketplace 2012 drew 459 attendees who celebrated the success of Minority and Women Owned business enterprises, met with prospective buyers, connected with small business resource agencies and programs, and learned how to leverage certification programs.



# ENCOURAGING ENTREPRENEURSHIP

Numerous studies have shown that start-up businesses drive the majority of job creation. WEDC is committed to improving the entrepreneurial climate in the state by creating new opportunities and supporting a culture of innovation.

It all starts with increasing the availability of early-stage capital investment, a top priority for WEDC. We also make available a broad range of highly adaptable resources to new start-up companies, while supporting the commercialization of research coming from Wisconsin's world-class universities.

WEDC's Entrepreneurship and Innovation Division makes early-stage investments in entrepreneurs and high-growth companies; manages and expands funding opportunities through Wisconsin's investment tax incentive programs; defines accelerator models for future business creation throughout the state; and invests in partner organizations that provide entrepreneurship support services.

WEDC provides access to business development tools such as the Qualified New Business Venture (QNBV/Act 255) Program and Technology Development Loan Program. The QNBV program provides a 25 percent Wisconsin tax credit for angel investors and qualified venture capital funds that invest in companies that have been designated Qualified New Business Ventures. In 2012, WEDC certified 35 companies as Qualified New Business Ventures.\* Technology Development Loans are made to start-up and growth-stage companies with significant growth potential. WEDC's funds are designed to complement private market capital to provide high-potential companies the funding necessary to develop novel technologies and products.

WEDC was the first state in the nation to help VETransfer launch an innovative seed investment program and accelerator for veterans. Located in Milwaukee, VETransfer is a non-profit business accelerator for U.S. veterans who are looking to start or restart their own businesses. In 2012, WEDC made a \$150,000 investment with VETransfer, which included \$100,000 to establish a seed grant fund for Wisconsin veterans starting their own businesses and \$50,000 to support VETransfer's marketing of the seed fund to attract additional private donations. The goal of the seed funding is to provide an estimated 15 grants to Wisconsin veteran startups ranging from \$2,000-\$10,000.

To help provide that early stage capital for promising business plans, WEDC awarded a \$300,000 grant to VETransfer to invest in VictorySpark, the first veteran-centric seed accelerator fund in the world. VictorySpark provides start-up capital to innovative, high-growth veteran-initiated businesses.

It is also critical that high-growth companies who successfully complete an accelerator program have access to capital. WEDC's new Capital Catalyst Program provides matching grants to regional organizations or communities to establish capital to provide seed funding for start-up and emerging companies. The program awarded a \$100,000 matching grant to the Innovation Foundation of Western Wisconsin to provide early stage funding for entrepreneurs in the region. A requirement of the Capital Catalyst award is for one-third of the grant to be used as company grants and the remaining to be used by the regional fund to take debt or equity positions in emerging businesses. The local fund must also provide a dollar-for-dollar match of the award.

WEDC's Entrepreneurship and Innovation Division identified these strategies in pursuit of its 2013 goals aimed at improving Wisconsin's rate of business start-up creation.

- Provide loans, grants or other types of investments to entrepreneurs or early stage companies that are seeking capital to move from start-up to business operations
- Invest in the formation and expansion of local and regional seed funds in Wisconsin
- Invest up in the formation or expansion of organizations that provide effective entrepreneurship development and support

“I really can't thank you, Governor Walker, WEDC, and the folks at VETransfer enough for such an amazing opportunity! You guys are doing great things for the vets, and I'm honored to have you all behind my company.”

—Chris Johnson, Founder and CEO  
Pilot Training Systems

## QUALIFIED NEW BUSINESS VENTURES

### IN WISCONSIN

Angel and seed investments by industry, 2011\*

#### Qualified Angel Investments

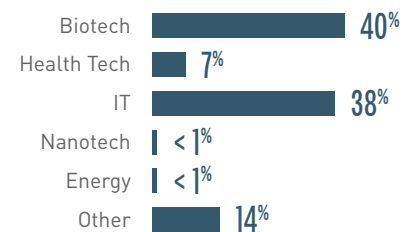
**\$26.5** million

With \$6.6 million in angel credits claimed, \$26.5 million in qualified angel investments was achieved in calendar year 2011.

#### Venture Fund Investments

**\$18.5** million

With \$4.6 million in venture fund credits claimed, \$18.5 million in qualified investments was achieved in calendar year 2011.



\* For more information regarding WEDC's Qualified New Business Venture Program (Act 255), please refer to the Act 255: Early Stage Investment Program report available at [www.inwisconsin.com](http://www.inwisconsin.com).



“The Global Business Development Grant Program helped us accelerate some existing international sales development and opened new opportunities due to lowered barriers to entry. The program lowers our risk in new markets where no business has been undertaken and really opens the door to new markets.”

—Michael Lauenstein, International Sales Director  
Mueller Sports Medicine, Inc.

“My sincerest thank you to WEDC. You did an awesome job attracting and hosting the PiYi investment team. I truly do not know of a better example where our state government supports small business in a meaningful way. Once again, my sincerest thank you!”

—Deven McGlenn, CEO  
NeoClone

#### GLOBAL MARKET OUTREACH

## IN WISCONSIN

WEDC international market presence FY12

**9** foreign offices in total

2011 2012

WEDC increased our international market presence from four foreign offices in FY11, to the following total nine in FY12;

- Australia
- Brazil
- Canada
- Chile
- China
- India
- Mexico
- New Zealand
- South Africa

# TAPPING GLOBAL MARKETS

Gone are the days when companies can rely exclusively upon domestic demand to fuel their growth. The fact is, 95 percent of the world's population resides outside the United States. And in the next 20 years, Asia's middle class, for example, is projected to grow six-fold. This improvement in living standards taking place worldwide creates new opportunities for Wisconsin companies, particularly those whose expertise aligns with infrastructure development.

In WEDC's 2012 fiscal year, the International Business Development Division realigned staff resources to focus on markets with the greatest growth potential for Wisconsin products. We also increased our international market presence from four foreign offices to a global network of representation in nine countries. In this transition year, WEDC also organized an unprecedented three international business development missions to Asia, South America and India.

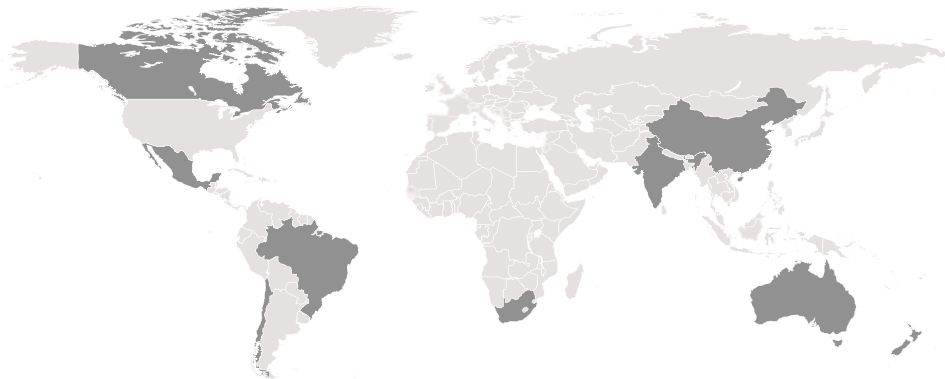
To help Wisconsin companies take advantage of export opportunities, WEDC partners with the Wisconsin Manufacturing Extension Partnership (WMEP) and Northwest Wisconsin Manufacturing Outreach Center (NWMOC) to deliver ExporTech™ training. In our 2012 fiscal year, WEDC and these partners delivered tailored ExporTech™ training to 29 businesses who reported an average of \$500,000 in savings and sales increases within nine months of completing the program.

In 2012, we also launched a Global Business Development grant program which provided over \$124,800 to 19 Wisconsin companies for export training and market expansion.

With the hiring of a foreign direct investment manager in 2012, WEDC is now pursuing capital from around the world for the first time. And the effort is paying off. In September, WEDC successfully hosted a group of investors from China's PiYi investment firm. The group received information on 100 investment opportunities in four states. Of the 25 companies they identified for further negotiations, nine were from Wisconsin!

WEDC will execute targeted strategies to double Wisconsin's exports by 2016:

- Deliver substantive technical export assistance to 180 Wisconsin businesses
- Deliver ExporTech™ programming to 75 new-to-export Wisconsin businesses
- Provide financial assistance to 85 Wisconsin businesses to aid in export expansion efforts
- Execute six international market development projects in WEDC's priority markets
- Execute three foreign direct investment programs in targeted countries



# MARKETING WISCONSIN'S BUSINESS CLIMATE

In September 2012, WEDC launched a brand campaign promoting Wisconsin's business climate. Our brand, "In Wisconsin," features Wisconsin businesses that have made a name for themselves as innovative, resourceful industry leaders.

The campaign is part of the state's larger vision of making it easy to do business in Wisconsin and enhancing business owners' perceptions of Wisconsin as a viable place to start, grow or expand their companies.

## WHY "IN WISCONSIN"?

After years of criticism that Wisconsin was not a business-friendly place due to high taxes, extensive regulations, and a limited talent pool, a bi-partisan group of public and private experts came together to analyze the situation and make recommendations for improving our business climate.

The outcome of that research, the Be Bold study released by Competitive Wisconsin in 2010, advocated policy changes, infrastructure realignment and increased marketing efforts. WEDC conducted listening sessions throughout the state in 2011 and 2012 to gather input from economic development organizations and stakeholders regarding actions we needed to take to live up to the precepts laid out in the Be Bold Study. Input was sought specifically on Wisconsin's key selling points.

The "In Wisconsin" brand portrays the benefits of doing business here as a sum of many parts. While all states can tout their talent pools, their natural resources and infrastructure, and their niche industries, Wisconsin's combination of assets sets us apart. From our world-class educational and research institutions, to the can-do attitude of our residents, to our proximity to the Great Lakes and air and ground transportation hubs, we have something that gives business owners all the tools they need to build their businesses in Wisconsin.

## DETAILS OF THE CAMPAIGN

When we started this process, we brought together a team both inside and outside of WEDC to create a platform for the Wisconsin brand. Together, we looked at the attributes that best represent the brand and created a theme and approach to convey the idea of Wisconsin's business climate.

As we considered how best to tell the Wisconsin story, we realized it would be most powerful coming from those who have already found success here.

The launch of this campaign featured five companies that agreed to share their Wisconsin success stories: Rockwell Automation (formerly Allen-Bradley), Organic Valley, Schneider National, Trek and Virent.

These companies were chosen based on a variety of criteria—geography, industry leadership and brand strength, just to name a few. Most importantly, they all share the drive, spirit and innovation that it takes to go from an idea to a global business that makes a positive impact on our lives.

The In Wisconsin campaign, however, is about more than ads. And it is about more than the companies that are featured. In Wisconsin is about why Wisconsin is a great state for business. It is also about the resources available to help companies succeed. Delivering on this brand is up to every organization and individual who holds a stake in Wisconsin's success.



In Wisconsin messaging achieved over 57,000,000 impressions among targeted audience members in the 2012 fiscal year.



Custom urls drove visitors to a landing page with access to WEDC information relating to starting, growing or relocating business operations in Wisconsin.



Industry-specific advertisements complement the In Wisconsin campaign and highlight resources offered by WEDC to help businesses succeed.



## SUPPORTING STATEWIDE EFFORTS

All marketing materials and resources will be available for use by WEDC's partner organizations. We aim to achieve maximum efficiency and effectiveness by coordinating efforts with the many statewide entities that complement what we do.

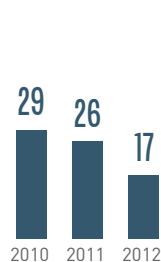
It's important to know that our goal is to align business leader perceptions with the new reality of a business-friendly Wisconsin. Many policy and program changes are spurring business activity, and the In Wisconsin brand platform allows us to share these successes in a highly engaging manner. Our success will be defined by the pipeline of economic development projects that we fulfill as an extended enterprise.



Ewing Marion  
**KAUFFMAN**  
Foundation

Chief Executive

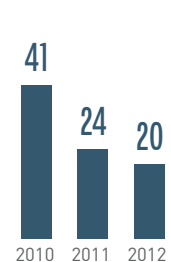
America's Top States  
for Business



Index of  
Entrepreneurial Activity



Best/Worst States  
for Business



The In Wisconsin launch campaign leveraged the brands of world-class Wisconsin companies to highlight key benefits of Wisconsin's business climate.

Wisconsin's new business-friendly environment creates new opportunities to highlight the state's economic assets.

Governor Scott Walker chairs the WEDC Board of Directors composed of state legislators, departmental secretaries, and private business owners. The 13-member Board of Directors provides WEDC with strategic leadership and operational oversight representing statewide public and private economic development interests.

#### OFFICERS

Chair  
Scott Walker  
Governor  
State of Wisconsin

Vice-Chair  
Dan Ariens  
President and CEO  
Ariens Company

Treasurer  
Scott Klug  
Foley and Lardner, LLP  
Managing Director of Public Affairs

Secretary  
Lisa Mauer  
President  
Tool Service Corporation

#### MEMBERS

Rep. Peter Barca  
64th Assembly District

Raymond Dreger  
President and CEO  
Seeds and Stuff Market, Inc.

Corey Hoze  
Senior Vice President  
Associated Banc-Corp.

Sen. Julie Lassa  
24th Senate District

Paul Radspinner  
President and CEO  
FluGen, Inc.

C. Thomas Sylke  
Owner and Principal  
Sylke Law Offices, LLC

Don Weber  
Founder and CEO  
Logistics Health, Inc.

Rep. Mary Williams  
87th Assembly District

Sen. Joe Leibham  
9th Senate District



201 West Washington Avenue  
PO Box 7970  
Madison, WI 53707-7970  
(608) 210-6700  
inwisconsin.com