



Growing Interest in North Dakota

LEGISLATURE CONSIDERS ED&F BUDGET INCREASES, COMBINED COMMERCE DEPARTMENT

Gov. John Hoeven has asked the Legislature for \$10.95 million for ED&F's 2001-2003 budget, including \$1.46 million to market North Dakota, \$558,000 for the Manufacturing Extension Partnership (MEP), \$1.42 million for the Agricultural Products Utilization Commission (APUC), and \$3.00 million for the ND Development Fund.

ED&F's 2001-2003 funding request

Business expansion and recruitment	\$ 879,287
Marketing	1,466,330
APUC	1,425,270
ND Development Fund	3,000,159
Global business	192,289
MEP	558,544
Research and Intelligence	417,744
Workforce Development Council	100,044
Discretionary Grants	1,673,292
Administrative and IT Support	<u>1,237,483</u>
TOTAL REQUEST	\$ 10,950,442



The North Dakota Legislature is considering a bill which would create a Department of Commerce designed to gain more bang for the state's buck by increasing program synergy and leveraging scarce resources. The department would include four divisions: ED&F, Tourism, Community Services, and Workforce Development. Pictured here are Lee Peterson (right), Ron Rauschenberger (center) and Allan Stenehjem, the directors of ED&F, Community Services, and Tourism, respectively.

Hoeven also asked the Legislature to consolidate ED&F, the Department of Tourism, the Division of Community Services, and Workforce Development into a single, comprehensive Department of Commerce.

"A Department of Commerce is the right way to leverage our resources," said ED&F Director Lee Peterson. "It will eliminate duplication of effort and allow us to work cooperatively to grow all aspects of commerce in the state."

"ED&F is excited about its responsibility in the equation: to nurture business relationships that produce more jobs that pay better throughout North Dakota," Peterson said. ■

PART TWO OF REGIONAL ECONOMIC REPORT AVAILABLE ONLINE

Last August, Economy.com (formerly RFA) presented "Our Competitive Landscape: A Report on the Composition and Performance of the North Dakota Economy" to over 200 public- and private-sector leaders at the state capitol.

Economy.com also presented their findings at the Greater North Dakota Association annual business conference, and more than 8,500 North Dakota decision-makers received either a report or a condensed brochure.

The "sequel" to this comprehensive report, titled "The Regional Picture," is now available on the ED&F web site (www.growingnd.com) in the "Research" section of ED&F Services. The report, which contains strategic information on each of North Dakota's eight economic planning regions, is available as a .pdf in its entirety or by chapter.

ED&F commissioned these two studies to give policy-makers, community leaders, and educators specific regional and strategic information about North Dakota's economy never before available. ■

IF IT'S TUESDAY, THIS MUST BE THE POWER CONFERENCE

Chuck Fine, Sandy Opp, and Laura Willard don't see their desks much. These ED&F business development specialists

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spend much of their time outside the state, working to bring new business or expand business in North Dakota communities.

During 1999-2000, the team kept in direct contact with more than 150 in-state, primary-sector businesses and more than 80 out-of-state businesses. Their work with these clients helped 65 North Dakota communities.

Meet ED&F's business developers

Chuck Fine has been with ED&F since 1975. He began in community development, but since 1982 has worked extensively to create new business, help existing businesses expand, and facilitate relocations to the state. For the past eight years, Chuck's emphasis has been on the food processing industry. He has also worked with the petroleum, coal, fertilizer, farm manufacturing, packaging, printed circuit board, construction components, and recreation vehicle sectors.

Sandy Opp's background is in marketing and economic development. Her current concentration is information technology business development, including the financial services, healthcare, legal, travel, and service industries. She also works on projects that combine web-enabled technology with customer intelligence, data processing, distribution, and other corporate support functions.

As a project manager, Laura Willard markets North Dakota and its communities as profitable sites for business location, expansion, and retention. She has extensive experience working on all types of projects, but her primary focus is manufacturing and other high-tech industries, including energy and electronics.

Frequent fliers

Here are some coming events at which Chuck, Sandy, and Laura will represent North Dakota to the global business world:

- Feb. 10-15 [World Ag Expo, Tulare, CA](#). Strong vegetable and dairy event, especially regarding production and processing. Also an excellent place to market irrigation manufacturers.
- Feb. 19-21 [2001 Outsourcing World Summit, Palm Desert, CA](#). The premiere executive forum for the latest information and critical thinking on outsourcing as an essential business tool.
- Feb. 27-Mar. 1 [Nepcon Trade Show, Anaheim, CA](#). Largest U.S. electronics trade show.

- Apr. 9-11 [American Power Conference, Chicago, IL](#). Generation, transmission, and distribution topics. Special sessions highlighting hot Midwestern issues.
- May 12-16 [International Development Research Council, Seattle, OR](#). A professional association for corporate real estate executives. ■

IT'S A LEAN, MEAN, WORKFORCE MACHINE

The ND Manufacturing Extension Partnership facilitated a Lean Manufacturing Workshop at ND State College of Science, Wahpeton, the week of Jan. 15. Ninety-five representatives from 11 North and South Dakota businesses participated.

The seminar was co-sponsored by NDSCS Outreach and Customized Training, Wahpeton Economic Development, and the Wahpeton Area Manufacturers' Roundtable.

The MEP Center organized five Lean Manufacturing seminars last fall in Dickinson and Fargo with more than 120 participants from 40 manufacturers attending. Lean Manufacturing is a systematic approach to identify and eliminate waste through continuous improvement techniques.

Dan Hoefs, director of operations for Dakota Machine Inc., West Fargo, said his company manufactures mainly wind towers. This was a very valuable seminar, he said, because it gives participants an idea what to do when they return to their businesses.

"We take the factory simulation here and apply it back at our plant," Hoefs said. "Our employees attended the seminar because we needed to up production while keeping costs down." ■

*Excerpts from MARK A. WALTERS
Wahpeton Daily News Writer*

ND REAPS BENEFITS FROM ECONOMIC DEVELOPMENT EFFORTS

Pick any North Dakota community, add 150 new jobs, and you have real growth. That's just what will happen in Minot over the next two years.

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ING ReliaStar announced recently that it will add another 150 to the 550 employees currently working at its 90,000 square-foot facility in Minot. (ING ReliaStar, formerly ReliaStar Financial Corp., was acquired by the Dutch financial giant ING Group NV in September 2000.) The company's current base annual payroll in Minot exceeds \$10 million. The service center provides support to more than a million U.S. customers who have purchased a life insurance policy or an annuity.

"Just this month, we completed the two-year consolidation of ReliaStar's customer service operations under one roof in Minot," said Roger Weber, senior vice president and chief operating officer for ING Life Group - US. "Through the results of our Minot service center, ING recognized the soundness of the ReliaStar strategy of consolidating

activities, gaining efficiency, and becoming easier to do business with. Now we're continuing with similar customer service functions in Denver and Atlanta," he added.

North Dakota "has absolutely been the right choice" for his company, Weber said. "Anything we have ever needed from the community or the state was provided in a heartbeat. North Dakota people have delivered and given us an incredibly smooth transition through what could have been a difficult time."

It was less than six months from the time ReliaStar first contacted ED&F with an interest in locating in North Dakota to the announcement that the company would build a 90,000 square-foot service center. Eight months later, the company held its grand opening and moved more than 200 employees into the new facility.

Companies like ING boost awareness about North Dakota. "Any time you have a company the caliber of ING ReliaStar in your community, it draws attention to the state," said Paul Lucy, interim president of the Minot Area Development Corporation. "Because of ING's location here, we continue to get calls about our community and what we have to offer out-of-state companies."

"North Dakota has a strong ability to bring both public and private leaders to the table and 'get the job done,'" said Gov. John Hoeven. "We have talented, educated, hard-working people that help us make dreams into realities." ■



ING ReliaStar plans to add 150 to the 550 employees currently working at its Minot office.

Photo courtesy Stephen Geffre, Minot Daily News.

ND DEVELOPMENT FUND HELPS COMPANIES IN KILLDEER AND DICKINSON

Killdeer

Killdeer Mountain Manufacturing Inc. (KMM), Killdeer, received \$500,000 from the NDDF as part of an expansion financing package.

KMM is a contract manufacturer specializing in electronic products for the aerospace market. Its products include circuit cards, wiring harnesses, and ground support equipment for aircraft, ships, underwater vehicles, and land vehicles, both military and commercial. As a result of substantial growth, the company needed help from NDDF for additional equipment and working capital.

Don Hedger started KMM in Killdeer in 1987. It has since expanded to Halliday and Hettinger, employs 140 people

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from those communities, and plans at least two more sites and 40 more jobs by 2003.

“KMM sales skyrocketed from \$300,000 in its first year to \$8.7 million through Aug. 30, 2000,” said Gov. John Hoeven. “That kind of growth is enviable in any part of the United States, and we need to showcase successes like Don’s. Killdeer Mountain Manufacturing is a model of what North Dakota can do.”

Dickinson

UltraTec Products, Inc., Dickinson, received a \$20,000 investment from the NDDF to finance the marketing of its new plastic “BangBoards” product.

The firm, owned by president Tom Knutson, markets products to various industries from its Dickinson office. A separate contractor manufactures, warehouses, and ships its products directly to customers.

Knutson designed and developed plastic sideboards, called “BangBoards,” which fasten to the top of dump trucks, pickup trucks, and trailers. The BangBoards replace less-durable wooden sideboards and prevent

damage to the sidewalls of vehicles used for hauling (visit www.bangboards.com).

In addition to the NDDF loan, UltraTec received \$13,333 from the Economic Development Administration Revolving Loan Fund (EDA-RLF). “It’s a young start-up company with a lot of potential,” said Ken Dukart, economic development coordinator for Roosevelt-Custer Regional Council. “The RLF was created for companies like UltraTec that need someone to take some risk in order to get them started.” ■

“I don’t believe farmers will see financial benefit from any value-added product until there is a greater market for it. That’s what we are committed to with Schultz Creamery products, and I don’t believe this would have been possible without the support from the Agricultural Products Utilization Commission [APUC].”

**Jim Odney, Schultz Creamery
Bismarck**

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