



Growing Interest in North Dakota

“WE WILL LEAVE NO STONE UNTURNED”

The ND Department of Commerce’s business development unit, under the leadership of Mike Strotheide, plans a high-energy campaign to bring new business into the state.

“We’re going to aggressively target out-of-state businesses to expand in North Dakota, especially in our small to medium-sized cities,” Strotheide said. “We’ve had great success where that has happened.”

“Our intent is to help communities participate with us in attracting new business,” he added.

The business development office is finalizing its marketing plan for the next two years. The plan includes participation at trade shows (some for the first time), as well as site visits to companies in the central part of the country—Minnesota, Wisconsin, and Illinois—with industries similar to North Dakota’s. Special events and marketing missions round out the plan.

“We will leave no stone unturned in our efforts to develop new businesses and attract out-of-state expansions to the state,” Strotheide said. ■

WHO ADDS VALUE AND CREATES NEW WEALTH? ED&F SURVEYS PRIMARY-SECTOR BUSINESSES

ED&F recently sent a three-page survey to 1,000 North Dakota manufacturers, food processors, and export service companies. In addition to introducing ED&F services and offering assistance, the survey’s purpose was to gather information from companies with the potential to become primary-sector (new wealth-generating) businesses.

Questions on the survey are related to adding value and creating new wealth. North Dakota Century Code requires primary-sector businesses to add value to a product, process, or service through the employment

of knowledge or labor, and to create new wealth rather than redistribute dollars from one North Dakotan to another.

Companies had the option, for the first time, of completing their survey over the Internet, and were given a user name and password to ensure exclusive access to their record. Basic company information (name, address, phone, etc.) will be displayed on the web site in a public area, but most of the requested information will remain confidential and available only to ED&F staff. The information will be used for business development, workforce development, and Manufacturing Extension Partnership purposes.

“The information collected in this survey is vital to the operations, research, services, and success of the Department of Commerce,” said DOC Commissioner Lee Peterson. To boost the response rate and gather as much information as possible, ED&F will phone companies that don’t respond.

North Dakota companies are generally surveyed on an alternating schedule, but if you have never received

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T.J. Russell (left) with Cloverdale Meats in Mandan, ND, was one of three manufacturers who told media and others about the increases in productivity and efficiency his company has achieved by working with the North Dakota Manufacturing Extension Partnership (MEP). Gov. John Hoeven (seated) joined Russell in praising the MEP for the support it offers manufacturers. Business people from across the state attended an organizational meeting July 12 in Bismarck to discuss the strategic direction the MEP should take in future months. (See story on page 2).

a survey and want to know if ED&F would characterize your business as primary-sector, simply visit our web site at www.growingnd.com. Select **Company Profile** from the left-hand menu, and then select **Add a Profile** from the drop-down list. Although the final determination of whether a business is primary-sector is based on personal interviews, the web site will let you know whether your business seems to meet the qualifications.

ED&F, previously a separate agency, is now a division of the newly formed North Dakota Department of Commerce (DOC) that facilitates the creation of new wealth through the start-up, retention, and expansion of primary-sector business. ED&F's goal is to increase the standard of living for all North Dakotans by helping businesses to develop in our state. ■

KEY ND MANUFACTURERS JUMP-START MEP PROCESS

Lean manufacturing processes have helped many North Dakota small and medium-sized manufacturers greatly increase their productivity. The processes are facilitated through the North Dakota Manufacturing Extension Partnership (MEP) Center.

In July, key manufacturers from across the state met in Bismarck to learn about the national MEP system and begin developing a strategic plan for the ND MEP Center, which became active in December 1999.

"The MEP was formed to help small manufacturers become more competitive and close the productivity gap between small and large manufacturers," said Randy Schwartz, MEP director for the ND Department of Commerce.

The US has about 350,000 small and medium-sized businesses, defined as those with fewer than 500 employees. By the end of 1999, the national MEP program had worked with a third of those 350,000 businesses, with astonishing results in productivity.

In 1998, manufacturing contributed over \$1.46 billion to North Dakota's gross domestic product. That figure is 8.5 percent of the state's output. "I can't stress enough

the importance of the existing manufacturers in our state," said ND Gov. John Hoeven, who participated in the July meeting.

"With the MEP, we hope to further develop this existing business base while nurturing new ventures in advanced manufacturing."

The ND MEP center has already helped several manufacturers across the state produce notable results.

- Dakota Machine, Inc., a wind tower producer in West Fargo, says that lean manufacturing practices learned from MEP professionals enable it to produce ten sections per week, more than twice their output before they started lean manufacturing.
- Funshine Express, Dickinson, will nearly double production numbers from last year. Lean manufacturing allowed it to do this while adding only one person to the assembly line—although the company will need to hire the equivalent of three full-time staff people to keep up with increased customer service, marketing, and product development activities resulting from the increased productivity.
- Cloverdale Meats, Mandan, is still implementing lean manufacturing practices but has already seen productivity increases and improvements in teamwork and product quality.

"I support the efforts of the MEP in our state and its economic impact in creating jobs with high wages," Hoeven said. Annual earnings for North Dakota manufacturing employees averaged \$29,711 in 1998, above the average for all other industries in North Dakota.

"Unfortunately, our state's manufacturing industry has been underdeveloped. Solving that problem is crucial and is precisely why we are here today," Hoeven said. ■

UPDATE: ND DEPARTMENT OF COMMERCE

Recent changes at the ND Department of Commerce:

- ED&F is now officially a division of the new combined ND Department of Commerce,

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along with the Division of Community Services, Tourism and Workforce Development.

- Lee Peterson, former ED&F director, has been named commissioner of the Department of Commerce.
- Linda Butts, former deputy director of ED&F, has been named ED&F division director.
- ED&F and Workforce Development staff moved into new offices at 400 E. Broadway Ave., Suite 50, effective Aug. 1. All phone numbers and email addresses remain the same.
- The ND Division of Community Services plans to move to the same address by Sept. 1, and the Tourism Division is shooting for Oct. 1.

- The entire Department of Commerce will move into the Worker's Compensation building on Century Avenue when it's completed in two years. ■

"North Dakota people have the skills to develop, apply, and maintain the technology required to be successful in today's economy."

Dennis Johnson, CEO
TMI, Dickinson

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