

February 2, 2009
The Honorable James Metzen
Minnesota Senate
322 Capitol
75 Rev Dr Martin Luther King Jr Blvd
St. Paul, MN 55144-1606

The Honorable Tim Mahoney
MN House of Representatives
591 State Office Building
100 Rev Dr Martin Luther King Jr Blvd
St. Paul, MN 55144-1206

Dear Sen. Metzen and Rep. Mahoney:

The following is a performance report on the Bioscience Marketing Program authorized by the 2007 Legislative Session (Chapter 135, H.F. 122, Section 3, Subd. 2) which provided \$125,000 to the Department of Employment and Economic Development in order to implement an international bioscience marketing program emphasizing businesses and business locations outside of the seven-county metropolitan area.

An important part of the marketing program includes the participation of many partners who have assisted in the creation and implementation of activities. As a result of the appropriation, conservatively it is estimated that these funds leverage an additional \$300,000 for bioscience marketing in the form of sponsorship or advertising and event participation from 2008 through 2009.

Marketing efforts have been focused on generating quality prospects that would consider expansion in Minnesota, an awareness campaign of the many benefits of doing business in Minnesota and finally, an internal effort to build further support and understanding of the industry as it exists today and also where the State has the greatest capacity to grow.

DEED has coordinated bioscience marketing efforts for several years and over time, has been working with several groups to create a comprehensive and deliberate marketing plan that promotes the strengths of Minnesota to national and international audiences.

PARTNERS

- University of Minnesota
- Mayo Clinic
- BioBusiness Alliance of Minnesota
- Life Science Alley
- St. Cloud Area Partnership
- Worthington Regional Economic Development Corporation
- Greater Mankato Growth
- Positively Minnesota Marketing Partnership
- Rochester Area Economic Development
- Fargo/Moorhead Economic Development Corporation
- MnSCU
- Several small bioscience service businesses
- Life Science Innovations
- Economic development groups from Greater Minnesota

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Sen. Metzen and Rep. Mahoney
February 2, 2009
MARKETING FOCUS

From experience it can be stated that it is not safe to assume that industry players have an appreciable understanding of Minnesota's bioscience industry. Therefore, the bioscience marketing program has maintained its focus on creating awareness of and interest in Minnesota. The type of marketing being conducted is centered on personal contact with decision makers and in doing so have three main areas in which the funds have been utilized: identifying potential companies with interest in Minnesota and arranging meetings; driving traffic to DEED's booth to enhance Minnesota's presence at events; maintaining a continuous market presence through a communication strategy to change perceptions and build awareness of opportunities for doing business in Minnesota.

The Attachment details the programs and outcomes to date. Looking ahead, in 2009 the marketing funds continue to target the three areas through ongoing programs:

- Working to identify prospects; currently another campaign is targeted for bio companies outside of Minnesota looking to expand or relocate in the United States. Missions to visit prospects and site selection executives will take place, for budget purposes, in concert with other events in which we have a presence.
- Enhancing Minnesota's presence at key events; the message will continue to be refined and strategic efforts made to drive as much interest in our capabilities as possible.
- Building and maintaining the market presence; a continued public relations program is being planned to capitalize on statewide bioscience efforts and a more refined presentation of our strengths.

As with any marketing campaign, results are rarely immediate and the environment is very competitive. As industry growth continues above 10% per year, work continues to focus on identifying and capitalizing on opportunities to capture Minnesota's share of the growth. Looking ahead, it is clear that statewide efforts to build Minnesota's strategic position in the industry will only bolster DEED's marketing efforts.

The bioscience marketing program provides the opportunity to compete from a position of strength. The number of partners that have been engaged and the number of prospects in the pipeline are a direct outcome of the marketing program. Should you have any questions, please do not hesitate to contact Kevin McKinnon, Director of Business Development (651-259-7445).

Sincerely,



Dan McElroy
Commissioner

ATTACHMENT

Bioscience Marketing Program Report
Spring 2008 – Dec. 2009

Program	Outcomes
	<p>The marketing program is focused on identifying and meeting with prospects, enhancing our presence at events that offer the ability to meet with decision makers and creating awareness and changing perceptions. In doing so, improve the collaboration with existing business, educational and economic development partners.</p>
Identifying and Meeting with Prospects	<p>We have conducted a campaign to identify and begin discussions with companies that have an interest in learning more about Minnesota. From our efforts in 2008, more than 20 prospects have been identified and visited. Of those:</p> <ul style="list-style-type: none">• US prospects – 2 have made repeated visits to the state (ultimately 1 chose another locale), and 2 more are in the works for Greater Minnesota. None would have considered the state or gotten as far as they did without direct intervention, as all have attested.• International prospects – 1 has announced plans to establish a presence in Minnesota; 1 is considering an April visit to a Greater Minnesota site.• The value of these prospects is measured far beyond the higher wages offered in this industry. Each is critical to strengthening the infrastructure of the industry and immediately brings competitive advantages to Minnesota – either by reducing costs to medical device research or providing enhanced “tools” to the industry or both.• Minnesota is one of only two states invited by a national site selection firm to compete on all four of its major bio-pharma projects. Although the selection process is still ongoing, the combined total potential investment is valued at \$2 billion with the creation of more than 2,000 new jobs.

Program	Outcomes
<p>Enhancing Minnesota's presence at events</p>	<p>Minnesota has been able to expand its presence and raise its profile at national events which offer the opportunity to learn more about the industry and also to meet with decision makers.</p> <p>The funds have allowed for enhanced participation and visibility at trade shows such as the premier event for the bio industry, the annual BIO International Convention and other medical device events.</p> <p>The upgraded presence has provided the opportunity for the State's key institutions, scientists and communities to present their strengths at Minnesota's booth. These partners take part in the new presentation area and benefit from the exposure provided and by the traffic generated to listen to the presentation.</p>
<p>Creating awareness and changing perceptions</p>	<p>Some of the funds have been directed to targeted advertising and enhanced communications.</p> <p>Prior to attending trade shows, print media and email communication have been created to generate interest in learning more about Minnesota. More than 2,000 companies have received some form of communication about Minnesota in an effort to drive more traffic to our booth at events or to other vehicles for more information.</p> <p>In today's environment, it is not possible to meet with everyone that has an interest in Minnesota. In order to utilize tools that allow for personal contact at a fraction of the cost, a webinar was developed, promoting the strengths of Minnesota's our industry. Pre-qualified leads were generated from the event and more than 700 bio-pharma companies across the globe were invited to participate in addition to the nearly 500 others that we have touched at previous events.</p> <ul style="list-style-type: none"> • 25 participated in the live event to learn more about Minnesota and another 75 will have watched the presentation at another time. • DEED partners were also the presenters – those directly involved included Mayo Clinic, University of Minnesota, Upsher-Smith, BioBusiness Alliance of Minnesota, Rochester and Worthington. • The Mayo Clinic and BioBusiness Alliance used it in a partnership development trip to Sweden. • The webinar is also a cost-effective opportunity to meet face to face with these webinar leads at upcoming shows or marketing missions.