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Annual Report to the Minnesota Legislature

Enterprise Minnesota

Growth Acceleration Program

Minnesota Statutes 116O.115

Period Ending 2009

Special Appropriation

Allocation \$500,000

Minnesota Department of Employment and Economic Development

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The Minnesota Legislature, during the 2009 Session, adopted legislation and appropriated \$500,000 to the Department of Employment and Economic Development (DEED) to be used as a grant to Enterprise Minnesota. Enterprise Minnesota is a non-profit organization, based in Minneapolis, serving all of Minnesota.

In December 2009, DEED entered into a grant agreement with Enterprise Minnesota to establish and operate a small business Growth Acceleration Program (GAP). Under the Authority of Minnesota Statutes 116O.115, the GAP was established to provide direct matching funds totaling \$500,000 to help small manufacturing companies that need assistance to stay in business, grow and compete. Funds are used to deliver Enterprise Minnesota's services to these companies.

Growth Acceleration Programs funds are targeted to assist qualified firms with the following activities.

- A. Bridging the gap between standard market pricing for technology business improvements, and the amount qualified companies can afford to pay.
- B. Helping qualified companies including manufacturing and related industries that employ up to 250 full-time workers.
- C. Awarding funds not to exceed 75% of project costs or \$25,000 for any project or \$50,000 for any company during the calendar year.
- D. Aiding eligible firms to foster technology improvements, increase job creation and job potential, and contribute to the quality of life of citizens and communities throughout Minnesota.

Through December, the end of the required annual reporting period for the Growth Acceleration Program, Enterprise Minnesota has:

- Disbursed \$119,632, and matched it with \$78,533 provided by the assisted companies.
- Enterprise Minnesota Inc. has approved total projects with clients for the full \$500,000, which represents 54 businesses.
- Results of Forty-Five (45) of the GAP participants have worked on or completed some portion of their improvement plans.
- Based on past client outreach Enterprise Minnesota estimates an average return of \$15 for every \$1 invested in the program. Estimates are based on similar services and similar companies surveyed by an independent third party. In 2009, 154 companies surveyed by Enterprise Minnesota Inc. responded attributing increased sales, cost reductions, investments, and jobs created or retained totaling \$57 Million.

- Some examples of consulting services delivered by Enterprise Minnesota Inc. to GAP Clients include: Value Stream Mapping, Lean Enterprise Programming, Business Management-Financial Analysis and Budgeting, Workplace Organization, Business Management Services, Corporate Strategic Planning, Business Process Review, Strategic Planning-Situation Analysis; and Operation Excellence, Marketing and Innovation Management.
- A final report on the results of the growth Acceleration Program will be provided to the Legislature following the completion of the grant period, which runs through June 30, 2011. That report will include an estimate of the financial impact of funds awarded to each company receiving service under the program, as prescribed by M.S. 116O.115, Subd. 6.

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