



2010 Bioscience Marketing Report

Report to the Legislature
as required by 2007 Legislative Session (Chapter 135, H.F. 122, Section 3, Subd. 2)

January 31, 2011
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Total cost of salaries, printing, and supplies in
developing/preparing this report is \$ 988.65
(reported as required by Minn. Stat. 3.197)

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Collaboration with business, educational and community economic development partners is essential to DEED's Bioscience Marketing Program, and we strive to leverage all resources at every opportunity. The 2007 Legislative Session appropriated \$125,000 to market Minnesota "bioscience business opportunities to other states and other countries" with an emphasis on "opportunities outside of the seven-county metropolitan area" (Chapter 135, H.F. 122, Section 3, Subd. 2).

Prior to calendar year 2010, DEED spent \$87,500 of the \$125,000 as reported in previous years. In 2010, DEED used \$30,653. A balance of \$6,847 remains for calendar year 2011.

DEED PARTNERS

DEED has coordinated bioscience marketing efforts in collaboration with a wide range of groups to promote the strengths of Minnesota to national and international audiences. The groups include:

- University of Minnesota
- Mayo Clinic
- MNSCU
- Association of University Research Parks
- BioBusiness Alliance of MN
- Life Science Alley
- Regional Initiative Foundations
- Economic development groups from Greater Minnesota
- Fargo/Moorhead Economic Development Corporation
- Greater Mankato Growth
- MinnWest Technology Campus
- Rochester Area Economic Development
- St. Cloud Area Partnership
- Worthington Regional Economic Development Corporation

The Positively Minnesota Marketing Partnership is also invited to participate in any and all of our efforts. Many of the organizations named above are members of the Partnership.

In addition, DEED has a close working relationship with the BioBusiness Alliance which analyzed and articulated Minnesota's competitive strengths in a series of landmark reports "Destination 2025." We work in partnership to identify prospects that fit into key strategic areas of bioscience as our marketing continues to build on Minnesota's strengths. The report calls attention to several successful examples of collaboration with our partners.

The private sector has also been a critical part of this partnership. We are fortunate to have leaders such as St. Cloud's DCI Inc. which began in the dairy industry and now sells to the biopharma market worldwide, Willmar's Technology Campus and Tower Investments in Pine Island. They were among the organizations that joined us at BIO International and helped DEED leverage our marketing funds. At the 2010 BIO International convention, 34 organizations (seven representing Greater Minnesota) were showcased as Minnesota's "culture of innovation," up from 25 organizations in 2009.

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MARKETING OUTCOMES

The marketing program has maintained its focus on heightening awareness of Minnesota's bioscience capabilities and continues to look for marketing opportunities that emphasize Greater Minnesota. The strategy is directed at reaching decision-makers through personal contact, with cost-effective proven methods that enhance Minnesota's visibility. This is important because Minnesota is at a disadvantage with other states which have tool boxes with many financial incentives. This fact is echoed by many site selectors, a study by the Science and Technology Authority and the 2010 "Positioning Minnesota for Future Business Growth" report. In any marketing program, results are rarely immediate; however our sustained efforts are beginning to show results as highlighted below.

The marketing program strategy focuses on three initiatives:

1. Identify and Meet with Targeted Qualified Prospects - \$2,600

Our ongoing campaign to identify qualified prospects and meet with decision makers is focused strategically on providing a level of customer service unsurpassed by our competitors. In 2010 we took exploratory steps towards a foreign direct investment strategy. The funds have allowed us to raise Minnesota's profile to decision makers in these globally competitive and challenging times. From our robust and collaborative work in 2010 with partners including the Mayo Clinic and the University of Minnesota, several notable opportunities were produced. With committed follow up, these could have long term benefit to our bioscience cluster:

- **Japan**
 - Bio marketing funds enabled DEED to send one official to participate in the "World Forum for Bio/Medical Device 2010." DEED was present to support the signing of an MOU between the BioBusiness Alliance of Minnesota and Japan's influential Osaka Chamber of Commerce and Industry. DEED made a presentation on Minnesota to an audience representing over 250 companies and the event garnered national media coverage in Japan. Following the World Forum, DEED worked with the BioBusiness Alliance to develop a strategic plan to carry out the MOU with this important region.
 - Relationships were also established with several leading organizations (National Cardiovascular Center, Foundation for Biomedical Research & Innovation, a top university and government officials), which can also provide access to major companies.
 - Seeds were planted for collaboration on the "Drug Seeds Alliance Network Japan" (DSANJ) which has the potential to bring in investment and joint business opportunities to our state's bio cluster.
 - Capitalizing on the trip, business relationships were also renewed with two major Japanese multinationals headquartered in Osaka. As a direct result, a top executive visited Minnesota and hired a Minnesota consultant.
 - Almost all of the above groups have already paid return visits to Minnesota, or have proposed one in conjunction with BIO 2011. A delegation of 36 from among those who attended the World Forum came to Minnesota for the 2010 Medical Device & Manufacturing show in Minneapolis (see below). From a tourism dollar perspective alone, they have returned DEED's \$2,600 investment many times over.

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1. Identify and Meet with Targeted Qualified Prospects – *cont'd.*

- **Canada**

DEED has reinvigorated the six-year-old Manitoba-Minnesota MOU for Bioscience. The annual BIO shows provide a critical venue and a cost-effective means for moving forward on multiple fronts with our Manitoba counterparts. A strategic plan is now under joint development to ensure sustainable, productive collaboration.

2. Raise Minnesota's Profile at Events and Optimize Outcomes - \$20,000

Leveraging the bioscience program funds has allowed participation in select national and regional events. This is important in marketing Minnesota because such events offer the opportunity to meet with many decision makers in a cost effective way, keep our pulse on the market, and encourage and support our Minnesota communities and partners. The objective is to help our community and company partners be successful in their efforts to build their business, thereby sustaining and creating new jobs.

- **BIO International** is the premier trade show for the bio industry. Minnesota's BIO 2010 pavilion provided a full "turnkey" service to Minnesota's emerging companies, communities and key institutions, enabling them to present their strengths to an audience of 15,000 from 60 countries. Minnesota also co-hosted a VIP international business networking reception. Seventy delegates representing 34 entities were part of the Minnesota team, a 36% increase over 2009. Communities from Elk Run, Moorhead, Rochester, St. Cloud, Willmar, and Worthington were represented. Newcomers included small innovators like Unitech Medical and two stalwarts of the medical device value chain, Devicix and Minnetronix. BIO regulars included Upsher Smith Laboratories which brings new business deals into our state's pharma sector. In addition to these Minnesota groups, two companies DEED was recruiting switched their participation from Wisconsin and Florida pavilions to join our team in 2010.

Funds have also been used as a scholarship incentive for select emerging companies to join the Minnesota pavilion. It was a tool to retain these companies being lured elsewhere. Funds were also put towards a pilot project to explore the benefits of the business partnering service the show provides. As a result, a strategic plan is underway for 2011 to promote Minnesota in a way that clearly differentiates us from our competition.

For several first-hand accounts from the business community about the value of attending BIO through the DEED pavilion, see the Appendix. A sampling of the results reported:

- ✓ Pharma company – 40 meetings resulting in 6 confidentiality agreements. "We still get calls 2-3 years later"
- ✓ Biotech – 45 meetings; "pleased to receive Minnesota media coverage"
- ✓ A "retention" target (DEED worked for two years to thwart its move elsewhere) – "at least 12 usable contacts, 6 meetings and an overture from a big pharma"
- ✓ Law firm – "3 new leads from the Manitoba-Wisconsin-Minnesota breakfast"
- ✓ Service provider – "5-7 leads and 100 contacts"
- ✓ A Community – "7-9 prospects who want to relocate back to Minnesota, mostly from the south!"

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2. Raise Minnesota's Profile at Events and Optimize Outcomes – *cont'd.*

- **Medical Device & Manufacturing Show:** The Bioscience Marketing fund allowed us to continue to have a state presence with a booth at the Medical Device & Manufacturers (MD&M) regional show. We held costs down by cutting the booth size in half but continued the tradition of inviting other organizations to join the booth. This supported 5 communities in their outreach efforts to the industry, including Iron Range Resources and St. Cloud.

DEED also co-hosted with the BioBusiness Alliance a delegation of 36 from the Osaka Chamber of Commerce in their second annual attendance at the MD&M show. The strategic focus is to proactively direct the opportunities towards those that involve complementary technologies with Minnesota companies and are mutually beneficial to Minnesota industry. As a result, one Minnesota start-up has been given qualified leads and guidance for distributing in the Japan market. Building on the 2009 visit, another has begun joint development on a component that the Minnesota firm says will make its product more competitive in the global market.

- **Life Science Alley Conference:** For several years, DEED has sponsored Life Science Alley's annual conference with General Fund dollars allocated to the Office of Business Development. As reported last year, we redirected event sponsorship funds to hosting a booth and inviting communities to join DEED. Our 2009 experiment with this win-win approach was well received and in 2010 seven communities joined DEED, from Moorhead to Worthington.

This \$4,000 investment allowed much more cost-effective participation by the communities while still giving them exposure. Life Science Alley gained by having attendees that otherwise would not have participated due to increasing fees and challenging budget choices. DEED and the Minnesota Trade Office also benefited by maintaining our visibility. Finally, the booth presence enabled us to be fully proactive with the Manitoba delegation which had more than doubled since 2008.

- **Worthington Regional Bioscience Conference:** DEED supported Worthington's 6th annual conference which links agricultural bioscience with human health. This agriculture focus attracts expert speakers and attendees from beyond our State's borders. The conference also draws in the local secondary school science teachers and students and gives them unparalleled exposure to the field. DEED's \$500 sponsorship is as much about encouraging the next generation as it is about promoting the industry.

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3. Enhance Collateral Materials for Lasting Impact - \$8,000

A portion of the funds was directed to proven, targeted marketing including an advertisement and collateral material. These were intended to raise awareness not only with audiences outside our borders, but also with our own players in Minnesota's bio cluster.

- **The Minnesota Bioscience Directory** is by far the most requested and widely disseminated piece, published by Twin Cities Business, another key collaborator. Funds were used for a well placed advertisement in the 2009-10 and 2010-11 issues. The ads enhance Minnesota's visibility and helped ensure the publication itself. The negotiated fee included listing in a valuable online directory. Unlike magazine ads, this directory has a shelf life of a year and is an indispensable resource which we distribute worldwide and at all events to well over 1000 qualified recipients each year. The directory is attached with the hard copy version of this Report. Or refer to the website: <http://www.tcbmag.com/factfinder/biosciences>
- **Bio Fact Sheets:** Building on the 2009 upgrade of the four bio sector fact sheets, a new fifth fact sheet was added to highlight Minnesota's competitive strength in "BioAgriculture & Food." These five fact sheets include testimonials, web sites, and information on the State's research capabilities. They also reinforce our message regarding Minnesota's "Quality" and promote a unified Positively Minnesota brand. Attached are sample Fact Sheets. http://www.positivelyminnesota.com/Data_Publications/Data/Research_Reports/Industry_Fact_Sheets_Reports/BIO_Fact_Sheet.pdf
- **"Did You Know?" Bio Leaflet:** Also new in 2010 was the production of a bookmark that captures memorable Minnesota achievements in each of the five sectors. It also serves as a conversation starter at events where Minnesota has a booth presence.

Conclusion

As a result of the bioscience marketing funds, strategic marketing efforts were implemented in a targeted way that enabled DEED to reach multiple audiences and capitalize on Minnesota's strengths.

The fund has \$6,800 remaining for calendar year 2011. This will go towards supporting two of Minnesota's annual marketing programs: BIO 2011 in Washington DC and the Worthington Regional Bioscience Conference.

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APPENDIX

What Minnesota companies said about BIO 2010 and how DEED helped their productivity:

The VIP reception for Minnesota BIO delegates was the single most productive networking event that we attended at BIO 2010. It was very valuable for Biovest as we met with corporate partnering candidates, academic/research organizations and investors, and these new relationships have resulted in key opportunities. As a newcomer to Minnesota, we very much appreciated that DEED organized this important event.

Biovest - Director of Business Development and Corporate Strategy

DCI has been involved with the Minnesota pavilion and the BIO convention for several years. We met our joint venture partner for bioreactors and fermentors through BIO several years ago. Many of our biopharmaceutical end users also exhibit at BIO, so it is a good networking opportunity. DCI was privileged to show our DCI-Biolafitte lab/pilot fermentor at the 2010 BIO, which helped to create interest not only for DCI-Biolafitte but for the Minnesota pavilion as a whole.

DCI – VP of Sales and Marketing

Our sincere thanks to the state of Minnesota and its professional business development team for supporting Invivosciences LLC before and during BIO International. It was a productive conference for our biotech start-up company, and the connections that we made should help us grow. We were invited to present at the Bio Business Forum, which was an excellent way to build effective and high-level business relationships.

Invivosciences – CEO

When we attended the BIO show, we were happy to find both current and potential partners attending and exhibiting. BIO has significant activity relevant to medical device companies because biotech companies often need devices to deliver or monitor their technology.

Minnetronix – VP of business development

Upsher-Smith participates in the BIO Partnering Program, and last year we couldn't accept all meeting requests to allow sufficient time for those meetings that best fit our partnering objectives. The partnering format allowed us to efficiently and conveniently meet with both U.S. and international colleagues to initiate and continue partnering discussions.

Upsher-Smith Laboratories – Senior Director of Industry Relations