



The

INNOVATOR

The WBIA - "Accelerating
Businesses...Creating Jobs"

State's new economic development corporation still organizing

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The offices of the new Wisconsin Economic Development Corp. are surprisingly anonymous.

The public-private hybrid agency officially opened July 1, but there are still no outward signs of its existence: no logos on the walls, no department nameplates. Even the downstairs lobby at 201 W. Washington Ave. still lists the now-defunct Department of Commerce as residing on the fifth and sixth floors.

So while Wisconsin may be open for business, as Gov. Scott Walker likes to say, it seems its chief economic recruiter is still very much under construction.

"There is this perception that we just took Commerce and privatized it," said Paul Jadin, Commerce secretary and CEO of WEDC. "The truth is, we are creating a whole new organization, and there is a lot that goes into that."

The governor signed legislation in February abolishing the Commerce Department and replacing it with WEDC, an agency free of the regulatory duties that many felt hampered Commerce.

Now, some eight weeks in, WEDC officials are still working out the details. They've installed new human resources and payroll software, hired employees and set up customer relations services. But they are still trying to fill four vice president slots and several key director positions.

And they're still wrestling with how to "brand" the agency. Should it go by its acronym and

phonetic pronunciation, "weed-ic"? Or should it simply be "The Corporation"?

Such things may seem small, but they matter to the agency. And all of them have to be figured out. "It really is like buying a house and trying to remodel it from the inside out," said Mike Klonsinski, WEDC chief operating officer.

Getting started For years, the Commerce Department faced criticism for doing too much. Along with promoting business interests, the department's duties included community development, homelessness prevention, petroleum product testing and building safety.

WEDC is tasked with one thing: attracting and retaining businesses. The agency has been given an \$83 million budget, nearly twice what Commerce received for economic development.

Since July, WEDC has awarded more than \$34 million in grants that it says have created more than 900 planned jobs. That's not a marked jump in amount or number of awards from what Commerce disbursed in January through July, but officials say they still are laying the groundwork for future success.

In pushing for WEDC, Walker argued that the state needed a more nimble approach to business recruitment. Jadin said the agency recently dealt with a problem that highlights its ability to tailor solutions to certain problems.

In a pending case, which offi-

cialists said they can't yet talk about publicly in detail, a business was looking to expand by using some of WEDC's tax credits, but it needed financial help up front.

There was no existing way to get the company the cash, Jadin said. And as a government agency, WEDC would have been hemmed in by existing law. But as a corporation, Jadin and the board were able to craft a loan that allowed the company to borrow against the tax credits it would receive from the project.

"That kind of flexibility is invaluable when dealing with businesses," Jadin said.

Oversight WEDC has been the source of a lot of controversy. From its inception, critics worried it would wrestle with the same problems that plagued similar hybrid agencies in other states.

But according to Jadin, there is more than enough oversight in place to make sure his new agency will be accountable. "I can't imagine that Commerce was ever as accountable as we will be," he said.

Assembly Minority Leader Peter Barca, D-Kenosha, a WEDC board member and a leading critic of its creation, said it is too early to tell whether the agency will avoid the pitfalls so prevalent with others of its kind.

"The transition has been harder than they thought," he said. "But I think they are working on it. The secretary has been very reassuring, but I will continue to harp on this."

WBIA MISSION STATEMENT

To educate, inspire, and advocate on behalf of small business start-ups & entrepreneurs by providing incubation facilities and networking resources.



SCEPI Establishes Business Micro-Loan Fund

Shawano County Economic Progress, Inc., (SCEPI) was recently awarded with a \$90,000 USDA Rural Business Enterprise Grant, (RBOG), that will be used to establish a sustainable SCEPI Revolving Micro-Loan Fund, (RMLF). The RMLF will operate like a traditional Revolving Loan Fund loan and be used to support businesses start-ups and expansions in Shawano County. For the purposes of the SCEPI RMLF program, we define small businesses as companies with 25 employees or less that generate up to \$500,000 in sales revenue annually. In Shawano County this definition applies to nearly 800 companies.

The SCEPI RMLF program will provide the micro-loan funds needed by small businesses that are generally unable to obtain RLF loans because they cannot produce the volume of jobs as in a typical RLF loan. RMLF loans will generally be for \$5,000 or less

and create 1 to 3 new jobs and retain 2 to 5 existing jobs per loan. Businesses will be required to provide dollar-for-dollar matching funds to be eligible for a RMLF loan. We estimate that in one year, the micro-loan program may be able to assist 5 or 6 small business expansions or start-ups that will result in the creation of 20 to 25 new jobs.

The SCEPI RMLF will support the delivery of technical services and the micro-loan funds needed by new business start-ups and existing businesses already operating in Shawano

County. Technical support may also be augmented with assistance from SCEPI's network of service providers, (e.g. the Small Business Development Center, USDA, Commerce, etc.). Services that will be provided include:

- Business mentoring & technical support.
- New business start-up and competitive analysis.

- Business plan development assistance.
- Break-even and other financial assessments.
- Financial products application assistance.
- Marketing and promotion plan development assistance.
- Product / service improvement analysis.

If you're interested in learning more about the SCEPI Revolving Micro-Loan program or to see if you have a project that qualifies for this program, please contact SCEPI at 715-526-5839 or via email at scepi@frontiernet.net.

DNR Secretary Visits SCEPI and Shawano

On May 20, 2011, Cathy Stepp, Secretary of the Wisconsin Department of Natural Resources was invited to Shawano by SCEPI to have discussions about her vision for

the DNR. The visit was an opportunity for us to urge Madison to help with regards to wetland issues in the recent past that have derailed several area development projects.

Secretary Stepp acknowledged that the DNR has earned their reputation as anti-development. We noted that those actions resulted in several area businesses closing their doors and leaving the area or state. These closures took approximately 300 jobs with them and left significant holes in our area's manufacturing sector, a major area employer. Secretary Stepp made clear her commitment to fulfilling the DNR's mission of protecting the environment but in a manner that also supports the start-up and expansion needs of area businesses.

Ultimately the Secretary stressed that the time has come for local agents to look at businesses as DNR customers and to be solutions-oriented in working with them. She added that local DNR agents will be expected to help businesses advance their development projects while taking into account environmental concerns in a more balanced and sensible manner.

Arterro Wins Grant!



Arterro, a Madison Enterprise Center company that produces eco-friendly creative arts kits, has been named a winner of Eileen Fisher's 2010 Women's Entrepreneur Grant Program. The program awards

up to five grants each year to innovative, women-owned businesses that incorporate sustainability and socially-conscious principles into their business practices. "It feels wonderful to have our company recognized by a business leader we respect," says co-owner Forrest Espinoza. Arterro is entering their second year at the Madison Enterprise Center, Common Wealth's business incubator located at 100 S. Baldwin Street.

WE WOULD LOVE TO SHOWCASE YOU AND/OR YOUR ORGANIZATION! PLEASE SEND US YOUR ARTICLES!!

Send your information to:

Steve Sengstock scepi@frontiernet.net

or

Lisa Harmann lharmann@titletown.org

FCEDC's search for new president

A search committee, consisting of Fond du Lac County Economic Development Corporation board members and other business professionals, is in the process of finding the next president for the organization. Former president, Brenda Hicks-Sorensen, CECD, accepted a position in June with the newly formed Wisconsin Economic Development Corporation (WEDC) as vice president of economic and community development. She was president for nearly seven years. Kristen Fish, CECD, of Redevelopment Resources, was named interim president. She is assisting during the transition, working limited hours, and advising the search committee.

Cellcom project 'a huge victory'



Pat Riordan, president and CEO of Cellcom, addresses a group of Door County business and government leaders August 4th about the company's plans to run a fiber-optic network from Green Bay to Sturgeon Bay. He is standing in front of a massive Tsmec machine that can cut a trench through Door County's rocky terrain.

The president of Cellcom said, "it's important to celebrate small victories" Thursday, but he was contradicted by the leader of the Door County Economic Development Corp Technology Council. "This is a huge victory," Sam Perlman said, drawing out the word "huge," regarding Cellcom's plans to build a fiber-optic network from Green Bay to Sturgeon Bay.

The project, already in progress and expected to be com-

pleted by the end of the year, will dramatically improve internet access for business, industry and residents of Door County, said Bill Chaudoir, DCEDC executive director. "We will have much happier business customers, a better health-care system and a better education system now and into the future," Chaudoir said.

Pat Riordan, president and CEO of Cellcom, gathered local business and government leaders along with contractors at Kisser

Quarry north of Brussels, one of the staging areas for the project. "There are people from all over the country who want to live here in Door County," Riordan said. "But those who do live and do business here know that the slow service needs to be overcome. This is a step in making that happen."

Work on the first leg of the project, from Wequiock in Brown County to Brussels, began in March and is about 50 percent completed. Michels Communications has been awarded the contract to build the cable route for the second phase, which runs from Brussels to Sturgeon Bay.

Holtger Brothers, Inc. has also contracted with Cellcom for about three miles of the route between downtown Sturgeon Bay and South Duluth Street, including a stretch under the ship canal. Cellcom is partnering with Sturgeon Bay Utilities for the use of its underwater duct and with Door County to attach cable to SBU's poles. Construction is expected to wrap up in October,

and then Cellcom will add optics to the route. The company expects the network to be fully operable by the end of the year.

"After that we'll need your help in moving forward to Gills Rock," Riordan said. "We've got to get the rest of the way up the Peninsula." When the project is completed, the company expects vastly improved high-speed Internet access, increased capacity for data services, an expanded wireless network and a system ready for a future upgrade to 4G technology.

The business and government leaders said improving broadband service in Door County has been a priority for 15 to 20 years.

"Cellcom is the telecommunications company that actually listened to our needs and addressed them," said Tim Ullman, Door County information services director. "We're a rural community, and just like every rural community we have our shortcomings...it's because (Cellcom is) here that we'll have the opportunity to access information-based, good-paying jobs."

(article courtesy of Door County Advocate)

Testimonial from Delta 3 Engineering, Inc.

A Successful Collaboration for Business Expansion

The Platteville Business Incubator ("Incubator") has adequately provided tenant space to several businesses, including our firm, Delta 3 Engineering, Inc. We initially chose a 1,440 sq. ft. tenant space in the Incubator to build out as our office for our initial three (3) employees to conduct engineering business in November, 2003. Due to our expansion and needs within our first two (2) years, our company simply outgrew our initial office space and was in need of a larger office facility. Because of the extraordinary support the Incubator Board and its staff have provided our company from the onset, we strongly desired to relocate to a larger tenant space within the Incubator building. The Incubator Board

and the Incubator manager worked diligently and pursued all financing avenues, without hesitation, to furnish us the financial assistance and lease terms to allow our firm the opportunity for relocation to a 3,000 sq. ft. tenant space within the Incubator. Our relocation to this 3,000 sq. ft. suite in 2006 satisfied our needs of more offices, technical assistance areas, office supplies and equipment space. In addition, with our relocation to a larger tenant space for our office, our initial improved 1,440 sq. ft. office space was available for lease, which was leased immediately to another business. Our engineering firm continued to grow and has currently expanded to 18 employees. Due to our continued growth, Delta 3 Engineering once again needed to pursue a larger office space or facility.

In 2010, Delta 3 Engineering purchased its own 11,300 sq. ft. office facility within the City of Platteville, resulting in the graduation of our firm from the Incubator. Even during the graduation phase, the Incubator manager and staff have been very helpful in our closeout procedures to assure that we have a smooth transition from our "home" of the last seven-plus years to our new facility. Delta 3 Engineering, Inc. has been overwhelmed with the support of the Incubator and the amenities that it has provided us. The concept of the Incubator to assist businesses in getting started on the right foot certainly has allowed our firm to solely concentrate on what is most important to us: providing our clients with high-quality and cost-

effective engineering and technical services. The financial and personal assistance the Incubator and its manager have given us has allowed the development of a firm foundation and continuous expansion of our business. The unquestionable assistance of the Incubator throughout the entire process: from the startup of our company, through the relocation internally, to the graduation of our company is a true testament that the initiative of the Incubator is realized. Without the Incubator, its business-friendly setup, and irrefutable support, the expansion capabilities and growth of our company would have been significantly hindered. Thank you Incubator and staff!



MEET OUR BOARD MEMBERS!



Michelle McKercher is the Assistant Director of The Development Association located in Douglas County, WI. She started as the Executive Secretary with the Development Association in 1986. Through the years she has continued her education through classes offered by University of Wisconsin Systems, National Development Council, and International Economic Development Council. She became the Manager of the Superior Business Center in 2000, when the City of Superior and County of Douglas contracted with the Development Association to manage the incubator facility. The Superior Business Center is a mixed-use business center, which includes a USDA certified commercial kitchen. She now serves on the Board of Directors of the Wisconsin Business Incubation Association, and is a member of the National Business Incubation Association.

Michelle has two grown children, and three grandchildren. Her hobbies include gardening, golfing, fishing and camping.



Romey Wagner has been the Manager of the Wausau Business Development Center since 2008. The facility is a shared use operation and offers office, light manufacturing, and laboratory and kitchen incubation space. Romey is active in many nonprofit organizations, sitting on and chairing many boards in the past ten years since his retirement. He is a member of the Wausau City Council and a Commissioner with Community Development for the area, working closely with the other Economic Development partners in Marathon County to direct potential start-ups to the right resources. Currently Romey serves on the WBIA Board of Directors and as Secretary of the WBIA.

Romey started two businesses and has a foundation that raises money and drills water wells in Kenya, Africa. The wells currently supply clean water to over 15,000 people a day and 100,000 head of livestock per week. Romey co-authored a book — "*The Cheesehead Night before Christmas*" that tells the real story of Christmas Eve in northern Wisconsin. Romey and his wife Lisa have 3 adult children.

About the WBIA

The WBIA is a 501(c) 3 non-profit corporation that was founded in 1998. It is governed by an eleven member Board of Directors. The WBIA has twice hosted the National Business Incubator Association (NBIA) international conference in Milwaukee and has maintained representation on the NBIA Board of Directors for many years. The WBIA sponsors comprehensive surveys of Wisconsin's incubation programs and state entrepreneurship/incubation conferences.

WBIA IMPORTANT "SAVE THE DATES"

October 6-7, 2011: WBIA Board Meeting. The fall quarterly Board meeting will on **Thursday, October 6, 2011** in Lac du Flambeau. The location, time and other details will be posted on the website when determined.

WBIA Member Meeting. The fall quarterly WBIA members meeting will be held on **Friday, October 7, 2011** and hosted by Kristine Zich of Great Lakes Inter-Tribal Council, Inc. at 2932 Hwy 47 North, Lac du Flambeau. The time and educational presentation will be posted on the website when determined.

January 12-13, 2012: WBIA Board Meeting. The winter quarterly Board meeting will be held on **Thursday, January 12, 2012** in Janesville (tentative). The location, time and other details will be posted on the website when determined.

WBIA Member Meeting. The winter quarterly WBIA members meeting will be held on **Friday, January 13, 2012** in Janesville (tentative). The time, location and educational presentation will be posted on the website when determined.