



STATE REPRESENTATIVE
ANDY JORGENSEN

43rd ASSEMBLY DISTRICT • ASSEMBLY DEMOCRATIC CAUCUS CHAIR

JORGENSEN MMAKE REMARKS 2-21-13

Chairman Stone and committee members, I want to thank you for holding a public hearing on Assembly Bills 37 and 38 and for accepting my testimony today.

Chairman Stone, I want to especially thank you for your partnership in advancing these bills. Three weeks ago, you and I met about the goals of this committee, and you told me you were open to my ideas. You proved true to your word. Together, we took the Marketing Manufacturers and Keeping Employees – or MMAKE – package of bills, and made them products that Republicans and Democrats can support... and that, we hope, the Assembly can approve.

I'm pleased to have the opportunity now to tell you all more about the MMAKE bills. They're aimed at a goal we share: supporting Wisconsin businesses and Wisconsin workers. And that goal stems from a real problem.

In 2008, manufacturing accounted for more than 20% of Wisconsin's economy, with nearly \$50 billion in activity. More than 430,000 people in Wisconsin work in manufacturing – and support their families with their salaries. But, the sad fact is – we've lost some of those businesses. And, more than 160,000 people lost jobs in manufacturing in Wisconsin in the past couple of years.

Many of you know, I come from a manufacturing background, having worked the Assembly line at the now-shuttered General Motors plant in Janesville. I can tell you, many of my former co-workers – now constituents - are still jobless and struggling.

But, you know this.

You know, we have lost far too many manufacturing jobs – and far too much of our manufacturing activity. We've tried to stop the bleeding. We've taken some steps to boost businesses and workers. But, it's clear, we must do more.

We need to think outside the box of tax credits and training programs – and draw from the expertise of people in the field. That's what we're trying to do with the Marketing Manufacturers and Keeping Employees – or MMAKE bills.

The ideas for these proposals came from a visit I made to a manufacturing plant in Lake Mills, Aztalan Engineering, when I represented that part of the state.

In the most difficult economic environment, Aztalan Engineering is an incredible success story. Some people complain we don't make anything in the United States anymore - - but Aztalan is evidence that's not true. As I saw on the tour, they've just built a new expansion, doubling its capacity and hiring more workers. And, when I visited Aztalan, I asked the owner, Jim Brey, and one of his managers, Kirk Kussman, who you'll hear from later - - what can we do to help you? What can we do to see more of this success? Jim said to me, simply, that Aztalan Engineering and other small and mid-sized manufacturers in Wisconsin could use help marketing their products, building their supply chains. Jim and his staff have noticed that other states and economic development organizations send representatives to trade shows, to promote products made in their part of the country.

Arizona does it. Kentucky does it. Indiana does it. Michigan does it. In fact, Michigan's STEP program helped 400 companies expand operations and make more than \$21 million in export sales. Wisconsin doesn't help its manufacturers with marketing, and Wisconsin is falling behind. The Marketing Manufacturers and Keeping Employees legislation would help to fix that.

Part one of the MMAKE plan, Assembly Bill 37, directs the Wisconsin Economic Development Corporation to organize a trade show for manufacturers here in Wisconsin. This would help businesses create supply chains within the state and, hopefully, out-of-state as well. The price tag is minimal - \$100,000 - and we believe will pay for itself over and over again, in new revenue.

Part two, Assembly Bill 38, directs the WEDC to oversee the work of an industry association in creating a marketing plan, advertising materials and a website highlighting the products of small and mid-sized manufacturers in Wisconsin. It would have that association, under the supervision of the WEDC, send ambassadors to trade shows in other states and other countries, brokering deals and making critical connections. The price tag here is a bit more significant - \$1 million dollars over five years. We're going to delay implementation for a year to give WEDC time to plan this out and get it set up. And, it's not everything I had wanted, but it is a start - an important start.

I'm very pleased with the bipartisan support these bills enjoy. AB 37 now has Rep. Krug as a lead author. It has 10 other Assembly Republicans on board and 13 Assembly Democrats. Senators Lassa and Moulton are the leads in the Senate.

I am the lead on AB 38, and Rep. Stone is partnering with me on it. There are 14 other Assembly Democrats and 10 other Assembly Republicans. Again, Senators Moulton and Lassa are the Senate leads.

I hope to have your support in this committee, too. If you have any questions, I'm happy to take them at this time.

**Testimony of
Ryan Murray, Deputy Secretary and Chief Operating Officer
Wisconsin Economic Development Corporation**

For the Assembly Committee on Small Business Development

February 21, 2013

Thank you Chairman Stone for the opportunity to testify on Assembly Bills 37 and 38 – the Marketing Manufacturers and Keeping Employees bills. I want to thank you for the interest you and Representatives Krug and Jorgenson have shown in promoting the state's small and mid-size manufacturers.

WEDC obviously shares your goal of promoting the vast supply chain network of Tier II and Tier III manufacturers who call Wisconsin home. In fact, WEDC already has several initiatives in place to do just that. A couple key examples of our support include:

1. Strong and active partnership with Wisconsin Manufacturing Extension Partnership (WMEP). WEDC invests \$1,000,000 annually to support the supplier optimization efforts of WMEP through delivery of its Supply Chain Advantage/Accelerate service line offerings which reduces Manufacturing Critical Path Time and increases manufacturing capacity for WI small and mid-size manufacturing companies. This specialized program, the only one of its kind in the national network of 52 MEP centers, has delivered over 450 such projects.

Results for 2012 through assistance delivered to 178 manufacturers include:

- \$115 million in increased and retained sales
- \$13 million in cost savings
- \$28 million in investment impact, including new plants and equipment
- 322 jobs created and 507 jobs retained

2. WEDC invests \$250,000 annually to support delivery of continuous improvement and lean manufacturing services from the Northwest Manufacturing Outreach Center (NWMOC). NWMOC's services created and retained 319 jobs last year and produced nearly \$30 million in positive business impacts for 101 small and mid-size manufacturers.

3. WEDC actively promotes and invests in the marketing of its sector supply chain companies at events, in media and in retail level delivery of supplier capabilities data to in-state and out-of-state OEMs.

a. WEDC is a major sponsor of Manufacturing Matters! - the largest manufacturing-centered event in Wisconsin and one of the largest in the Midwest - which vigorously promotes Wisconsin manufacturing and supply chain capability.

b. WEDC is developing sector-specific marketing materials to highlight the unique capabilities of our supply chains in these vital sectors.



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- c. WEDC participates in the major supplier fairs across the state including Marinette Marine and GE and pays sponsor fees when asked.
 - d. WEDC aggressively profiles supply-side capabilities of the state at other such events such as the Global Water Summit, which highlights specialist supplier capabilities of the water technology sector.
4. WEDC has the capability of executing high level, specialized supplier searches that go through four levels of vetting. We have already conducted once such search for an out-of-state aerospace company which has resulted in 18 responses from Wisconsin based suppliers to their RFP with an additional 13 in development. WEDC is looking at conducting a second such search for GE. This service not only benefits the OEM but the supplier as well.
 5. Finally, the In Wisconsin marketing campaign highlights the numerous assets the state has to offer and integrates Wisconsin's unique manufacturing expertise in all integrated external communications. In addition, Wisconsin's water technology industry will be featured in a mid-March publication of Forbes magazine, a WEDC-brokered placement through Nelson-Schmidt, our retained marketing agent.

WEDC values our role in working with the Legislature to develop effective business development legislation. I want to thank Chairman Stone and Representatives Krug and Jorgenson for proactively reaching out to us in recent weeks to discuss this legislation and ways to improve it. While initially, WEDC had concerns that this legislation would return us to the days of segregating funds for parochial purposes with no ability to adapt to changing circumstances or to react to assessments of effectiveness, we now believe this legislation provides adequate flexibility to ensure effective program creation and measurement.

This willingness to work with WEDC on modifications demonstrates your understanding of the philosophy behind WEDC's creation: to be a nimble business development organization that uses quality data and measurable deliverables to develop fact-based policies free from political influence. By creating a Board of Directors comprised of accomplished business professionals, the Legislature has acknowledged that business development should be guided by experts and executed by professionals to achieve our goal of becoming a top ten state for doing business.

We strongly encourage all legislators, and your constituents, to reach out to us with your ideas for business development policy. In many cases, you may find that we are already working hard to achieve the goals you have in mind. In other cases, we believe we can work together to fill in gaps in our policy arsenal.

Once again, thank you for the opportunity to provide information to the committee on these bills. We look forward to working with you all again in the future.