



# David Griggs, vice president of business development at Greater MSP

Both private and public sectors have important roles in regional economic development

A Civic Caucus Focus on Competitiveness Interview

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## Present

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## Summary

Both the private and public sectors have roles to play in economic development in the 16-county Minneapolis/St. Paul region, says David Griggs, vice president of business development at Greater MSP, a private, nonprofit organization dedicated to economic development in the region.

Griggs outlines five broad sectors in which the region competes very well: health and life sciences, headquarters and business services, food and water solutions, innovation and advanced manufacturing, and financial services and insurance. He discusses some of the 27 subsectors Greater MSP has identified within those five sectors, such as the region's aerospace industry. He says aerospace often goes unnoticed but is a major contributor to the region's exports.

He notes the major contribution of the engineering sector to the Minneapolis/St. Paul region's success. He says the region is the number one destination for engineering graduates from universities in surrounding states. And he points out that the region has the second highest concentration of industrial engineers in the country. But he says the region is a net exporter of talent, since graduates of the Twin Cities area's universities and colleges in all disciplines tend to leave the region rather than stay. He believes the University of Minnesota is making changes to be more responsive to the needs of business.

## Background

David Griggs is vice president, business development at Greater MSP, (Minneapolis Saint Paul Regional Economic Development Partnership), a private, nonprofit organization (501C3) dedicated to economic development in the 16-county Minneapolis/Saint Paul region. He heads up the business development and research departments. In October 2011, when the organization was founded, he was initially brought in as vice president of business investment, with the research responsibility added in August 2012.

He came to Greater MSP after a nine-year tenure with Buffalo Niagara Enterprise (BNE), a regional economic development organization representing the eight western counties of New York State, where he served as director of business development. His department was the organization's primary liaison for companies considering relocation or expansion in the Buffalo Niagara region.

Griggs has an undergraduate degree in urban planning and regional analysis from Buffalo State College and a master's of urban planning degree from the State University of New York at Buffalo. He holds the professional designations of CEEdC (Certified Economic Developer) and EDFP (Economic Development Finance Professional).

## Discussion

**Greater MSP is a private/public nonprofit organization, receiving most of its funding from private sources.** According to David Griggs, vice president for business development at Greater MSP, the organization officially launched in October 2011. The business-attraction group, which has a staff of 18 people, is set up as a private/public nonprofit, receiving its funding from a mix of private and public resources. About 85 percent of its funding is from private sources, which include banks, law firms, utility companies, retailers, manufacturers. "We purposely keep our public dollars low, which allows us to operate more as a private entity than as a public entity," he said. "The sunshine laws don't apply to us, so we can operate in the shadows. The businesses we work with appreciate that."

He said the public funding comes from a mix of counties, cities and a few towns. "We take no money from the state, which allows us to have more of a peer relationship with the state," Griggs said. The funding is based on the size of the funder, which is determined for the organization's public-sector partners by population and for its private-sector partners by revenue. "We have a top-end maximum that any one company can contribute, which is \$150,000," he said.

**The mission of Greater MSP is to accelerate job growth and capital investment in the Minneapolis/St. Paul (MSP) region.** Greater MSP was created to address the performance of Minneapolis/St. Paul relative to its peer regions, Griggs said. It represents a 16-county region, using the definition of the U.S. Census Standard Metropolitan Statistical Area (SMSA). "We've been tasked with three things: to develop a regional economic development strategy, to brand and market the region around the world, and to handle job retention, expansion and attraction projects," Griggs said.

"We work with the banks, the angel networks, the venture funds, the state, and anyone else to overcome whatever hurdle a company has identified to doing business in our region," he said. "Our role is to explore everything to reduce the cost to a company of locating or expanding here."

To be globally competitive, Greater MSP has offices in Toronto, Shanghai, Osaka and Munich.

**There are five sectors of strength in which the region competes very well.** According to Griggs, those sectors include:

- Health and life sciences;
- Headquarters and business services;
- Food and water solutions. Water technology is a strength and Greater MSP is looking to expand that sector. Companies like Pentair and Ecolab are great assets.
- Innovation and advanced manufacturing;
- Financial services and insurance.

Operating within those five, Griggs said, Greater MSP must be very targeted. "We can't use a shotgun approach to this," he said. "We have to use a sniper rifle approach to this."

**Greater MSP is now trying to attract dental device companies.** The group has identified some subsectors, like medical devices, that will always be in the region's mix. Greater MSP has expanded that subsector to include the dental device market. He said nobody around the country has focused on the dental industry, but the assets a dental device company needs are the same as for medical device companies. "We have all those assets in place here," Griggs said. Greater MSP is now looking for dental device companies that are expanding and trying to get them to come to the MSP region.

Griggs added that we have a number of hearing device companies as well, but noted that this is a smaller subsector than the dental device subsector.

**The MSP region is "a magnet" for snack food company headquarters.** Snack food is one of the fastest growing segments of the food industry. "We've had some good wins so far this year in bringing in a few headquarters and we have a few more lined up for next year," Griggs said. "They're coming because of the talent we have."

**Greater MSP just completed a regional strategy that identified 27 subsectors among the five broad-based sectors.** He said the group is somewhat limited in how quickly it can address some of the subsector opportunities, since it only has five people on the business investment side and three people on the research side.

**The MSP region should take advantage of its proximity to North Dakota's oil and gas fields.** Griggs said his organization has started working with the oil and gas industries. He pointed out that while MSP does not have either industry, nevertheless it is "the perfect spot" for the engineering services, legal services, land surveyors and other professional services needed within the oil and gas industries.

**The aerospace industry is a major contributor to the region's exports.** While there are several strong subsectors, such as specialty food products; robotics; and specialty vehicle manufacturing and development, such as snowmobiles, fire engines, ambulances and buses, one important subsector merits greater attention. He noted that MSP has a very strong aerospace sector, very narrowly defined, focusing on electronic controls and measuring. "It's been flying under the radar here," Griggs

said. "We need to learn what we can do to expand that industry and to bring in more complementary companies." He said companies in the region like Emerson Controls, UTC Aerospace Systems and Honeywell are expanding and hiring lots of people at good salaries.

**MSP is the number one destination for engineering graduates from universities in surrounding states.** Greater MSP commissioned a study to look at the engineering field in the region. The report shows that MSP is the number one destination for engineering graduates from the University of Wisconsin, University of Iowa, Iowa State, University of North Dakota and North Dakota State University. Griggs said each school graduates different kinds of engineers: the University of Minnesota (U of M) graduates research engineers, while the University of North Dakota graduates applied engineers. When a company is thinking of coming to or expanding in the MSP region, Greater MSP can help it determine where it can find the talent it's looking for.

**The region has the second highest concentration of industrial engineers in the country, behind Warren, Michigan.** The engineering report shows that the region's aerospace industry is the number one employer of industrial engineers here. And the report found that a number of different types of engineers are employed in company management, especially in headquarters companies. "Our engineering sector is responsible for so much of our success," Griggs said.

**Greater MSP goes to trade shows attended by regional companies to meet other companies in that same sector.** An interviewer asked what Greater MSP does after it has targeted a certain industry sector. Griggs responded that the organization talks to any companies here who will talk about their industry. "They'll give us direction as to the health of the industry," he said. "They'll tell us what trade shows they go to, which could allow us to meet other companies in that same sector. We develop a message based on the assets of MSP and we go out and tell the story to other companies within that sector. We go to trade shows and test our message. We'll come back and rerun it and go back out to test the new message. We have to go out and identify companies that are expanding and talk to site selectors in that particular industry. It's very targeted; you must have a message that's specific to one industry."

**Most economic development comes from companies already located in the region.** In response to a question, Griggs said his organization must talk to local companies, partly to see what the assets of the region are, so the group can go out and find more companies. "Also, in the economic development world, it's assumed that 80 percent of your business will come from companies you have locally already," he said. "Twenty percent will be attraction work."

**The University of Minnesota is making changes to be responsive to the needs of business.** An interviewer asked why groups like Greater MSP take the education system for granted, but don't push back at that system to say: Why are you not delivering what we want and need? Griggs said Greater MSP went to a water technology show in Munich this fall and had conversations with a Twin Cities-based major manufacturer that had an "enormous" presence at the show. The company was recruiting people. "We asked them where they go within the MSP region to find people," he said. "They go to the University of Wisconsin, Whitewater, to get graduates, because they have the right programs. We took that information back to the U of M."

An interviewer noted that Dunwoody is the school most closely associated with specific industries and that the University of Wisconsin, Stout, and North Dakota State University also have close ties with industry.

Another interviewer asked how we might encourage the U of M to change so it is more responsive to the needs of the business community. Griggs responded that Greater MSP is linking with the U of M and noted that University President Eric Kaler is on the organization's board. "I think they're making great changes there," Griggs said. "They're making changes to address the problem."

**The public sector should play a role in business attraction and retention.** Responding to a question about the public sector's role in economic development, Griggs said, "In Minnesota, governments are absolutely not overextending themselves in economic development." He noted that the state of Kansas and local municipalities are offering \$3 billion in incentives to try to attract the Boeing expansion. "You won't ever see that in Minnesota," he said. If Minnesota's government had played the economic development role 20 years ago that it plays today, he said, perhaps 3M would not have moved some of its operations from Minnesota to Texas, California and North Carolina.

**The region is a net exporter of talent.** An interviewer noted that soon there will be fewer people coming into the labor force than will be leaving and those entering won't be as well prepared. Griggs said the region's workforce is growing because we're importing people. But, he said, on the talent side, we're a net exporter. People are graduating from the region's higher education institutions and leaving the area more often than they're staying. In order to change that, Griggs said we need federal immigration laws that allow for a lot of those students to stay on H-1B visas, which are nonimmigrant visas that allow U.S. employers to temporarily employ foreign workers in specialty occupations. Those occupations include, for example, biotechnology, chemistry, architecture, engineering, mathematics, physical sciences, social sciences, medicine and health, education, law, accounting, business specialties, theology, and the arts.

**Greater MSP wants to attract research and development work more than manufacturing assembly work.** However, an interviewer countered that there is a strong link between manufacturing, engineering and product development. "Successful companies recognize the close relationship between product development and manufacturing," the interviewer said. "Manufacturing is a way for people to get their first job and for management to develop a cadre of people who will make the business grow."

**Attracting more companies to the region will lead to more opportunities for worker mobility.** An interviewer asked how the region could provide more mobility for its workers. Griggs said Greater MSP brings nothing new to Target, except an environment where more companies will want to locate, which means a larger workforce, bringing more opportunities for mobility: for workers to go from Target to Best Buy to Medtronic and so on.