

REGIONAL INDUSTRY CLUSTER INITIATIVES FOR THE MISSISSIPPI RIVER REGION

The following are examples of initiatives industry cluster associations could undertake to help make their industries become more competitive and prosperous in the global marketplace. These initiatives would involve cost sharing and resource pooling arrangements between companies or joint ventures on new products or services.

- ◆ Jointly acquiring raw materials (inputs) for quantity discounts
- ◆ Development of supply chain management efficiencies for inputs and products produced
- ◆ Developing plant and office production efficiencies (Lean Manufacturing, Lean Office, Six Sigma)
- ◆ Providing industry cluster cost shared education and training assistance for technicians, engineers, scientists, analysts, assemblers, welders and fabricators or other commonly shared production or supervisory positions
- ◆ Enterprise Resource Planning (ERP) system training
- ◆ Developing mutually beneficial industry cluster contracts between industries or public economic development organizations to maximize each industry's production capacity in terms of:
 - Floor space
 - Machinery and equipment
 - Laboratories
 - Material and product testing services
 - Research and development resources
 - Transportation and warehousing services
 - Information technology
- ◆ New product development risk sharing
- ◆ Assist in expanding regional chapters, organizations, and education opportunities in the science, technology, engineering and mathematic professions and initiatives to improve image of manufacturing occupations as a career choice
- ◆ Joint health care insurance pooling and administration initiatives
- ◆ Energy and transportation assistance joint ventures
- ◆ Joint Marketing activities
- ◆ Pursuing federal, state and private grants to assist in funding any of the above private market driven initiatives

Strategic Alliances Likely to Increase

Expect to see more ventures and strategic alliances for U.S. companies hunting revenue growth, according to a survey from KPMG LLP, the audit and tax advisory firm.

Sixty-four percent of executives surveyed for a white paper on the topic said they plan to increase their use of such alliances in the next two years, while 52 percent said they envision more JVs.

Nearly three-quarters, 70 percent, said these initiatives help to meet growth objectives, partly because they offer attractive returns and shared risks.

Why the interest? Investor pressure for growth and more market demand for new services were the top two reasons cited.

Associated Press, La Crosse Tribune, May 15, 2005

Industry Cluster Based Economic Development Concepts

1. Process should be aimed at improving the prosperity of the companies and the economic condition of the region through exports outside the region that result in new capital being imported that rewards the exporting companies and other businesses through deep economic multiplier effects.
2. Private companies should lead and drive the process with public economic development organizations providing information, technical assistance, coordination and other resources where possible.
3. Process should be economically driven not politically driven.
4. Need Industry Cluster Leaders or company representation and Industry Cluster Stewards or support from economic development organizations to succeed.

Prepared by: Mississippi River Regional Planning Commission
1707 Main Street, Suite 435, La Crosse, WI 54601
Telephone: 608-785-9396 Email: plan@mrrpc.com