

Regional Economic Development Entity

STRATEGIC PLAN
2007 – 2009

APPROVED
May 25, 2007

Regional Economic Development & Stewardship Entity (REDE)
615 East Washington Avenue
Madison, WI. 53701
(608) 443-1955

Greetings:

The Regional Economic Development Entity (REDE) is a not-for-profit organization created to grow the economy of Dane County and Wisconsin's Capital Region in ways that preserve and enhance the quality of life.

REDE is being formed at a time when our region is experiencing unprecedented population growth and the region's businesses are being faced with competition from every other region in the country and around the world.

The Capital Region has many natural resources, outstanding schools, community-minded businesses, strong government, and committed non-profits. We have no shortage of good ideas, effective organizations, or fine efforts related to economic development or quality of life issues.

Yet, for the first time in recent history, broad consensus has been reached around the need to take action in the absence of crisis to shape our region's future economy while maintaining and improving the way of life that makes this such an exceptional place to call home.

Though we pride ourselves in being a place that enjoys healthy disagreement and a wide range of opinions, this new organization is born from points of agreement not disagreement. It has been formed through the collaboration of many people and groups who do not often work together. It has also shown us that there are some things about which we agree:

- We agree that though we are rich in assets, ideas and efforts, we need to bring focus to our work.
- We agree that the most pressing issues that we will face, from creating jobs to providing transportation solutions, are not jurisdictionally based and must be considered in a regional way.
- We agree that economic development and quality of life are inextricably linked.

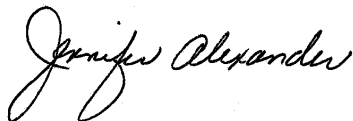
Some of us care more about the creation of jobs while others care more about protecting our natural resources. Determining the balance will be a part of our discussions and work for a long time to come. This strategic plan treats the economic development work and quality of life work as separate strategies, but its implementation will be done in concert.

The plan's approach toward economic development is sector-based, with an emphasis on the growth of existing and emerging business sectors based on our assets rather than a traditional recruitment model. Choosing to focus on key driver sectors does not mean that the region will not continue to support all of the others. Regional priorities do not exclude or replace local or community-specific priorities or work.

REDE's role related to quality of life issues is that of a collaborator or a catalyst. The issues of transportation and education are complex; people have dedicated their lives to this work. REDE will be finding its way in identifying a meaningful and helpful role.

Our shared vision is long range. The strategic plan, however, identifies short-term and intermediate-term actions for the next three years to move us closer to fulfilling that vision. We believe that REDE's work is deliberate and purposeful in nature – and more of a marathon than a sprint.

We recognize that hundreds of people have vested their time and resources toward the creation of REDE. We are committed to being good stewards of the resources invested and to work in a collaborative way. Please feel free to nudge or coach us if our actions seem out of line with the stated principles or plan. This work is humbling and we will continue to need your help and support.



Jennifer Alexander
President, REDE



Terri Potter
Chairman, REDE

Regional Economic Development Entity

FOUNDERS

February 2007

CORNERSTONE FOUNDERS

\$50,000–\$100,000 over 3 years

Alliant Energy
AT&T
American Family Insurance
Blue Planet Partners
Capital Newspapers
CUNA Mutual Group
General Casualty
Greater Madison Chamber of Commerce
John Taylor
Madison Gas & Electric
M&I Bank
The QTI Group
Raymond Management &
North Central Group
T. Wall Properties
UW–Madison, WARF, & University
Research Park

ANCHOR FOUNDERS

\$30,000–\$49,999 over 3 years

Covance, Inc.
First Business Bank
First Weber Group
J.H. Findorff & Son, Inc.
Krupp General Contractors, LLC
Madison Community Foundation
Marshall Erdman & Associates
Meriter Health Services
Metcalfe's Sentry Foods
National Guardian Life
Oscar J. Boldt Construction
Oscar Mayer/Kraft Foods
Physicians Plus Insurance
Dean & St. Mary's
TDS Telecommunications Corp.
Tri-North Builders
US Bank
UW Hospital & Clinics
UW Medical Foundation
WPS Health Insurance

SUPPORTING FOUNDERS

\$15,000–\$29,999 over 3 years

American Girl
Anthem Blue Shield & Blue Cross
ATC
C.G. Schmidt, Inc.
Cleary Building Corp.
Continuum Investments
Curt Vaughn Brink
Deloitte Consulting
Epic Systems Corporation
Flad Development
Foley & Lardner
Gialamas Company
Group Health Cooperative
Hooper Corporation
Ideal Builders

J.P. Cullen & Sons, Inc.
Kraemer Brothers, LLC
Magna Publications/In Business
Madison Area Technical College
McFarland State Bank
McGrath Associates
Michael Best & Friedrich LLP
Midwest Family Broadcasting
Mortenson, Matzelle & Meldrum
North American Mechanical
Park Towne Development Corp.
Planning Design Build, Inc.
Promega Corporation
Quarles & Brady
Smith & Gesteland
Stafford Rosenbaum
Suby Von Haden & Associates, S.C.
Town Bank
Trek Bicycle Corporation
UW Credit Union
United Way of Dane County
Weather Central, Inc.
Webcrafters
West Bend Mutual / NSI
WIPFLi LLP
WISC-TV / Madison Magazine
WKOW Television, Inc.

OTHER CONTRIBUTORS

Advanced Building Corporation
Amcore Bank
Anderson & Kent, S.C.
Associated Bank
Avante Properties, LLC
Better Environmental Solutions
Cambridge State Bank
Capitol Bank
Central Place Real Estate
Drake & Company
D.L. Evans Company Inc.
Don Tierney
Econoprint
Edgewood College
Fiskars Brands, Inc.
Great Dane Pub & Brewing Co.
Herzing College
Home Savings Bank
IMS
Inacom Information Systems
Jan Eddy
Kilgust Mechanical
Lerdahl Business Interiors, Inc.
Lucigen Corporation/
C5-6 Technologies
MCD, Inc.
The Madison Times
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Middleton Community Bank
Midwest Patrol & Investigative
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NAI MLG Commercial
NBC 15 / WMTV
Neider & Boucher, SC
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Timpano Group
Vandewalle & Associates
Vierbicher Associates, Inc.
Vogel Brothers Corporation
Waunakee Tribune/
Deforest Times
Wells Fargo
Whyte Hirschboeck Dudek
Williamson Street Grocery Coop
WisConn Investments, LLC

STATE OF WISCONSIN

\$270,000 for Years 1 & 2

Governor Doyle & Wisconsin
Department of Commerce

LOCAL GOVERNMENT

SUPPORT TO DATE –

\$72,700 for Year 1

Dane County
City of Fitchburg
City of Madison
City of Middleton
City of Monona
City Stoughton
City of Sun Prairie
City of Verona
Village of Belleville
Village of Blue Mounds
Village of Cottage Grove
Village of Cross Plains
Village of DeForest
Village of Marshall
Village of McFarland
Village of Mount Horeb
Village of Oregon
Village of Waunakee
Town of Bristol
Town of Cross Plains
Town of Sun Prairie
Town of Vienna
Town of Westport
Town of Windsor

Regional Economic Development Entity
INAUGURAL BOARD OF DIRECTORS
February 2007

Terri Potter – Chair
President
Potter Consulting

Tom Spitz – Treasurer
Chairman & CEO
SB Bancorp, Inc.

Bill White – Secretary
Partner
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Carl Gulbrandsen
Managing Director
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Tom Lyon
CEO (retired)
Cooperative Resources International

Sonya Newenhouse
Founder & President
Madison Environmental Group

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Dean
UW–Madison, College of Engineering

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Director of Finance
Kraft Foods, Inc.

Winslow Sargeant
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Venture Investors, LLC

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Mithridion, Inc. & Biopons, Inc.

Gary Wolter
Chairman, President & CEO
Madison Gas & Electric Company

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Mission

The mission is a statement of the purpose of the Regional Economic Development Entity (REDE).

Mission:

To protect, leverage and accelerate the growth of our region's strongest economic opportunities and to facilitate and support collaborative regional efforts that preserve and enhance our quality of life.

Region

The region is a statement of the geographic area served.

Region:

The initial composition of the Collaboration Council began with participants from Dane County. The absence of an entity focused on economic development for Dane County was identified as the “missing piece” needed for regional work. REDE will serve that role in Dane County. The composition of the Collaboration Council has expanded to include participants from the eight-county Capital Region that includes Columbia, Dane, Dodge, Green, Iowa, Jefferson, Rock and Sauk counties.

The initial efforts of the Regional Economic Development Entity are focused on **both** Dane County and the eight-county area, all the while recognizing that we are part of an even broader region.

Given the objectives of the Regional Economic Development Entity, the definition of the region becomes less important. Growth of sectors and quality of life challenges are not guided by jurisdictional boundaries, but rather by where the businesses are located or by the nature of the quality of life issues.

The broader region, encompassing Milwaukee, Chicago, the Twin Cities and the Capital Region, will become a larger focus down the line. In anticipation of the future focus on this broader region, relationships are being nurtured and best practices shared. As opportunities to work with the broader region arise, they will be considered based on congruence with the strategic plan.

Principles

Principles are a description of what the Regional Economic Development Entity stands for as an organization. They provide a foundation to measure activities, resolve conflicts, set priorities and guide our decision making process.

We believe that action toward the accomplishment of the mission should:

Competitiveness

1. Position this region, based on its assets, to successfully compete nationally and globally.

Equity

2. Support high-wage employment and economic opportunity for people of all backgrounds and skill levels.

Regional Collaboration

3. Work across jurisdictions and sectors in recognition that our economy and our assets transcend those boundaries.

Stewardship

4. Preserve our assets, unique places, infrastructure and natural resources because economic development and quality of life are inextricably linked.

Sector Approach

5. Strengthen specific industry sectors to impact the broader regional economy.

Servant Leadership

6. Support, assist and leverage the leadership and related work across the region for the betterment of the region, not the attainment of power or recognition.

Innovation

7. Seek innovative and creative ways to accomplish the mission.

Transparency

8. Conduct our work in a way that is open and accessible.

Focus

9. Identify specific targeted initiatives to have the greatest impact.

Measurement

10. Develop metrics to ensure progress.

Strategy Statements

The strategy statements are “what” we intend to accomplish and action plans are “how” we intend to accomplish them.

Strategy Statements:

1. **Grow target sectors:** To accelerate the entrepreneurship, growth and development of targeted regional industry sectors.
2. **Retain and expand key base sectors:** To nurture the region’s existing key base industry sectors.
3. **Enhance quality of life:** To preserve and enhance the quality of life in the region.
4. **Engage regional stakeholders:** To build a regional and collaborative environment to achieve the mission.
5. **Brand the region:** To develop, market and communicate a brand for the region.
6. **Create a business model:** To create a sustainable business model for REDE.

Grow Target Sectors

The strategy statements are “what” we intend to accomplish and action plans are “how” we intend to accomplish them.

Strategy Statement:

Grow target sectors: To accelerate the entrepreneurship, growth and development of targeted regional industry sectors.

Target sectors:

- Agriculture
- Biotechnology
- Health Care

Enabling Technologies:

- Information Technology
- Nanotechnology

Proposed Action Plan: Act as a regional leader and catalyst to establish widespread partnerships with relevant organizations to:

1. **Identify** and **convene** the regional stakeholders in the key target sectors and enabling technologies.
2. **Conduct** an analysis of the target sectors and the role of the enabling technologies.
3. **Develop** sector leadership and **facilitate** the implementation of a growth strategy for the target sectors.
4. **Identify** and **track** progress metrics for the target sectors and enabling technologies.
5. **Facilitate** the development of regional economic development services for the target sectors and **define** how REDE will interact with county and local economic development offices.

Retain and Expand Key Base Sectors

The strategy statements are “what” we intend to accomplish and action plans are “how” we intend to accomplish them.

Strategy Statement:

Retain and expand key base sectors: To nurture the region’s existing key base industry sectors.

Proposed Action Plan: Act as a regional leader and catalyst to establish widespread partnerships with relevant organizations to:

1. **Develop** a thorough knowledge of key existing business sectors within the region.
2. **Develop** and **implement** a plan to promote key base sector retention and expansion.
3. **Identify** macro economic indicators, establish a baseline and track trends.
4. **Define** how REDE will interact with county and local economic development offices.

Enhance Quality of Life

The strategy statements are “what” we intend to accomplish and action plans are “how” we intend to accomplish them.

Strategy Statement:

Enhance quality of life: To preserve and enhance the quality of life in the region.

Proposed Action Plan:

Education:

Facilitate and support regional collaborative efforts and nurture early stage initiatives pursuing the following action steps:

Educate the public regarding the region’s assets:

1. **Identify** and **develop** methods to educate the public about the region’s cultural and environmental assets (e.g. land, water, arts, schools, etc.).
2. **Communicate** the value of our schools.
3. **Strengthen** partner efforts that link child school readiness to economic vitality and quality of life.
4. **Engage** key partners to **strengthen** our schools.

Develop our Workforce:

5. **Complete** an analysis and prepare a plan (career ladder model) to prepare this region’s workforce in the target sectors that:
 - Match low-skilled workers to training programs tied to the target sectors.
 - Focus on creating opportunities for minority workers.
 - Expand the skills of highly skilled workers.
 - Develop managers and leaders.
 - Expand the skills of incumbent workers.

Enhance Quality of Life (cont...)

Transportation:

Facilitate and support regional collaborative efforts to:

6. **Inventory** current regional efforts (air, rail, metro, etc.) to move people and products.
7. **Identify** gaps, issues, opportunities and barriers and serve as a catalyst toward regional resolution and progress.
8. **Develop** transportation guiding principles which support REDE's mission.

Quality of Life Metrics:

Facilitate and support regional collaborative efforts to:

9. **Inventory** quality of life indicator initiatives underway in the region.
10. **Identify** macro quality of life indicators, **establish** a baseline and **track** trends.
11. **Develop** indicators to **measure** and **ensure** that growth of the target industry sectors and key base sectors preserves and enhances quality of life.

Engage Regional Stakeholders

The strategy statements are “what” we intend to accomplish and action plans are “how” we intend to accomplish them.

Strategy Statement:

Engage regional stakeholders: To build a regional and collaborative environment to achieve the mission.

Proposed Action Plan: Establish widespread partnerships with relevant regional organizations and leaders to:

1. **Develop** an outreach and communication plan to connect with business, government, education non-profit leaders and founders (e.g. regional economic development professionals, elected officials, local Chambers, etc.).
2. **Develop** and **implement** a regional “covenant” (i.e. a document stating guiding principles).
3. **Plan** and **convene** stakeholder events and activities toward the accomplishment of the strategic plan.
4. **Develop** and **utilize** tools to communicate the mission and progress toward the objectives to the stakeholders and founders.
5. **Develop** and **implement** a volunteer recruitment and coordination plan.

Brand the Region

The strategy statements are “what” we intend to accomplish and action plans are “how” we intend to accomplish them.

Strategy Statement:

Brand the region: To develop, market and communicate a brand for the region.

Proposed Action Plan:

1. **Develop** and **execute** a brand strategy for the region.
2. **Define** the target audiences and **develop** messages.
3. **Create** and **manage** a world-class regional website that provides a wealth of regional economic development information and a leads-sharing process.

Create a Business Model

The strategy statements are “what” we intend to accomplish and action plans are “how” we intend to accomplish them.

Strategy Statement:

Create a Business Model: To create a sustainable business model for REDE.

Proposed Action Plan:

Funding:

1. **Ensure** short-range funding (e.g. pledge collection follow-up, local units of government for years two and three, Wisconsin Department of Commerce grant for year three).
2. **Research, design** and **implement** a long-range funding model.

Operations:

1. **Hire, train** and **retain** talented staff.
2. **Develop** organizational infrastructure (systems, policies, protocols and procedures) that demonstrate REDE's principles.

Board Structure:

1. **Establish** the Board infrastructure (e.g. by-laws, officers, committees, etc.) and culture.

Success Indicators

The success indicators are measures to determine if we are achieving the Strategic Plan.

Grow Target Sectors:

- Target industry sectors selected.
- List of regional agriculture leaders and stakeholders compiled.
- List of regional biotechnology leaders and stakeholders compiled.
- List of regional health care leaders and stakeholders compiled.
- Analysis of agriculture sector conducted.
- Analysis of biotechnology sector conducted.
- Analysis of health care sector conducted.
- Growth strategy and metrics for agriculture developed.
- Growth strategy and metrics for biotechnology developed.
- Growth strategy and metrics for health care developed.

Retain and Expand Key Base Sectors:

- REDE role in relationship to county and local economic development offices defined.
- Macro economic development indicators defined.
- Macro economic development baseline established.

Enhance Quality of Life:

- Quality of life target issues selected.
- Plan to prepare region's workforce in the target sectors developed.
- Inventory of current regional transportation efforts compiled.
- Quality of life indicator inventory compiled.
- Indicators to measure and ensure that growth of the target industry sectors and key base sectors preserves and enhances quality of life developed.

Success Indicators (cont...)

The success indicators are measures to determine if we are achieving the Strategic Plan.

Engage Regional Stakeholders:

- Regional outreach and communication plan developed.
- Regional covenant signed.
- Elected officials gathering conducted.
- Regional economic development professionals group established.
- Economic development professional regional learning series conducted.
- Communication tools developed (short-term, non-website).
- Communication tools developed (in conjunction with brand, non-website).
- Volunteer recruitment plan developed.

Brand the Region:

- Brand strategy developed.
- Brand strategy vetted with key stakeholders.
- Target audience defined.
- Brand and name tested.
- Brand and name selected.
- Website launched.

Create a Business Model:

- Board of Directors selected.
- Board officers selected.
- Fundraising for first 3 years completed.
- 2007 pledges collected.
- Budget approved.
- Long-range funding model research completed.
- Communications specialist hired.
- Sector specialists hired.
- Project assistant hired.
- Systems, policies and protocols developed.
- By-laws and protocols approved.
- Board committees and participants selected.

2007 Timeline

January

- Regional economic development professionals group established.

February

- Board of Directors selected.
- Fundraising for first 3 years completed.

March

- Target industry sectors selected.
- Quality of life target issues selected.

April

- Board officers selected.
- Communications specialist hired.

May

- Project assistant hired.
- Regional outreach and communication plan developed.
- Communication tools developed (short-term, non-website).
- Target audience defined.

June

- Sector specialists hired.
- List of regional agriculture leaders and stakeholders compiled.
- List of regional biotechnology leaders and stakeholders compiled.
- List of regional health care leaders and stakeholders compiled.
- Brand strategy developed.
- Brand strategy vetted with key stakeholders.
- 2007 pledges collected.
- Budget approved.
- By-laws and protocols approved.

July

- Economic development professional regional learning series conducted.
- Volunteer recruitment plan developed.
- Systems, policies and protocols developed.
- Board committees and participants selected.

August

- Analysis of agriculture sector conducted.
- Analysis of biotechnology sector conducted.
- Analysis of health care sector conducted.
- Brand and name tested.
- Brand and name selected.

September

- Growth strategy and metrics for agriculture developed.
- Growth strategy and metrics for biotechnology developed.
- Growth strategy and metrics for health care developed.
- REDE role in relationship to county and local economic development offices defined.
- Plan to prepare region's workforce in the target sectors developed.
- Communication tools developed (in conjunction with brand, non-website).

October

- Website launched.
- Macro economic development indicators defined.
- Macro economic development baseline established.
- Inventory of current regional transportation efforts compiled.

November

- Quality of life indicator inventory compiled.
- Regional covenant signed.

December

- Elected officials gathering conducted.
- Long-range funding model research completed.

Appendix A: Sector-based Approach

Overview

The following overview is a summary of Michael Porter's report "CLUSTERS of INNOVATION: Regional Foundations of U.S. Competitiveness".

During the 1990s, Americans found a way to do what seemed no longer possible — grow the economy, create jobs and increase the standard of living, without driving up inflation. Much of the credit goes to the nation's ability to develop and commercialize new technology. The result: one of the most robust periods of economic expansion and prosperity of the past century.

In healthy regions, competitiveness and innovation are concentrated in **clusters**, or interrelated industries, in which the region specializes. The nation's ability to produce high-value products and services that support high wage jobs depends on the creation and strengthening of these regional hubs of competitiveness and innovation.

Strong and competitive clusters are a critical component of a good business environment and are the driving force behind regional innovation and rising productivity.

While government can help foster a favorable business environment, companies and industries must ultimately achieve and sustain competitive advantage. Formal and informal institutions for collaboration such as regional economic development organizations and alumni of large influential companies are important contributors to cooperation in advanced economies. Institutions for collaboration help build regional economies by facilitating the flow of information, ideas and resources among firms and supporting institutions.

Successful regions leverage their unique mix of assets to build specialized clusters. They do not pick winners, but build on their inherited assets (e.g., geography, climate, population, research centers, companies, governmental organizations), to create specialized economies that both differ from other regions and offer comparative advantages to local companies. Inherited assets matter to a region's economic development. Established and already emerging clusters offer the greatest prospects for near term growth. Strengthening established clusters should be one of the early priorities in regional economic development.

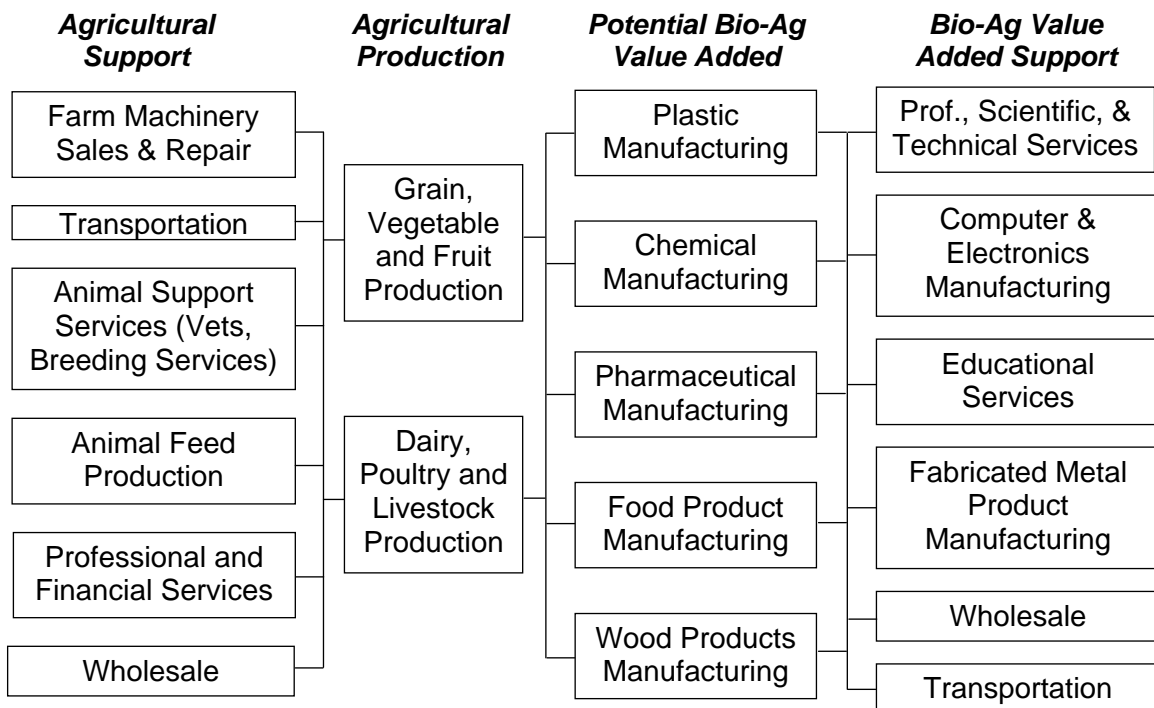
Building strong regional economies takes decades: There are many steps in building a regional economy—developing inherited assets, creating new assets, linking companies to these assets, attracting outside companies—and this process takes time.

Characteristics of clusters

- Proximity fosters productivity and innovation: When members of a cluster are located in close proximity, they can capture synergies that increase productivity, innovative capacity, and new business formation.

- Clusters often share common industries: Some industries are in more than one cluster. Overlaps provide opportunities to use strength in one cluster and build new clusters.
- Clusters with depth and breadth enjoy advantages over narrower clusters: Clusters with strength across a broad range of subclusters have advantages over more narrow clusters due to the extensive market, technical and other specialized information which accumulates within a regional cluster.
- Cluster strength is often disproportionately concentrated in a few subclusters: Clusters are composed of many subclusters. Even relatively weak clusters can often have strength in a few subclusters.
- Cluster-specific institutions for collaboration facilitate the flow of information and resources throughout the cluster: Diverse groups (e.g., rival firms, related and supporting industries, universities and research centers, training institutions, government and so forth) contribute to cluster strength, but their contribution is not automatic. An organization dedicated to mobilizing these groups does much to strengthen a cluster.

Figure 1: Potential Industry Connections for Agriculture and Biotechnology in the Capital Region



Source: Matt Kures, Center for Community & Economic Development, University of Wisconsin Extension.

The Development of Clusters

Clusters can be strengthened by increasing awareness of the cluster among local firms and organizations. Not only must firms be aware of the presence of a local cluster, they must also get together and coordinate activities to improve the cluster's business environment. Acceptance of new companies is important if the cluster is to grow quickly and reach a critical mass.

New firm and cluster opportunities arise at the intersection of existing clusters. Economic development strategies can leverage these opportunities to diversify a regional economy.

Anchor companies play a disproportionate role in seeding cluster development. They support cluster development by acting as magnets for other major companies, organizing other companies in the cluster for collective action, supporting projects that improve the local quality of life and producing numerous spin-out companies, which strengthen key elements of the cluster.

Institutions for collaboration can significantly increase the success rate of start-up companies. Cluster development depends in large part on generating new companies from within a region. Successful regions almost always have a hospitable environment for start-ups.

Although chance events play a role in the formation and development of clusters, conscious efforts to raise cluster competitiveness and innovative capacity can meaningfully influence the trajectory of cluster development.

Recruitment strategies at the regional level should target clusters in which the region has strength, or clusters which overlap with other clusters. This allows the region to market its unique assets rather than compete on subsidies. In recruiting efforts, regions should also identify gaps within clusters and seek to attract companies to fill them.

Opportunities for growth often arise at the intersection of clusters where a region has strength.

Appendix B: Committe Structure

Regional Economic Development Entity (“REDE”)
Board Committee Structure

PENDING

Appendix C: Business Plan

Collaboration Council

Regional Economic Development & Stewardship Entity (REDE)

(Placeholder Name – Formal Name Currently Being Developed)

Business Plan

Prepared: 5/31/06

For Internal Review Only. Not for distribution.

Collaboration Council
Regional Economic Development & Stewardship Entity (REDE)
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1. Executive Summary

The Regional Economic Development & Stewardship Entity (REDE) is a not-for-profit organization being created to directly address the critical emerging regional economic and quality of life issues facing Dane County and the Capital Region. As this region continues to grow its economy and population base, the challenges facing us are rapidly growing in complexity.

The creation of REDE is an outcome of over 12 months of dialogue of the Collaboration Council, a gathering of this region's leadership to proactively discuss strategies for addressing the issue of our future (see appendix for membership of the Collaboration Council and additional background on the Collaboration Council initiative).

One of the primary recommendations coming from these extensive deliberations was that to sustain momentum in our region's economic vitality, an organization needs to be formed that directly works on two interdependent issues: strategically building and diversifying the region's economy and addressing key quality of life issues.

It is important to understand why creating an organization focused on the region's economic vitality and quality of life vitality is a critical next step for this region. The primary impetus though can be boiled down into two primary points - first, this region is now competing with every other region in the country and around the world. REDE is being created to help position this region to continue to prosper in this globally competitive environment.

Second, as we rapidly grow, the most pressing quality of life issues are not jurisdictionally based but regional – from water quality, to transportation, to housing, to economic diversification and vitality. Protecting and enhancing our unique quality of life is an economic imperative in a knowledge-economy. REDE is being created to help ensure our region's renowned quality of life is maintained and enhanced as we grow.

REDE will be an institution of collaboration - increasing the organizational capacity of the region to address regional issues - from driving into key sectors of the economy (based on regional assets) and finding high leverage opportunities to help grow that part of the economy, to helping coalesce the region's leadership to address critical quality of life issues.

We are proposing to launch the enterprise in the fall of 2006. The organization will be a separately incorporated 501(c)(6) non-profit entity, affiliated with the Greater Madison Chamber of Commerce in shared management, facilities and some staff, but with separate boards, budgets, and additional dedicated staff.

(Further background on the Collaboration Council process is in the Appendix.)

1.1. Mission

To protect, leverage and accelerate the growth of our region's strongest economic opportunities and to actively lead and support collaborative regional efforts to preserve and enhance our quality of life.

1.2. Objectives

1. **Grow target sectors:** Accelerate the entrepreneurship, growth and retention of key regional industry sectors that drive our economy.
2. **Resolve key issues:** Be a catalyst for addressing major quality of life issues.
3. **Build a region:** Build a regional culture, regional decision-making, and raise awareness of our regional assets, values, brand, challenges and opportunities.

1.3. What REDE is Not

Another way to look at our objective is to understand what we are not. We are not:

1. A traditional economic development organization focused primarily on recruitment.
2. An organization that has the primary responsibility for working to retain all companies in all sectors of the economy (vs. highly targeted retention efforts in key sectors)
3. A replacement for the Convention & Visitors Bureau or an organization that promotes recreational tourism.
4. A workforce development organization not linked to specific sector strategies.
5. A replacement for Chambers of Commerce or other local economic development organizations.
6. An organization that decides on winners and losers between communities in our region.
7. An organization that is promoting all forms of economic growth.
8. An organization that is heavily staffed.
9. An organization that lobbies or is politically divisive.

10. An organization that is capable of achieving its objectives independently of collaboration with other groups that also have a vested interest in regional and local economic development and quality of life.

1.4. Keys to Success

- Agreement among regional decision makers that Dane County and the Capital Region must be proactive in addressing economic development and quality of life issues.
- Recognition by decision makers that economic development and quality of life are directly linked and interdependent.
- Strong regional support for the role of the organization.
- Clear understanding that implementing a sector-based strategy for economic growth, issue-based solutions for quality of life and building a regional-based culture yields results over a period of time. This is a long-term vision with expectations for short-term wins along the way.
- Strong, consistent financial support from the private and public sector. It is vitally important that the staff not be tied up in fundraising year to year.
- Small, highly skilled staff, capable of building alliances, partnerships and capacity to innovate.
- Ability to quickly partner with and contract key individuals and organizations to carry out specialized tasks so the organization does not have to bring capacity in house.
- Excellent and diverse Board from all areas of the region with broad skills and perspectives that are selected for their expertise, not their politics.
- Adaptable and entrepreneurial organizational culture, capable of evolving rapidly as opportunities and barriers present themselves.
- Capacity to quickly and effectively build alliances.

2. Regional Strengths, Weaknesses, Opportunities & Threats

In order to understand the challenges ahead and why an organization focused on regional vitality is so essential, it is useful to review the key strengths, weaknesses, opportunities and threats that are driving the creation of such an entity. The strengths and weaknesses are primarily focused internally to the region, while the opportunities and threats are scanning the environmental beyond the region.

2.1. Strengths

The following is a list of the strengths that make this region an extraordinary place to live and work.

- Strong current economic anchors
 - Health care
 - Government
 - Educational services
 - Insurance/financial
 - Agriculture
 - Light manufacturing
- Growing technology base
 - Strong growth in high tech jobs
 - Solid investment in infrastructure for discovery
 - Growing capacity in technology transfer and commercialization
- Excellent agricultural assets
 - Agriculture is the dominant land use: 2/3 total land area
 - High quality soils
 - Lead the state in overall production
 - Strong core in dairy
 - Value added agriculture is growing
- Strong human capital
 - Highly educated professional and technical workforce
 - High workforce productivity
 - Abundant supply of knowledge and innovation
- Solid economic infrastructure
 - Transportation
 - Transmission lines
 - Major employment centers
 - Convening centers
- Growing hospitality and tourism industry
 - For our market size, we attract inordinate number of national and regional events
 - Extraordinary amount of event infrastructure
- Diverse natural resources
 - Landscape types
 - Eco regions
 - Waterways
 - Springs
 - Environmental corridors
- Region is a cultural capital
 - Arts and cultural infrastructure
 - Appreciation of arts and culture

- Strong economic contribution of the arts
 - Retaining ethnic ties
- Excellent K-12 system
- Great university and technical college - driving discovery, innovation, economic stability, identity, connections, and spirit
- Strong regional energy and ease of living here
 - Outstanding amenities
 - Efficiency
 - Access to recharging
 - Strong social and professional networks
 - Great services
 - Midwestern personality
- Region is an emerging wellspring of new knowledge and economic activity
- Strong reputation owing to high rankings in multiple comparisons of cities

2.2. Weaknesses

Our region, however, faces current and emerging challenges that are creating weaknesses for our region. These challenges include:

- Municipalities do not embrace a common vision for economic development
- Workforce shortages
- Declining affordability of housing
- Absence of a regional planning commission
- Emerging traffic congestion
- Ongoing degradation of the natural environment
- Emerging energy reliability issues
- Inconsistent and unpredictable policies and regulation of businesses operating in more than one municipality
- Lack of ease of doing business in some municipalities
- Limited venture capital
- Declining access to places to recharge
- Blurred geographic edges
- Lack of bench strength for leadership and management skills in entrepreneurial sectors

2.3. Threats

The following is a list of key threats to this region's economy and quality of life:

- Lack of a commonly perceived crisis to motivate action
- The primary threat to this region is the globalization of the world's economy. This region is in competition with regions throughout the country and the world. The pace and degree of this transformation will

only accelerate. This region is deeply vulnerable to being out-positioned in this new economic landscape.

- This region does not think of itself as a region nor act as a region. Other regions across the U.S. have been thinking strategically as a region for a decade and more.
- We have a high reliance on public sector jobs at a time when public sector employment and income growth are stagnant.
- We have a limited logical area to accommodate growth if we want to preserve Dane County and the Capital Region's urban-rural uniqueness and capture the growing economic opportunities agricultural uses will offer in decades ahead.
 - County population is growing at 60,000 per decade, the equivalent of adding the City of Janesville every 10 years.
 - Between 1990 and 2000, 11,000 more drivers commuted daily into Dane County.
- As a region, we are often blind to issues and barriers to future success. The region's individual communities, for example, often compete more with each other than we collectively compete against other university-government capitals equally positioned to capture emerging economic opportunities. And we have moved too slowly to resolve emerging work force mobility issues.
- As a region, we do not have a shared economic or community vision in place. This is leading to fragmented efforts and decision-making. Alignment then is a result of serendipity rather than shared vision.
- Our demographics are changing significantly. The percent of Madison school district students living in poverty has increased exponentially from 20% in 1992 to 36% in 2004.

2.4. Opportunities

The following is a list of key external opportunities to this region's economy and quality of life:

- Current increase in momentum to proactively address regional economic vitality and quality of life
- We have a strong economic base in financial services, higher education, government, construction services, and light manufacturing.
- We are well positioned (increased investment and infrastructure, support from the Governor's office, growing private sector involvement, etc.) to expand sectors to our base sectors that depend on our knowledge and business base, our location and infrastructure, our quality of life and agricultural land. Examples include: Bioscience, biomedical, biomaterials, nanotechnology, distribution and food production and processing.
- Building new sectors that are place-dependent, i.e., that rely on place-based assets in our region, is lower-risk than trying to grow sectors whose businesses regularly relocate in pursuit of a lower cost structure.
- Technology now allows diffusion of economic activity away from the largest cities.
- There is a strong desire to maintain and enhance our quality of life and a growing recognition that you cannot control growth by focusing on the issue only where it occurs.

- We have not told our story. We do not showcase our many successes or best practices. We have some of the most forward-thinking community development initiatives in the country, yet few inside the county, much less outside of the county, know of them. What could we be if we told our story? How much excitement and resultant community-focused energy might we build inside Dane County? How much more interest could we create about Dane County among those seeking a new place to live to do business? With so many communities touting their assets, we are one of the few with the actual assets and rankings to support our claims.
- Relative to many other regions, this community has extraordinary institutional strength, a strong economy to build from and tremendous potential if effectively channeled.
- Although we are well behind in having a regional approach/strategy, we are in a unique position to learn from other regions' successes and mistakes. We can apply a variety of best practices that best fit our needs.

3. Services

3.1. Service Description

A) Grow and Retain Key Industries and Foster Entrepreneurial Growth

Key Role: Strengthen and assist in the development of specific sectors that are economic opportunities based on our assets, while being a catalyst to retention in our key base sectors.

- Work with existing companies and experts in key sector(s) to develop growth strategy
- Implement proactive retention strategies targeted at key base and growth sectors
- Identify leading entrepreneurs and management within sector. Leverage any Wisconsin ties they may have.
- Connect businesses showing high-growth potential in key sector(s)
- Facilitate pairing of ideas and opportunities with entrepreneurs and management within and outside the region
- Communicate with Angel Investor groups to attract capital to the sector(s)
- Identify workforce development gaps, needs, and strategies within the sectors
- Identify other sectors that could be developed to add value to current sectors
- Proactively identify high-growth potential businesses and selected recruitment targets from outside Wisconsin
- When appropriate, do highly-targeted recruitment of specific companies that will fill sector needs
- Create and manage central, regional economic development website

- Provide economic development information for regional and external businesses
 - Given the focus on creating and growing our own businesses, the web site will serve as the principal recruitment tool for general inquiries in the region
 - Link to regional leads-sharing system (see 3.1.C below)
- Be the first responder and organizational entity to actively retain talent, intellectual property and grants after corporate buyouts within key base and growth sectors
 - Strategically partner with UW Corporate Relations. Utilize our commercialization and research and development capacities to grow new businesses by engaging state corporations outside our region (Milwaukee Metro).
 - Build stronger economic ties between state businesses, Dane County, and the University. These approaches will be sector focused.

B) Quality of Life: Maintain and Enhance Regional Assets

Key Role: Be the catalyst for regional leaders to address key issues that directly affect our regional quality of life.

- Create a regional measurement system for economic vitality and quality of life
- Assess ongoing status of quality of life issues and report to the Collaboration Council
- Focus on one to two quality of life issues per year (regional asset or infrastructural need).

For the quality of life issue(s) that it focuses on, REDE will:

- Coalesce key stakeholders around a common table to frame critical quality of life issues, strategies to address them, and build leadership momentum to implement changes.
- Collaborate with others to create and maintain a central repository of information on regional assets
- Build upon strengths of existing efforts
- Be a source of information that other directors can use to communicate to target audiences and to raise issues, opportunities and concerns with policy makers
- Study best practices in other communities to preserve and enhance assets and make recommendations to the Collaboration Council, the REDE board and staff
- Identify opportunities to better leverage our assets
- Develop white papers on issues that will affect infrastructure and other assets

- Measure our assets relative to other communities
- Serve as primary liaison to Asset and Opportunities committee

C) Build Regional Cooperation

Key role: Champion the message and strategy of evolving the region’s leadership toward a regional understanding that we are not a set of competing communities. The initial geographic focus shall be on Dane County over the first 12-24 months, but REDE will continue the current Collaboration Council effort to expand these geographic boundaries to the broader Capital Region as the organization gains momentum.

- Develop and implement a regional “Code of Ethics” following the Denver model
- Create regional, electronic leads-sharing system grounded by the Code of Ethics and leveraging the regional website
- Staff the Collaboration Council to ensure the region’s leadership has a common table to help set direction, strategy and endorse key initiatives
- Track, record and showcase examples of successful regional collaboration within our region
- Utilize brand developed by Positioning Greater Madison team
- Develop branding campaign for within the region
- Develop materials and cost-effective Public Relations campaign that yields regional awareness, and builds awareness of uniqueness of assets and values of individual communities
- Make new residents of our region aware of uniqueness, existing values, and assets
- Create Regional Council of Chambers, Economic Development Professionals Advisory Committee and work with other relevant groups to increase regional dialogue.
- Partner with appropriate organizations and events that promote regionalism

3.2. First-Year Deliverables

With the selection of a REDE Board of Directors and Staff, a specific strategic work plan will be developed. Some proposed first-year deliverables to be included in that work plan include:

- Create a central, regional website to
 - Serve as a central source of economic development information (including demographics, regional assets, trends, site availability, etc)

for regional businesses as well as external businesses and site selectors

- Serve as a central link to regional partners (including Chambers of Commerce, local economic development organizations, the County, local municipalities, UW-Madison, MATC, Edgewood College, Herzing College, etc). The site will be linked with the Workforce Development team's "Boomerang" website.
- Function as the main recruitment tool for external requests from businesses and site selectors.
- Brand the region online
- Implement a regional "Code of Ethics"
 - Create in the mold of the Denver model
 - Sell the region first, individual communities second
- Develop a system to share business leads between local municipalities within the Capital Region
 - Electronic, automated system to share website leads
 - Code of Ethics serves as governing guideline
- Select initial target sectors for growth
 - Meet and set growth strategy with appropriate industry leaders
- Select initial quality of life issue(s)
 - Meet and set strategy to address issue(s) with appropriate regional leaders
 - Leverage Collaboration Council for input and direction
- Host elected officials gatherings
 - Build regional relationships
- Host two or three full Collaboration Council meetings
- Oversee Collaboration Council work teams
 - Continue current teams as needed
 - Follow-up Intergovernmental Cooperation Forum
 - Workforce Development team's initiatives
 - Create new teams as needed
- Promote regional, collaborative activities

- Coordinate Code of Ethics signing
- Engage and educate regional media - host regional Media Summit

3.3. Competitive Comparison

REDE will differ significantly from other economic development efforts currently in the region. It is also a far different entity than the traditional economic development corporation. The following is a brief set of key distinctions. Our focus will be on:

- The region (Dane County initially while simultaneously developing relationships and strategies for the entire Capital Region), not specific municipalities
- Specific, key driver sectors of the economy to help accelerate their growth
- Addressing quality of life as a vital economic development asset
- Retaining and attracting highly skilled and targeted talent, including management talent, will be a high priority
- When appropriate, highly-targeted recruitment of businesses that match our regionally-shared values in support of the growth of specific sectors based on our assets.
- Building regional relationships
- Implementing mechanisms to address regional challenges and opportunities

3.4. Future Services

On an ongoing basis, the Board of Directors shall direct staff to review existing strategy and services and determine whether additional strategies should be implemented or current strategies dropped.

It is anticipated that this business plan shall serve as the strategic template of the organization for the first 24 months.

4. Target Market

4.1. Market Segmentation

Our target market is the following for sector strategies:

- Business leaders within the sector
- Private sector leaders outside the sector who could bring talent, companies or money inside our region to assist the sector
- Institutions and organizations that could be engaged in assisting the sector

Our target market for quality of life issues are:

- Partner organizations that are already engaged in addressing the particular quality of life issue.
- A wide range of community leadership from all sectors – public, private, nonprofit, and community

Our target market for region building will be the following:

- Community leadership
- New residents
- General public
- Key sectors of the economy

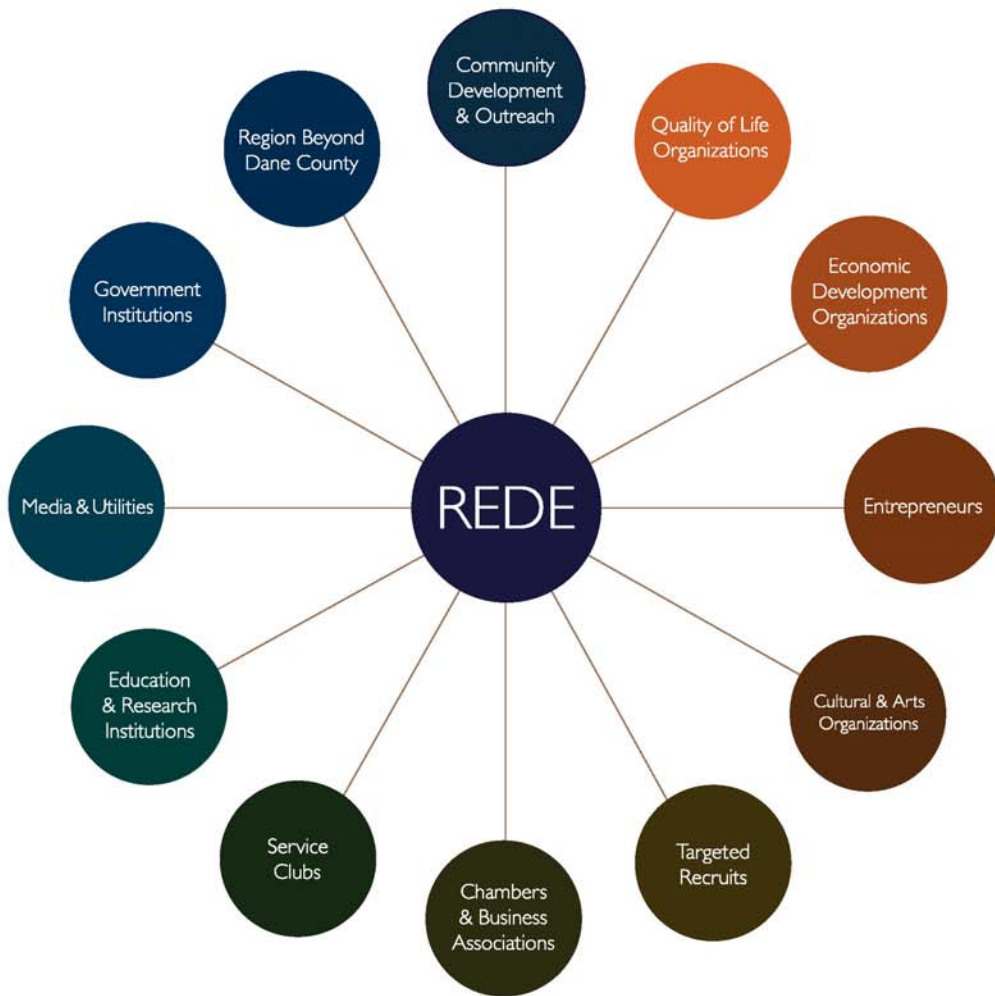
Our geographic focus initially (12-24 months) will be Dane County. It will simultaneously build relationships with leaders in other counties and rapidly expand its focus on the Capital Region as the organization gains momentum.

Key sectors to focus on will be determined by a thorough analysis of opportunities. Decisions will ultimately be endorsed by the Board of Directors. Research by the Collaboration Council's Quality of Life: Assets & Opportunities Committee will be at the basis of data-driven decision making.

5. Organization Summary

5.1. Relationship of REDE to Other Organizations

REDE's success will largely be based on its capacity to partner with other key organizations and institutions. REDE will be an "institution of collaboration." What this means is that REDE will rarely be working alone on any initiative, it will instead be looking to partner organizations to collaborate with and will use its capacity to help accelerate momentum that has already been created. The chart below illustrates the important relationships REDE will want to cultivate for the organization to be successful:



5.2. Organization Structure

REDE will be a separately incorporated 501(c)(6) non-profit entity, affiliated with the Greater Madison Chamber of Commerce (GMCC) with shared facilities, a shared President and additional shared staff. REDE will have its own autonomous Board, governance structure, budget & funding sources and an additional separate professional staff.

5.2.1. Rationale for Affiliate Relationship with GMCC

In proposing this structure it is important to understand the rationale behind the decision to create an affiliate relationship. The structure being proposed is similar to the Denver model which has been extremely successful in crafting a balance between the two organizations while achieving unique missions. There are five key reasons why this structure makes sense.

1. **Operational efficiency.** From an efficiency perspective, an affiliate relationship will allow REDE to save significant resources by sharing space and key personnel.
2. **Leadership talent.** This structure will allow REDE to tap into key leadership talent.
3. **Synergy with GMCC's regional role.** GMCC is rapidly moving toward fully embracing its role as a regional Chamber of Commerce with a focus on regional business climate issues and public policy issues that are regional in nature. REDE's focus on regional economic growth strategy and quality of life is strongly aligned with GMCC's mission and a close affiliation will make REDE a stronger organization. Under the same roof, there is strong synergy between both organizations' regional focus. Under separate roofs, there would be a much higher likelihood for conflict between the organizations and confusion within the community about roles and responsibilities.
4. **Credibility / organizational momentum / fundraising capacity.** Founding a startup nonprofit is a difficult enterprise under any circumstances. Being able to tap into GMCC's credibility, Board leadership, and organizational momentum will significantly increase REDE's likelihood of success, including early fundraising activity.
5. **Further clarifies relationship with local Chambers of Commerce.** A GMCC / REDE affiliation will clarify to local Chambers of Commerce that GMCC is not interested in supplanting local Chambers of Commerce but rather encouraging their growth. Strong local Chambers of Commerce are an essential component to addressing local issues. GMCC / REDE, in turn, will be focused primarily on regional issues and will work with local Chambers to achieve its mission.

5.2.2. GMCC Contribution to REDE

As part of its contribution to the formation of REDE, GMCC has agreed to contribute the value of the shared President position to REDE.

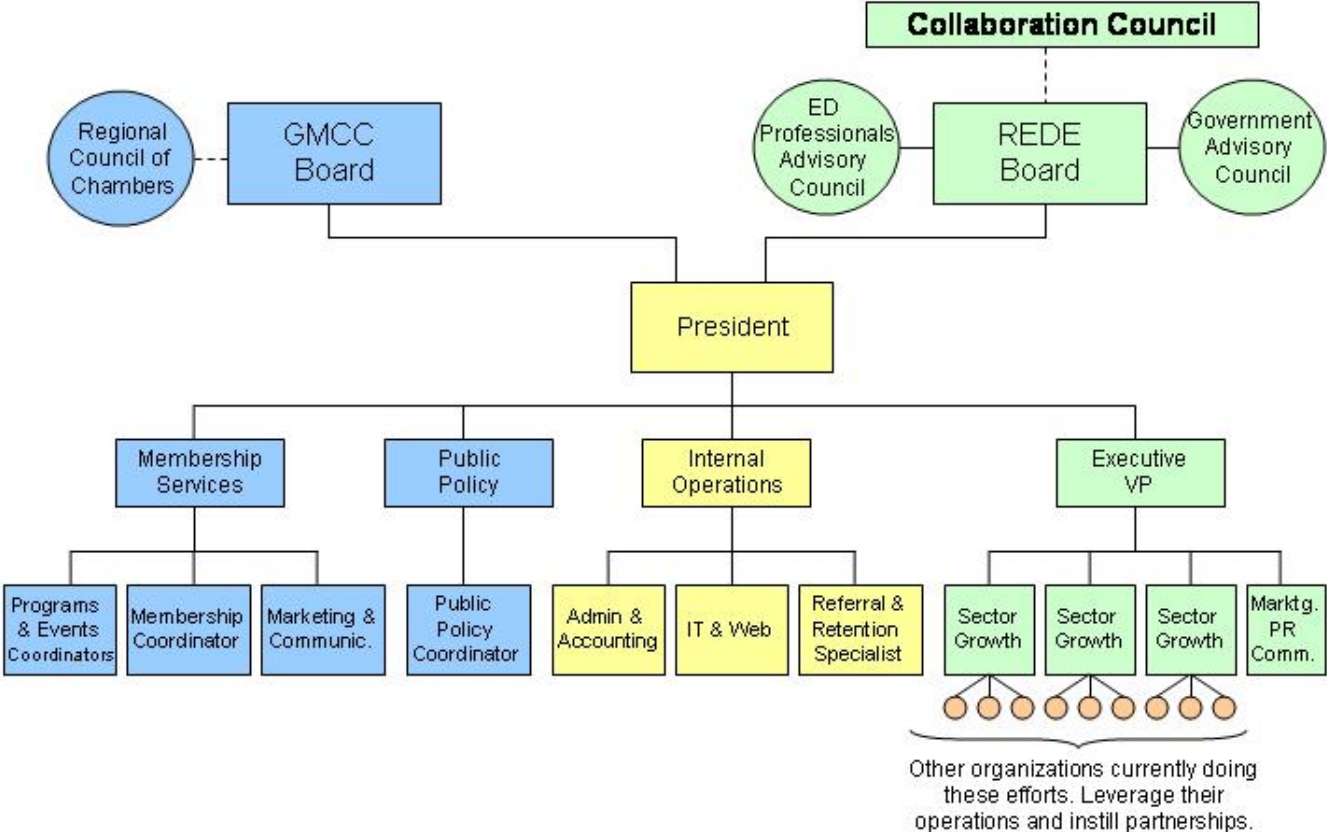
Also, a Memorandum of Agreement shall be entered into for any additional shared services under terms that are arms length and commercially reasonable.

5.2.3. Evaluation of Relationship Between REDE and GMCC

Within the first 24 months, the REDE Board of Directors shall be charged with evaluating whether the affiliate relationship with GMCC is still the most appropriate structure for REDE. The Board of Directors shall be responsible for making decisions about this structure and implementing changes that best serve the mission of the organization.

5.3. Proposed Organizational Chart

GMCC & REDE relationship



April 2006

5.4. Governance and Board Structure

5.4.1. Board Structure and Role

The REDE Board of Directors shall consist of no less than 18 and no more than 25 members balanced within and between members from Madison, area metro communities, and surrounding Dane County communities. Board members shall represent a wide spectrum of talents and perspectives. The following list of criteria shall determine Board membership:

- Diverse geographic representation
- Broad representation from different sectors of the region's economy and drivers of our quality of life
- Representation from all sectors – public, nonprofit and private.

- Expertise and capacity to help achieve the mission of the organization

The Board of Directors shall be responsible for setting the strategic direction of the organization, determining organizational structure, and developing a long-term strategy for funding the organization.

5.4.2. Collaboration Council

REDE shall continue to staff the Collaboration Council. The Collaboration Council shall meet 2 – 3 times per year as a leadership body of this region. The Collaboration Council will continue to provide overarching support and direction for moving the region toward embracing regional strategies to meet the key challenges facing us. The Collaboration Council will not, however, be involved in setting operational strategy for REDE. That role will be carried out by REDE's Board of Directors.

5.4.3. Government Advisory Council

The Government Advisory Council will be a body of core leadership from the public sector throughout the region. It will both carry out its own agenda as it relates to key regional strategies that public sector bodies find important and it will advise REDE's Board of Directors on REDE's strategic direction. It will also give input to the Collaboration Council. REDE will seek input from the Dane County Cities & Villages Association and the Dane County Towns Association to identify the most appropriate structure.

5.4.4. Economic Professionals Advisory Council

The Economic Professionals Advisory Council shall be a leadership body of the region's economic development professionals from municipalities, counties, universities, colleges and nonprofits. This council shall advise REDE's Board of Directors on strategic priorities and shall also help coordinate key regional economic development initiatives that cross jurisdictional boundaries and are regional in scope. It will also give input to the Collaboration Council.

5.5. Organization Location and Facility

The organization will be co-housed with the Greater Madison Chamber of Commerce (GMCC). This arrangement will significantly reduce cost for staffing reception areas and general overhead while also encouraging strong interaction between the organizations.

6. Strategy and Implementation Summary

6.1. Value Proposition / Competitive Edge

The key value proposition for this organization is that a regional approach to growing the economy and addressing quality of life issues is the only framework that now makes sense given the nature of the challenges and opportunities this region faces. REDE will be a highly focused, disciplined, professional team with a strong Board and regional leadership that will enhance the region's economic vitality, while being stewards and a catalyst to protect the region's economic development assets, including the region's quality of life. These assets are vital to the region's long-term well being.

Businesses will invest because they understand the nature of these emerging challenges. And no other organization is filling this role within the region. A regionally-focused organization like REDE will fill a number of roles that existing public and nonprofit organizations are not currently filling. These include having both the capability to span political cycles while also having a tightly focused mission that is capable of acting on regional issues.

Local Chambers of Commerce will work with REDE because this organization can help them increase the size of the overall economy while also having the capacity to address regional quality of life issues that are so important to communities throughout the region.

Leaders from economic sectors will work with REDE because growing a sector will strengthen the individual businesses within the sector as they compete in a global market and also attempt to attract world class talent.

Universities, technical colleges, private colleges will work with REDE because it will be aligned with their desire to create a favorable climate for these institutions to succeed in fulfilling their mission.

Quality of life and infrastructure stakeholders will work with REDE because it will have the capacity to convene the region's leadership around key issues and work collaboratively with them in addressing quality of life issues.

6.2. Marketing Strategy

Core to REDE's mission will be the development of a regional identity and brand. The organization's marketing strategy will focus on the development of this brand in conjunction with the Collaboration Council's Positioning committee early in the launch of the organization.

REDE will approach key businesses directly or through local Chambers of Commerce and other economic development organizations. Whenever feasible, REDE will partner with local economic development organizations in shaping its marketing message.

REDE will approach its partnering organizations directly and through consistent and ongoing dialogue and strategy development.

REDE will develop and implement a robust website with in-depth regional information to assist local companies as well as external companies and workforce interested in moving to the region.

Marketing to external companies will be done in a highly targeted manner, with direct recruitment of specific companies based on the region's sector needs.

6.3. Funding Strategy

6.3.1. Initial Fund Raising Strategy

Collaboration Council co-chair and Wisconsin State Journal Publisher Jim Hopson has agreed to lead the effort to complete the initial fundraising for the organization. Jim will select a "captain" by sector, have prospect meetings, frame up the business case for prospects, and actively solicit their support.

Jim and sector captains will approach organizations directly to solicit support for the organization and funds for startup and ongoing expense for the first three years of operation. It is expected that the private sector shall fund approximately 90% of the funds required for the first three years of operation.

Jim and sector captains will be initially approaching companies that will be direct beneficiaries of an organization with REDE's focus.

The following is a list of investor prospects by industry / sector that will initially be approached:

- 1) Madison banks
- 2) Regional banks
- 3) Utilities & telecoms
- 4) Real estate, construction/developers, contractors
- 5) Media
- 6) Law firms
- 7) Retail
- 8) Hospitality
- 9) Health care and insurance
- 10) Accounting firms and other business services
- 11) Companies with corporate headquarters in the region
- 12) Recognized major employers in the region
- 13) General/other businesses

The Collaboration Council project staff is also actively pursuing grant opportunities, including with the Wisconsin Department of Commerce. A generous grant contribution of \$20,000 has already been awarded to REDE by the Madison Community Foundation.

6.3.2. Long Term Funding Strategy

The Board of Directors shall be tasked with evaluating all alternatives available to the long-term funding of the organization.

6.4. Strategic Alliances

Our potential strategic alliances include:

Nonprofits / Social Sector

- Local Chambers of Commerce
- Civic organizations
- Community organizations
- Private colleges and universities
- Economic development organizations
- Greater Madison Convention and Visitors Bureau

Public Sector

- UW Corporate Relations
- Municipalities
- Counties
- University of Wisconsin
- MATC
- State of Wisconsin

Private Sector

- Science, research, and sector experts
- Entrepreneurs
- Angel investors
- Support industry sectors (e.g. banks)
- Business leaders within sectors being targeted
- Corporate leaders
- WARF

6.5. Milestones

The accompanying table lists important organizational milestones, with dates, responsible parties, and budgets for each. The milestone schedule indicates our emphasis on achieving concrete outcomes early in the life of the organization.

Key milestones include:

Completed by:

- Completion of initial round of fundraising
August/September 2006
- Formation of Board of Directors
September/October 2006
- First year business plan / operations strategy adopted by Board of Directors
October 2006
- Hire initial staff
October 2006
- Launch organization's first phase
October/November 2006

7. Management Summary

7.1. Personnel Plan

The following table summarizes our personnel expenditures for the first three years, with compensation increasing by 5% per year. We believe this personnel plan will allow us to successful fulfill our mission.

Position	Base Salary	Salary including benefits & taxes		
		Year 1	Year2	Year3
President, 1/2 FTE contribution by GMCC - no cost to REDE	\$0	\$0	\$0	\$0
Executive VP - Sector growth, QofL issues, Region building	\$80,000	\$95,736	\$100,523	\$105,549
Professional staff position	\$65,000	\$79,064	\$83,017	\$87,168
Professional staff position	\$65,000	\$79,064	\$83,017	\$87,168
Professional staff position	\$65,000	\$79,064	\$83,017	\$87,168
Marketing / PR / Communications	\$50,000	\$62,391	\$65,511	\$68,786
IT & Web specialist (approx REDE portion)	\$25,000	\$34,604	\$36,334	\$38,150
Referrals / Inquiries / Retention position (1/2 FTE)	\$20,000	\$29,046	\$30,498	\$32,023
Administration/reception (approx REDE portion)	\$20,000	\$29,046	\$30,498	\$32,023
Intern	\$20,000	\$29,046	\$30,498	\$32,023
Intern	\$20,000	\$29,046	\$30,498	\$32,023
		\$546,105	\$573,410	\$602,081

8. Return on Investment

8.1. Return on Investment

The organization shall develop process (e.g. website developed) and outcome metrics (e.g. % increase of wages in specific sector) for the three stated objectives. Identification of the targeted industry sectors, specific quality of life issues and areas of regional focus will determine the metrics for each objective.

Macro economic measures (e.g. # of jobs in region created annually) are influenced by many variables and do not adequately measure the effectiveness of the work of an economic development entity, nor do they serve as an effective project management tool. Macro economic data points will be tracked and reported but sector, issue and focus specific data will be the key REDE metrics that drive the work of the organization.

Objective #1: Accelerate the entrepreneurship, growth and retention of key regional industry sectors that drive our economy.

The sector approach is based on the “industry cluster” work of Michael Porter, Harvard University. Based on this region’s unique assets, industry sectors with the greatest potential for economic growth while preserving and enhancing the quality of life of the region will be targeted. Industry specific metrics (e.g. wage growth, regional investments, company start-ups, job creation, etc) will be developed and tracked.

Objective #2: Be a catalyst for addressing major quality of life issues.

An issues-based approach will be utilized with a narrow scope and mutually agreed upon specific outcomes and metrics (e.g. water quality data). The Collaboration Council will provide direction on which issue(s) to address and the role of REDE staff will be to serve as a catalyst for action and to track and report progress.

Objective #3: Build a regional culture, regional decision making, and raise awareness of our regional assets, values and brand.

An action agenda will be developed as part of the strategic plan based on input from the REDE board, the Collaboration Council, the regional economic development professionals, and area chambers. Metrics (e.g. signed code of ethics, lead-sharing process established) will be established to track and report progress.

As REDE moves forward, the objectives, strategic plan and the metrics will be continuously refined. REDE’s progress will be regularly communicated to investors and partners.

Sector-based and issue-based economic development strategies are long-range, not short-range strategies. Economists recommend an emphasis on process metrics and highly specific outcome metrics during the early years of a start up economic development entity.

8.2. Beneficiaries

Direct beneficiaries of REDE’s work will include:

- Businesses – through building economic growth and vibrancy
- Sector based businesses – by helping to accelerate the success of particular regional sectors
- Regional work force

- Current and future residents
- Disadvantaged groups whose economic well-being is directly influenced by a strong economy
- Chambers of Commerce
- Other collaborative institutions
- Local, regional and state governments
- Local and regional school districts and their schools
- The environment

9. Financial Plan

9.1. Budget

REDE - Operational Budget (Years 1 - 3)

INCOME				
	Year 1	Year 2	Year 3	Years 1 - 3 Totals
TOTAL INCOME	\$900,841	\$886,481	\$926,055	\$2,713,376
WI Department of Commerce Grant (<i>TBD</i>)	\$125,000	\$125,000	\$125,000	\$375,000
Madison Community Foundation Grant	\$20,000			\$20,000
TOTAL TO RAISE	\$755,841	\$761,481	\$801,055	\$2,318,376
Private (90% of total to raise)	\$680,257	\$685,332	\$720,949	\$2,086,539
Public (10% of total to raise)	\$75,584	\$76,148	\$80,105	\$231,838
EXPENSES				
	Year 1	Year 2	Year 3	Years 1 - 3 Totals
General Operating Expenses				
Personnel (incl. tax & benefits)	\$546,105	\$573,410	\$602,081	\$1,721,596
Collaborative initiatives, research & additional services	\$100,000	\$105,000	\$110,250	\$315,250
Legal & Accounting Services	\$10,000	\$10,500	\$11,025	\$31,525
Rent	\$14,550	\$28,875	\$30,319	\$73,744
Equipment	\$2,400	\$2,520	\$2,646	\$7,566
Computers	\$3,000	\$3,150	\$3,308	\$9,458
Copier	\$2,500	\$2,625	\$2,756	\$7,881
Furniture	\$2,286	\$2,400	\$2,520	\$7,207
Supplies	\$15,000	\$15,750	\$16,538	\$47,288
Hosting Meetings	\$15,000	\$15,750	\$16,538	\$47,288
Travel	\$30,000	\$31,500	\$33,075	\$94,575
Total	\$740,841	\$791,481	\$831,055	\$2,363,376
Marketing/PR Expenses				
Printing	\$40,000	\$20,000	\$20,000	\$80,000
Website (CRM capabilities)	\$70,000	\$15,000	\$15,000	\$100,000
Additional database development	\$20,000	\$10,000	\$10,000	\$40,000
Logo/identity development	\$10,000			\$10,000
General marketing/PR expenses	\$20,000	\$50,000	\$50,000	\$120,000
Total	\$160,000	\$95,000	\$95,000	\$350,000
TOTAL EXPENSES	\$900,841	\$886,481	\$926,055	\$2,713,376
Cash Flow				
Capital expenditures	\$29,314			

Assumption: 5% income/revenue adjustment for years 2 & 3

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