

Iowa has set bold economic development goals for the coming years: Create 200,000 private-sector jobs and raise family incomes by 25 percent.

To meet these goals, we cannot approach economic development the same ways we have in the past. Iowa must proactively shape its future by creating the right jobs —high-wage jobs from innovative companies that will shape the future of our economy. If we are to make the growth we seek a reality, we must have new tools available that will make Iowa more competitive in a rapidly changing global economy.

Governor's Growth Agenda

200,000 Private Sector Jobs

Increase Family Income 25%

Cut the Cost of State Government by 15%

Re-establish Iowa's World Class Educational System

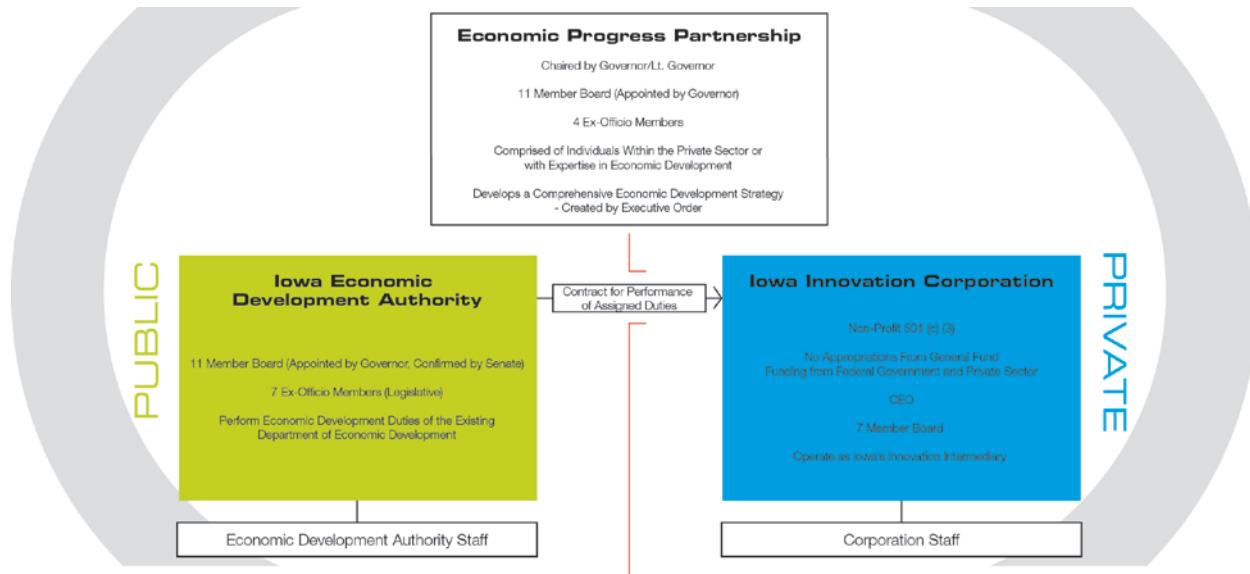
Make Iowa the "Healthiest State"

The Iowa Partnership for Economic Progress legislation, approved with bipartisan support by the Iowa Legislature in 2011, is meant to further these goals. The new model created by the legislation uses the best aspects of the public and private sectors to create a dynamic, results-driven partnership with programs and incentives to meet the needs for business growth.

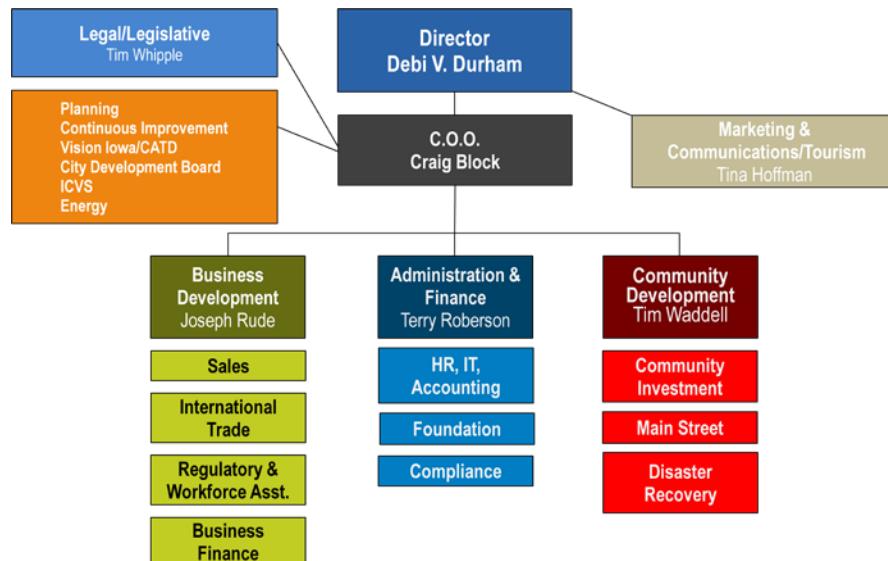
This model marks a new direction in economic development for the state and consists of two arms – the Iowa Economic Development Authority and the Iowa Innovation Corporation

Iowa Economic Development Authority

The first new entity, known as the Iowa Economic Development Authority, is a quasi-government agency that replaces the existing Iowa Department of Economic Development and will perform its duties. The Authority will have a more focused set of tools and resources, providing maximum flexibility to meet the needs of potential employers.



Iowa Economic Development Authority Organizational Chart



All divisions of the organization are shifting their focus to be accountable to the Governor's growth agenda. Our Community Development division for example, is looking at new ways to leverage federal programs and measure outcomes.

areas of focus

Reaching our goals will require a strategic effort, focusing on the key areas of innovation, exports, development-readiness, energy and business climate competitiveness.

Innovation

State Initiatives

- Increase collaboration to move intellectual property to commercialization
- Expand interaction with Federal labs and increase funding for applied research
- Protect R&D tax credits
- Angel tax credits (passed effectively July 1, 2011)
- Seed fund tax credits (passed effectively July 1, 2011)

Federal Initiatives

- Make the R&D Tax Credit permanent
- Increase R&D Tax Credits by 25%

Successes

- \$13.2 million in SSBCI funding awarded to IEDC to help create new private sector jobs and spur additional small-businesses lending in the state
- America Invents Patent Reform passed

Exports

State Initiatives

- Increase exports by 20%
- Expand export trade assistance programs (ETAP)
- Assist companies prepare/certify products for export
- Expand EB-5 program

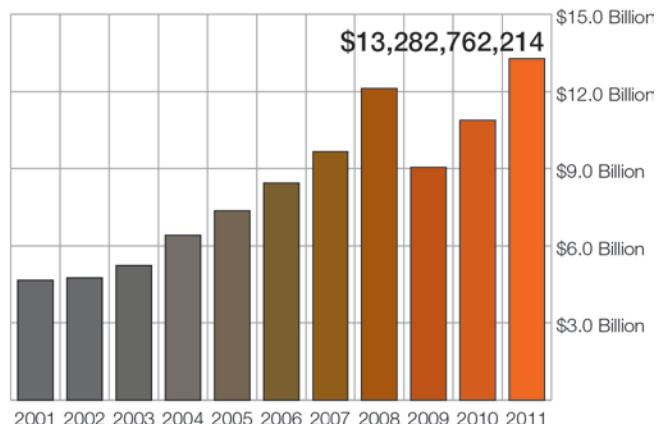
Federal Initiatives

- Pass Free Trade Agreements: South Korea, Columbia and Panama

Successes

- State Trade and Export Promotion (STEP) grant in the amount of \$370,258.00 awarded to IEDA to increase the number of small businesses that are exporting and increase the value of exports for those small businesses that are currently exporting

Iowa Exports



Development-Readiness

State Initiatives

- Intermodal transportation system
- Access to critical infrastructure
- Certified building site
- Glass highway
- Connect Iowa broadband development plan

Successes

- Connected Nation announces Connect Iowa coordinator will be housed at IEDA

Energy

Federal Initiatives

- Extending production tax credits

Business Climate Competitiveness

State Initiatives

- Reduce commercial/industrial property taxes
- Reduce corporate income tax rate
- Regulatory review to streamline processes

Federal Initiatives

- Cut corporate income tax rate by 20-25%
- Reduce the repatriation tax on corporations

how do we get there?

Our strategic focus will provide the pathway to reach our overall job and wealth creation goals. For 2012, we have created an aggressive business development and marketing plan that will guide our efforts.

Objective I: Recruit 50 new companies to Iowa, bringing an average of 100 employees per project.

Strategy A. Directly target 2,500 companies based on Battelle Industry Reports.

Sales:

- Organize project managers into industry teams to improve service coverage and industry expertise
- Each project manager is assigned the responsibility and accountability to develop a relationship with 300 companies from the target list

Marketing:

- Execute “First Contact” direct mail campaign with targeted companies, supported by follow-up sales calls and/or emails
- Deliver bi-monthly communications to targeted companies including article forwards, state/Governor announcements, re-purposed op-eds, BusinessSphere, etc.
- Conduct “Investment Seminars” in key geographic areas

Strategy B. Raise awareness of Iowa as a location to do business within targeted industries by attending 50+ trade shows.

Sales:

- Research and select best industry shows that overlap with targeted companies and partner targets

Marketing:

- Identify and execute contact strategy for targeted companies at selected trade shows, including a pre-mailer, tiered give-aways and follow-up communications mechanisms

Strategy C. Increase awareness of Iowa's business advantages among site selection consultants.

Sales/Marketing:

- Execute "Intro Iowa" direct mail campaign re-introducing Iowa to site selection consultants
- Deliver bi-monthly email newsletter targeted to site selection consultants' areas of expertise and interest
- Conduct quarterly follow-ups including article forwards, state/Governor announcements, re-purposed op-eds, BusinessSphere, etc. to coincide with project manager contacts
- Create and promote webinar series featuring industry experts, IPEP members, Governor and Director

Strategy D. Support objective 1 by deploying a public relations strategy, placing a digitally-focused advertising schedule and deploying a digital presence including blogs, tweets, LinkedIn posts, and development of thought-leadership groups in social media communities.

Objective 2: Expand 50 existing industry companies, bringing an average of 50 employees per project.

Strategy A. Directly target 500 companies based on key employers.

Sales:

- A target list will cover the top Iowa companies within the Battelle subsectors as well as largest employers (500 companies)
- Each project manager is assigned the responsibility and accountability to develop a relationship with 50 companies from the target list
- Research attitudes and issues with "traded cluster" companies in conjunction with local economic development partners (using Syncronist)

Marketing:

- Recognize "traded cluster" companies with a letter from Governor and Director (depending on research outcomes)
- Conduct appreciation events for "traded cluster" companies with 100+ employees
- Conduct roundtable discussions with the Governor and Director with key "traded cluster" companies

Strategy B. Support objective 2 by deploying a public relations strategy, placing a digitally-focused advertising schedule and deploying a digital presence including blogs, tweets, LinkedIn posts, and development of thought-leadership groups in social media communities.

Objective 3: Grow existing industry companies through technical assistance, reaching 3,000 companies and increasing employment by two employees each.

Strategy A. Target companies to expand exporting and international trade opportunities.

Strategy B. Assist companies with regulatory and workforce training needs by providing concierge service to address barriers to growth.

Strategy C. Provide educational opportunities for “non-traded cluster” companies.

Marketing:

- Host seminars on innovation, ESOPs, transition options
- Develop on-going communications mechanism focusing on change strategies

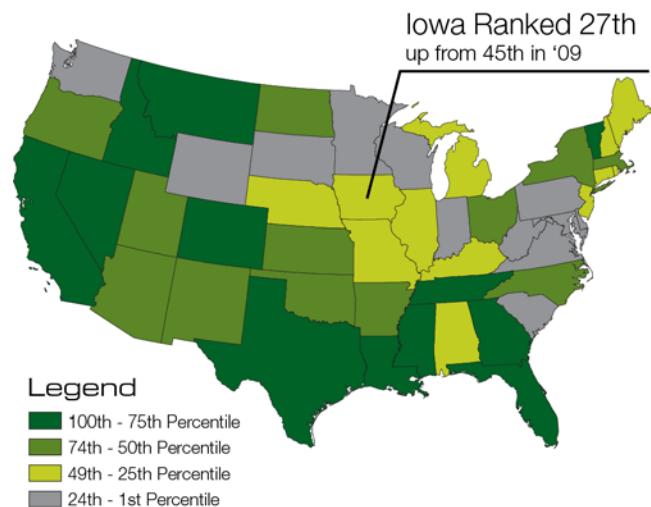
Strategy D. Support objective 3 by deploying a public relations strategy, placing a digitally-focused advertising schedule and deploying a digital presence including blogs, tweets, LinkedIn posts, and development of thought-leadership groups in social media communities.

Iowa Innovation Corporation

The second entity that makes up the private side of the Iowa Partnership for Economic Progress effort is the Iowa Innovation Corporation (IIC). It will work to attract investors and investment capital. A non-profit, the IIC will solicit funds from various sources in the private sector to be used for its job creation efforts.

With the creation of the corporation, Iowa joined a growing list of state governments that have created what are known as “innovation intermediaries.”

2010 Kauffman Entrepreneurial Index



Innovation, both by new and existing companies, helps create the higher-wage jobs of tomorrow that will sustain our economy. And as we work to grow jobs in Iowa, fostering innovation has to be a part of the blueprint.

Innovative economic growth strategies focus on cultivating start-up companies and helping existing companies become more innovative. That differs from the traditional economic development focus of retaining and attracting companies.

Iowa's approach to innovative economic growth centers on a wide range of assistance to help entrepreneurs. With a network of continuous support, entrepreneurs can get the technical assistance and mentorship they need to effectively grow their businesses.

Successfully commercializing the technologies developed at Iowa's research universities remains an important goal, and we aim to assist these researchers by providing improved services. By forming partnerships among government, private industry and our academic institutions, we can develop innovation strategies that support the formation of new companies and assist Iowa's existing industries in staying competitive globally.

Another goal is to establish a private, professionally-managed seed capital fund. The fund is intended to bridge the gap for early stage capital that currently exists when entrepreneurs are trying to grow their business. Known as the "valley of death," this gap is common when a business has developed a proven idea for a product or service, but still needs funding to take the idea to a nationwide market.

Working together, the two new entities will provide constructive approach for growing jobs and broadening opportunities for Iowans.

Conclusion

Like any other state, Iowa is in a race to attract and retain top companies and talent. Iowa has a head start because of the slate of strong assets we bring to this race -- world-class research institutions, creative entrepreneurs and skilled, educated workers.

Iowa already is a global leader in a number of industries such as advanced manufacturing; biosciences; financial services; food and ingredient manufacturing; and renewable energy.

By developing its culture of innovation and providing support to help entrepreneurs and existing businesses innovate, Iowa can build on the strengths it has in these industries and broaden its leadership to other sectors.

With the help of its local partners, the new public-private partnership is poised to lead the state in realizing its potential for growth and job creation and laying the groundwork for a more prosperous future for Iowans.