

Two years ago, Milwaukee's business leaders embarked on a bold effort to revitalize Milwaukee's poorest urban communities. In November 2001, Daniel Bader, President of the Helen Bader Foundation, assembled business and academic leaders to develop a new approach to inner city economic problems. In partnership with the Initiative for a Competitive Inner City, a national not-for-profit organization founded by Harvard Professor Michael Porter, the business leaders formed a 30-member Strategy Board.

The Strategy Board examined Milwaukee's inner city economy and its 5,000 companies, to identify a diverse set of untapped opportunities to drive sustainable job and business development. The Strategy Board selected four industry clusters that have the potential to create considerable economic opportunity for the inner city. These clusters are Manufacturing, Business Process Service Centers, Construction and Development, and Health Services. Additionally, the Board decided to address two business environment issues: Workforce Development and Entrepreneurship.

Since 2002, Cluster Action Teams have worked on clusters and business environment issues to develop strategies. To date more than one hundred people have been actively involved. The Action Teams are diverse groups of private and public sector leaders, industry experts, industry associations and educational institutions. Collectively, more than 20 cluster and other recommendations form the inner city economic agenda.

From the inner city economic agenda comes a call to action: The Initiative for a Competitive Milwaukee, ICM. ICM is led by Katherine Hudson, chairman of the Brady Corporation, and Art Smith, CEO of Keystone American Express Travel Services. ICM is forming an Inner City Team to drive results for Milwaukee, a top priority for the Greater Milwaukee Committee, which will coordinate the implementation of the inner city economic agenda.

ICM would like to thank the Helen Bader Foundation for their dedication and contributions to this project.

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EXECUTIVE SUMMARY

The Initiative for a Competitive Milwaukee is a bold effort to improve the standard of living for Milwaukee's inner city residents. Working with the Initiative for a Competitive Inner City, a national not-for-profit organization founded by Harvard Professor Michael Porter, ICM is revitalizing Milwaukee's inner city by recognizing and enhancing the advantages of its business environment. ICM believes that improved economic conditions in the inner city will come about through strengthening its competitive advantages and mitigating its disadvantages. Art Smith, CEO of Keystone American Express Travel Services describes ICM's work as "a paradigm shattering approach towards inclusive economic development."

The inner city of Milwaukee holds great promise, but is not advancing economically. The inner city has been hard hit by the loss of many of its largest employers as a result of relocation, acquisition and failure. According to the 2000 US Census data, thirty percent of Milwaukee's inner city residents live in poverty, compared with only 11% for the region. This prosperity divide is also a racial divide. 65% of the inner city population are minorities compared to 10% for the region. Despite these challenges, the inner city offers a solid platform for future improvement. According to the Wisconsin Department of Labor, there are more than 5,000 businesses in the inner city that collectively employ more than 120,000 people. The ICM aims to develop the untapped business potential in Milwaukee's inner city and promote economic opportunities for inner city residents.

Inner cities have concentrations of poverty and unemployment and low median household income. Inner city areas are neighborhoods that have a poverty rate above 20 percent, or 50 percent higher than the surrounding region, and a median household income 50 percent lower than the regional median household income and/or an unemployment rate 50 percent higher than the surrounding region.

A diverse group of business and civic leaders is leading ICM. The Executive Committee, chaired by Katherine Hudson, chairman of the Brady Corporation, and by Art Smith has developed an action plan for the inner city and has taken responsibility for implementing it.

EXECUTIVE COMMITTEE MEMBERS

Dan Bader, president of the Helen Bader Foundation; Darnell Cole, president of the Milwaukee Area Technical College; Karen Gotzler, president of the Urban Economic Development Association; Tim

Hoeksema, president of Midwest Airlines; Jeff Joerres, president of Manpower Inc.; Tim Keane, CEO of Keane Holdings; Michael Morgan, secretary of the Wisconsin Department of Revenue, Phil Neuenfeldt, secretary-treasurer of AFL-CIO; Gerard Randall, president of the Milwaukee Private Industry Council; Leo Ries, Program Director at LISC; Tim Sheehy, president of Metro Milwaukee Association of Commerce; Julia Taylor, president of the Greater Milwaukee Committee; and Nancy Zimpher, then chancellor of the University of Wisconsin Milwaukee

Additionally, a Strategy Board of more than thirty leaders set the project's direction and continue to guide its progress. Members include CEOs and civic leaders from companies and organizations including Allen Edmond Shoes, Aurora Health Care, Badger Meter, the Department of City Development, the Hispanic Chamber of Commerce, Journal Communications, Marquette University, We Energies and Wells Fargo, among others.

By implementing the action plan they and many others have developed, ICM will:

Increase the competitiveness of inner city Milwaukee as a business location;

Strengthen the competitiveness of businesses located in the inner city and their economic linkages to the regional economy; and

Increase jobs, income, and wealth creation opportunities for residents of Milwaukee's inner city.

Milwaukee's Inner City Demographics (Source: 2000 US Census)

Young

35% is under age 18 vs. 26% for MSA

Educated

68% graduated from HS vs. 85% for MSA

38% have some college vs. 55% for MSA

Working

88% employed vs. 95% for MSA

Women with children work,

69% in IC vs. 75% for MSA

Poor

27% live in poverty vs. 11% for MSA

\$26K median household income vs. \$46K for MSA

74% of poor families headed by single females

Diverse

50% Black, 30% White, 15% Hispanic

Milwaukee's Inner City Business Base (Source: 2001 ES202, 2000 US Census)

5,000 businesses that employ 120,000 workers

Top Five Inner City Employers by Cluster

Health Services	16,197 employees
Education and Training	11,163
Commercial Services	10,919
Processed Food	8,903
Metal Manufacturing	7,527

139,701 inner city workers

Top Five Industries where Inner City Residents are Employed

Manufacturing	19.8%
Health Services	15.3%
Retail Trade	9.4%
Education	8.7%
Accommodation	7.8%

A Call to Action

ICM conducted a competitive assessment of Milwaukee's poorest areas and identified opportunities to strengthen its linkages to the regional economy. Based on the analysis of Milwaukee's inner city economy, the Strategy Board selected four industry clusters as a starting point for their work: Health Services, Construction & Development, Business Process Service Centers and Manufacturing Retention & Renewal. Additionally, they decided to address two cross-cutting business environment issues: Workforce Development and Entrepreneurship.

The Strategy Board has formed or is currently forming action teams for the four clusters. The action teams are diverse groups of private and public sector leaders and industry experts. Together they developed action plans for each cluster.

HEALTH SERVICES

Co-Chairs: Robin Mayrl of the Helen Bader Foundation and Clare Reardon of Froedtert Hospital

SITUATION: Almost 10,000 new job openings are expected in Health Services for Milwaukee County for the next five years¹. More than 60 percent of these openings are in low and mid-skilled occupations, providing career advancement opportunities for the inner city workforce.

Milwaukee County's elderly population continues to grow. Providing quality services to the elderly is challenging. 93 percent of Milwaukee's elderly live alone or with relatives or friends². Services are needed to assist them with independent living.

Action Steps

Four key hospital systems³ plan to increase the number of inner city healthcare workers as a percent of mid-high level skilled category from 8.6% to 10% by 2010 in the four county region; an increase of almost 1000 more inner city skilled workers. This will be achieved through collaboration with other large health service employers, and in partnership with educational providers to expand training capacity.

The Milwaukee Aging Consortium is forming an Eldercare Workforce Consortium to improve the quality of eldercare services by developing a comprehensive training curriculum to improve training and workforce retention.

The ICM Inner City Team will convene entrepreneurs and encourage them to pursue the attractive business opportunity of providing non-medical support services to the elderly; inform them about the market, the workforce, and available sources of capital.

CONSTRUCTION & DEVELOPMENT

Co-Chairs: Carla Cross of Cross Management Services and Jerry Franke of Wispark

SITUATION: The forecasted construction pipeline for the Milwaukee region is significant. The expected growth presents an opportunity for increased participation by minority and women businesses. Minority owned construction and development firms account for only 1 percent of construction sales in Wisconsin compared to 4 percent nationally⁴. Projected construction activity and the aging construction workforce create new job openings. About 4 percent of Milwaukee's inner city residents work in construction compared to 7 percent of the U.S. population⁵.

Action Steps

Working together, various community partners (such as the Construction Labor Management Council, Wisconsin Regional Training Partnership and the Private Industry Council) are planning to establish a Construction Center of Excellence to grow existing workforce and business development programs and make them more effective through collaboration, innovation and accountability. Hold an annual construction fair to promote the center's resources and encourage new collaborations.

The Wisconsin Regional Training Partnership, through its Power the Future Academy will ensure inner city workforce participation on the largest state construction project. The PTF Academy will be a central training and placement resource.

The Milwaukee Area Technical College plans to introduce a two-year Construction Management program, supported by the construction industry, to increase the number of minorities and women in construction management positions and facilitate their progress up career ladders.

The ICM Inner City Team will initiate a communications strategy emphasizing the benefits of diversity to hospitals and universities and corporations to increase the utilization of minority and women owned construction firms on these large construction projects.

BUSINESS PROCESS SERVICE CENTERS

Co-Chairs: Jeff Joerres of Manpower Inc., and Tim Sheehy of the Metro Milwaukee Association of Commerce

SITUATION: Business Process Service Centers (BPSC) specialize in transaction processing for one or more business support areas such as claims processing, customer support, payroll, collections, etc. BPSC are part of the larger Business Process Outsourcing industry that is growing at 15 percent per year⁶. Milwaukee already has some key BPSC operations such as Metavante, Fiserv and Cobalt to build a larger strategy around.

Action Steps

The Metro Milwaukee Association of Commerce (MMAC) working with various community partners (such as Initiative for a Competitive Milwaukee, Manpower, Department of City Development and the Greater Milwaukee Committee) will:

Increase the competitiveness of Milwaukee for existing Business Process Service Centers and attract new firms by preparing readily available sites and developing the workforce.

Encourage regional BPSC operations to expand and/or relocate their offices to Milwaukee to be closer to their incumbent workforce through tax and other incentives.

Make the business case for Milwaukee as a BPSC location for medium-sized firms to real estate developers, site consultants and firms in the following industries: Financial Services, Insurance, Real Estate, Health Services, Wholesale and Retail Trade, and Manufacturing based on Manpower's and the MMAC's research.

MANUFACTURING RETENTION & RENEWAL

SITUATION: Manufacturing matters to Milwaukee. There are 26,000 manufacturing jobs in Milwaukee's inner city, 26,000 in the rest of the city (52,000 in total for the city of Milwaukee) and 178,000 in the four-

county region⁷. Manufacturing employment has declined at 3 percent per year (1995-2001) in the inner city while it is holding steady in the suburbs⁸. Based on an extensive survey completed by a representative sample of the 4000 manufacturers in the four-county region, inner city manufacturers face challenges arising from crime, workforce technical skills and site assembly. Site assembly is critical based on the survey because approximately 800 manufacturers are planning plant expansion in the next 2 years.

The ICM manufacturing survey demonstrates that Milwaukee has a core of successful manufacturers who plan to be in Milwaukee. Specifically, the survey determined that 44 percent of manufacturers experienced revenue growth between 1999 and 2002 and 33 percent increased the number of employees in those three years. Additionally, the survey shows that 73 percent of manufacturers expect to be in business at their current location in five years. This finding dispels the notion that all manufacturing jobs are leaving the region.

Action Steps

The Metro Milwaukee Association of Commerce working with various community partners (such as the Initiative for a Competitive Milwaukee, Department of City Development, Wisconsin Manufacturers & Commerce and the Greater Milwaukee Committee) will:

Increase the competitiveness of inner city Milwaukee as a manufacturing location by increasing security, assembling land and facilities and improving workforce technical skills.

Proactively reach out to the 20 percent of manufacturers in the region (approximately 800) that are planning plant expansions⁹.

Minority-supplier development programs should consider adding a focus on inner city located companies, in addition to minority and women-owned companies. Inner city companies often hire a diverse workforce, making this is another strategy to expand economic diversity.

WORKFORCE DEVELOPMENT

Co-Chairs: Eric Parker of the Wisconsin Regional Training Partnership and Linda Stewart of North Milwaukee State Bank

SITUATION: A prepared workforce could be the inner city's greatest advantage. Milwaukee's inner city workforce is young, educated and available. 40 percent of the inner city population is 21 years old and under, compared to 23 percent for the four county region¹⁰. 68 percent of Milwaukee's inner city residents over 25 years old hold high school diplomas and 38 percent have some college compared to 85 percent and 55 percent respectively for the region¹¹. 12 percent of Milwaukee's inner

city workforce is available to work versus 5 percent in the four-county region¹². Roughly 15 percent of Milwaukee's inner city is under employed based on the skill level of their occupation¹³. ICM plans to develop a more focused, effective and accountable workforce development system in order to make that happen.

Action Steps

ICM, UWM Center for Workforce Development and the Milwaukee Private Industry Council (PIC) have partnered to form the Workforce Enterprise, a regional collaborative, to address Southeastern Wisconsin workforce needs, with emphasis on Milwaukee's inner city workforce. The Workforce Enterprise is Southeastern Wisconsin's opportunity to train locally, act regionally and compete globally.

The Wisconsin Regional Training Partnership (WRTP) working with community based organizations and their members plan to develop a central training and placement resource, Milwaukee Careers Center (MCC). MCC will be the intermediary between employers, training institutions and community based organizations.

ENTREPRENEURSHIP

Co-Chairs: Tim Keane of Keane Holdings and Kanti Prasad of the University of Wisconsin-Milwaukee

SITUATION: Starting and building a sustainable and profitable business is difficult, and it is even more difficult for minorities and women. The Milwaukee metropolitan area ranks 48th among the 50 largest metropolitan areas in black-owned businesses and 49th among the same group in Hispanic-owned businesses¹⁴.

Action Steps

The Helen Bader Foundation, along with private venture firms are working to establish a venture capital fund focused on business opportunities in low to middle income communities.

The Business Assistance Caucus of Milwaukee (BACOM) is working to increase the utilization of various financial and credit enhancement programs through combined workshops and training.

BACOM is creating an entrepreneurship web-based portal to centralize information about available training programs.

Marquette University's business plan competition will encourage inner city entrepreneurs to develop business plans and seek and receive expert technical assistance.

UWM and Marquette schools of business are partnering to highlight

the fastest growing inner city businesses in Milwaukee. Winners of the competition will be nominated to the national ICIC Inner City 100/Inc. Magazine competition.

Real, Sustained Change

On September 15th, the Greater Milwaukee Committee and the Milwaukee Metro Association of Commerce held an unprecedented joint meeting to announce the ICM action agenda. Over 500 were in attendance, representing a wide cross section of the Milwaukee community. Professor Michael Porter outlined the market-based strategy for Milwaukee and Governor Doyle announced the state's support.

The GMC will be the implementing entity for the Initiative for a Competitive Milwaukee. The GMC is currently establishing an Inner City Team, which includes a senior executive sponsored by We Energies and two project managers funded by the Helen Bader Foundation. The Inner City Team with the support of the ICM Executive Committee and GMC Board members will develop strong partnerships so that the growth of the inner city becomes an integral part of the economic fabric of the region.

Conclusion

The focus of inner-city revitalization programs over the past fifty years has been on social programs to address poverty, healthcare, and education, among others. What has been missing is an economic agenda to strengthen the local economy by retaining and attracting businesses and private-sector investments. ICM believes this approach presents the best opportunity to raise the standard of living in the inner city. The collective hard work over past two years is generating new momentum around strengthening the business base of the inner city and Milwaukee more broadly. The alignment that is emerging across the civic and business communities is unprecedented. ICM is a major step to economic revitalization of Milwaukee's inner city. With continued collaboration and focus, a sustainable transformation is not only possible, but achievable.

INTRODUCTION

Two years ago, Milwaukee's business leaders embarked on a bold effort to revitalize Milwaukee's poorest urban communities. In November, 2001, Daniel Bader, President of the Helen Bader Foundation, assembled a group of business and academic leaders to work on a comprehensive approach to the inner city's economic problems. The early members formed a steering committee that included Art Smith, President and CEO of Keystone American Express Travel, Tim Keane, an entrepreneur in residence at Marquette University, and Michael Morgan and Kathryn Dunn from the Helen Bader Foundation.

"We had been seeking solutions for problems in the inner city for more

than 12 years,” recalled Bader. “We had some success, but it was clear that employment is a crucial issue. Without jobs that pay livable wages, the other areas won’t come along. So from the beginning our focus was on attracting businesses and creating jobs, essentially connecting the city with the regional economy.”

A recent editorial in the Milwaukee Journal Sentinel captured these leaders’ thinking: “If the problems of poverty and unemployment in the city- particularly the black community- aren’t addressed, the ability of the whole region to grow is threatened.” Milwaukee’s inner city is challenging: 27 percent of inner-city residents fall below the poverty line, close to three times the percentage in the rest of the region. The poverty rate in Milwaukee’s inner city was the same in 2000 as it was in 1990, an indication that the economic wave that swept over Wisconsin and the nation during the last decade did not touch the inner city. Inner-city unemployment was 12 percent in 2000, more than two times the regional rate¹⁵.

Taking Action

Early on the steering committee decided to engage the services of the Initiative for a Competitive Inner City, a Boston-based nonprofit organization that focuses on inner-city economic development. ICIC was founded in 1994 by Harvard Business School professor Michael Porter, an international authority on competitiveness and productivity as drivers of standard of living. Since ICIC’s founding, Porter and his team have worked with city leaders to create and implement economic development strategies in inner cities from Boston to Oakland, achieving significant progress and drawing national attention.

“We liked ICIC’s approach, which was positive and worked on strengths rather than pointing out all the problems of the inner city,” said Smith. “We had to be positive. Fixing the inner city is a win-win. Leaving the inner city alone is a lose-lose.”

After engaging ICIC, the steering committee assembled a Strategy Board comprised of 30 civic leaders and business activists. Strategy Board members agreed to meet quarterly. They were charged with the task of devising strategies and then guiding them through to implementation. Later, an executive committee was distilled from the Strategy Board. (See the cover insert for a full list of committee members).

The executive committee meets frequently, evaluates the work of the action teams, provides access to resources and ensures the project’s progress.

In September 2003, after a year of strategy development, the committee launched the Initiative for a Competitive Milwaukee (ICM). ICM’s mission is to ensure economic development in Milwaukee’s inner city, retaining

and creating jobs, and enabling wealth accumulation. “I think society should have social justice, and I think that begins with economic justice,” says Keane, the entrepreneur in residence at Marquette’s Graduate School of Business Administration. “Creating jobs is a good thing and wealth-creation is better. Entrepreneurship builds equity. That’s important. That’s what we are trying to do.”

The ICM’s chances of success, says Keane, “Are far from a sure thing. But a broad range of civic elements, including the Greater Milwaukee Committee (GMC), are behind it, and their support will reduce the chance of failure.”

The New Approach: Working with Strengths

The focus of inner-city revitalization programs over the past fifty years has been on social programs to address poverty, healthcare, and education, among others. What has been missing is an economic agenda to strengthen the local economy by retaining and attracting businesses and private-sector investments. ICM believes this approach presents the best opportunity to raise the standard of living in the inner city.

Inner cities have concentrations of poverty and unemployment and low household income. Inner city areas are neighborhoods that have a poverty rate above 20 percent, or 50 percent higher than the surrounding region, and a median household income 50 percent lower than the regional median household income and/or an unemployment rate 50 percent higher than the surrounding region. In Milwaukee, 11 zip code areas meet this definition. They are located in areas that surround the downtown central business district. Of the more than 376,221 residents who live in the inner city, 27 percent (more than 100,000 people) fall below the poverty line¹⁶.

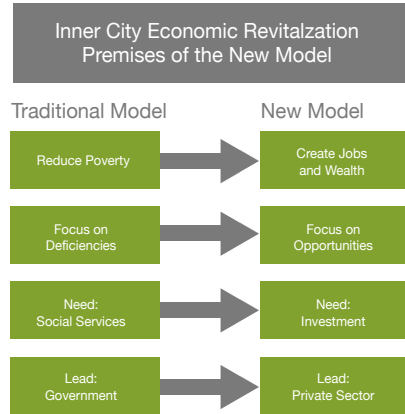


“We approach inner-city revitalization from a business perspective,” says Anne Habiby, co-executive director of ICIC, consultants to ICM. “We identify and support government and private sector actions that lead to a business environment in which private firms can be more competitive and productive. That translates

into more jobs, higher wages, more investment and a rising standard of living in the inner city.” ICM’s approach is based on the fact that the inner city contains the building blocks of its own economic prosperity. The inner city should be viewed for its advantages as a business location. ICM officials say this changes the entire outlook for Milwaukee’s inner city.

Thousands of private firms view the inner city as a competitive business location today. Wisconsin Department of Labor data indicates that more than 5,000 businesses are located in Milwaukee's inner city. Collectively these companies employ 120,000 workers. Health service firms are

the largest employers in the inner city, followed by education and training institutions and commercial services companies. Metal manufacturers employ the largest share of all manufacturing clusters.

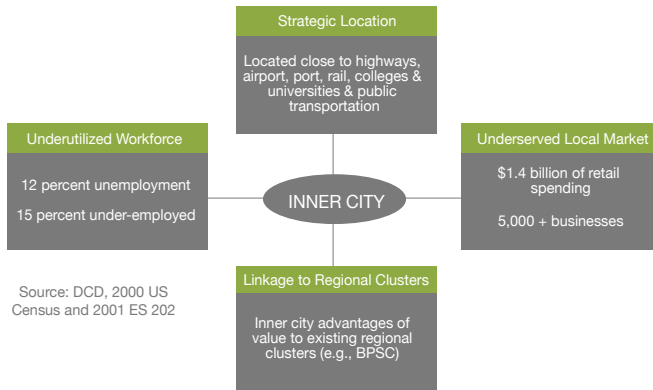


Based on its work over the past eight years, ICIC has found that inner cities offer four competitive advantages to firms who locate there: a central location, a large, easily accessible workforce, an

untapped local market, and the ability to support and link with regional industry clusters. A survey conducted by ICM showed that manufacturers located in Milwaukee's inner city (note that 29 percent of inner city jobs are in manufacturing) value both their central location (in terms of access to transportation) and their workforce.

Project Objectives: A market-based economic strategy for inner city revitalization; concrete implementation plan for executing strategy; organizational structure to drive inner city economic development

Competitive Advantages of Milwaukee's Inner City



Guiding Principles for Strategy Development

- A strategy based on competitive advantages and genuine business opportunities
- A framework that links the inner city economy to regional business clusters
- A favorable environment for inner city business development

to analyze research findings, identify market opportunities, prioritize opportunities and set the team's initial direction. The core team identified two areas that offer economic opportunities in Health Services: Workforce Development and Eldercare.

The core team has divided into two sub-teams, one, Workforce Development, led by Clare Reardon of Froedtert Hospital and the other, Eldercare, led by Robin Mayrl of the Helen Bader Foundation. The sub-teams are working to achieve the following goals for the Health Services action team:

Develop a market-based strategy focused on workforce development, eldercare workforce retention and eldercare entrepreneurial opportunities.

Increase the number of inner city residents in mid-skilled occupations at hospitals and other large health services employers.
Engage a diverse group of Health Services leaders to design and implement a strategic plan.

Ensure an organizational structure is in place to support and sustain the strategies.

Health Services Team Members

ORIGINAL CORE TEAM

Chair: **Seth Foldy** – City of Milwaukee Health Department
Paul Nannis - Aurora Health Care
Timothy Birkenstock – Children's Hospital
Bob Speer – Covenant Healthcare
Clare Reardon – Froedtert and Community Health
Robin Mayrl – Helen Bader Foundation
Michael Bolger - Medical College of Wisconsin
Bill Bazan – Wisconsin Hospital Association

WORKFORCE DEVELOPMENT SUB-TEAM

Chair: **Clare Reardon** - Froedtert and Community Health
Rhonda Taylor Parris - Aurora Health Care
Maria Monteagudo- City of Milwaukee Health Department
Cynthia Stewart - Columbia St. Mary's
Jerry Benston - Covenant Healthcare
Debbie Roy - Manpower Inc.
Judith Miller - Marquette University
Lucia Francis - Milwaukee Area Technical College
Mark Kessenich - Private Industry Council
Sally Lundeen - University of Wisconsin Milwaukee
Sally Christiansen - Waukesha County Technical College
Lynda Crucius - Waukesha County Technical College
Judy Warmuth - Wisconsin Hospital Association
Ginny Wilke - Wisconsin Regional Training Partnership
Linda Stewart - Workforce Enterprise

ELDERCARE SUB-TEAM

Chair: **Robin Mayrl** - Helen Bader Foundation

Laura Mathews - African Am. Aging Network
 Dr. Sarah A Wilson -African American Elders
 Gina Graham - Aurora Health Care
 Dale Nees - Communities Care for the Elderly
 Jeanne Prochnow - Communities Care for the Elderly
 Julie Ellis - Covenant Healthcare
 Chet Kuzminski - Family Care
 Cordelia Taylor - Family House
 Betty Brenner- Hearthside
 Wes Albinger - Housing Authority of the City Milwaukee
 Carol Eschner -Interfaith
 Stephanie Sue Stein - MKE County Dept on Aging
 Mike Berry - Mount Carmel Nursing Home
 Amy Ambrose - UWM- Milwaukee Aging Consortium
 Ginny Wilke - Wisconsin Regional Training Partnership

Why was this cluster selected?

REASON ONE: Health Services size and growth.

Health Services is not only a service provider to the Milwaukee community, but it is also a strong economic engine. Health Services employs more people than any other inner city cluster. According to the 2001 data from the Wisconsin Department of Labor, inner city Health Services organizations employ 16,197 people or 13 percent of the employment share of all inner city businesses.

Largest Inner City Clusters	Inner City Employment	Inner City Share of Regional Cluster	Inner City CAGR	Average Wage
LOCAL HEALTH SERVICES	16,197	19%	3%	\$31,073
LOCAL EDUCATION AND TRAINING	11,163	23%	30%	\$28,496
LOCAL COMMERCIAL SERVICES	10,919	16%	3%	\$24,946
PROCESSED FOOD	8,903	51%	0%	\$32,417
METAL MANUFACTURING	7,527	18%	-3%	\$36,935
EDUCATION AND KNOWLEDGE CREATION	6,210	20%	-5%	\$30,449
LOCAL CONSTRUCTION AND DEVELOPMENT	5,038	13%	-3%	\$35,320
LOCAL HOSPITALITY ESTABLISHMENTS	4,872	11%	-3%	\$10,729
POWER TRANSMISSION AND DISTRIBUTION	4,061	18%	-2%	\$42,562
FINANCIAL SERVICES	3,662	16%	3%	\$67,082
LOCAL FOOD AND BEVERAGE DISTRIBUTION	3,610	12%	1%	\$19,980
AUTOMOTIVE	3,482	14%	-4%	\$46,075
HOSPITALITY AND TOURISM	3,398	21%	1%	\$20,044
BUSINESS SERVICES	3,207	9%	9%	\$52,609

Source: 1995, 2001 ES 202

Health Services employment in the inner city is also growing faster than it is in the rest of city or region. Health Services employment in the inner city has a compounded annual growth rate (CAGR) of 3.4 percent between 1995-2001 compared to 0.1 percent for the rest of city and 0.7 percent for the four-county region. Hospitals accounted for 85 percent of the net

Inner City Employment by Industry

Source: 2000 U.S. Census American Fact Finder, ICD analysis

Manufacturing	19.7%
Health Care	15.3%
Retail Trade	9.5%
Education	8.7%
Accommodation	7.8%
Administrative	5.5%
Finance & Insurance	5.1%
Other	4.5%
Transportation	4.4%
Public Administration	3.8%
Construction	3.6%
Professional	3.0%
Information	2.7%
Wholesale Trade	2.6%
Arts & Entertainment	1.6%
Real Estate	1.2%
Utilities	0.7%
Agriculture	0.3%

employment change in the inner city Health Services cluster.¹⁷

Additionally, according to the 2000 U.S. Census, 15.3 percent of inner city residents work in the Health Services industry. Health Services is the second largest employer of inner city residents after Manufacturing.

Health Services is an important asset and growth opportunity for the inner city.

REASON TWO: The expected job openings.

According to the Wisconsin Department of Workforce Development, DWD, 18,840 new job openings are expected in Health Services for Milwaukee County from 1998-2008. 57 percent of projected openings are due to increased demand and 43 percent due to replacements.

Approximately 60 percent of these openings are in mid-skilled occupations, providing career ladder opportunities for the incumbent inner city workforce. This is especially important because 15 percent of inner city residents are already employed in the Health Services cluster. In addition projected openings are in some of the fastest growing occupations in health services.

What are the inner city issues facing the health services cluster?

Below are the key challenges facing the health services cluster that were raised at action team meetings and identified from research. The issues fall into two broad categories: Workforce Development and Eldercare.

Workforce Development Issues

ISSUE ONE: Healthcare training suffers from inefficiencies.

Formal training is necessary for career advancement in Health Services. Therefore, academic institutions are critical partners in the health services cluster. Three of the main challenges confronting these institutions are described below:

Bottlenecks: The capacity of training institutions to generate enough skilled healthcare workers is affected by bottlenecks in admissions and progress to graduation due to faculty shortages, admissions requirements and the curriculum design for certain programs.

Faculty shortages contribute to the wait list problem for certain programs. For example, the wait list for the RN program at Milwaukee Area Technical College is 600+, for Waukesha Community Technical College it's almost 600, for Marquette University and the University of Wisconsin Milwaukee it's over 100. (Note: wait lists numbers include students who have not completed the required prerequisites and students may be double counted if they are registered at more than one school). Faculty shortages stem from lack of funding and lack of qualified instructors.

Because credits may not easily transfer between schools, due to differing curriculums and prerequisites, students may face delay or additional cost when seeking admission to certain healthcare programs.

Traditional academic degree programs (associates, bachelors, etc.) may not generate skilled healthcare workers in time to meet demand. Therefore, there is a need for innovative "fast track" training with the goal of certification or licenser rather than an academic degree. Healthcare workers would have the option to return to school for a degree, once employed and can be supported by employer tuition assistance. Thus enhancing their career advancement opportunities.

Coordinated funding: Milwaukee training institutions, employers and community-based organizations (CBO) have not been able to capture available funding for training commensurate with the expressed need for healthcare workers, especially for mid-skilled occupations. This is mainly due to the lack of strong collaborative efforts among these groups, which need to focus on raising funds for building capacity and addressing infrastructure problems. Funding has been received in a fragmented fashion generally to support smaller projects, especially among CBO's.

ISSUE TWO: Better collaboration is needed among health service employers and training providers.

Health Service employers and training providers need to improve their collaboration and communication around three main areas: meeting demand, redesigning curriculums and recruiting for entry-level positions.

Meeting Demand: There has been insufficient communication between health service employers and educational institutions on future demand needs. Therefore academic institutions have not been prepared for the demand. The ability of health service employers to forecast needs and

training providers to adjust capacity accordingly will be key for efficient flexibility in supply and demand.

Redesigning Curriculums: Health service employers and education institutions need to collaborate so that academic and training programs are designed to meet employer needs in the most effective and efficient manner. As stated previously, health service employers believe that there is value in creating innovative “fast tracks” in certain programs to better meet their needs. Additionally, standardizing curriculums and prerequisites would assist with student transfers and alleviate bottlenecks due to admittance procedures.

Recruiting for Entry-level Positions: Health service employers are currently overwhelmed by the many training providers, CBO’s and workforce intermediaries that contact them about entry-level opportunities for their participants. Health service employers would like this process to be streamlined by identifying an intermediary that can act as the clearinghouse. The intermediary would be responsible for ensuring job readiness, the minimum employment criteria is met (e.g., H.S. Equivalency), and might also provide wrap around services (e.g., child care, transportation, etc.).

ISSUE THREE: There is poor workforce retention.

The turnover rate for certain healthcare occupations, such as RN’s and CNA’s can be high. Based on the action team meetings, this is caused by the work environment and lack of access to career opportunities:

Work Environment: Because of the nature of healthcare, the work can be physically challenging and stressful. Issues such as mandatory overtime, inflexible work schedules, flat salaries, poor benefits and lack of respect from doctors can contribute to high turnover in some healthcare sectors.

Career Ladders: Advancement in health services typically require additional training, especially when advancing from entry-level jobs to mid-skilled or professional jobs. Incumbent workers often face limited access to career ladder opportunities due to lack of knowledge about available programs, lack of educational preparedness for degreed programs, lack of resources to finance an education and difficulties with balancing work/life commitments.

ISSUE FOUR: Awareness of and interest in Health Services careers are low among high school students.

There is value to introducing health service careers to the future workforce, K-12, at an earlier stage. Partnerships between MPS and

health services employers should be expanded. MPS magnet schools need to be fully utilized.

Counselors at high schools need to understand the full spectrum of health services jobs. Right now, they think it's just doctors and nurses. Given that counselors don't have time to learn about every industry, healthcare professionals organizations and industry groups can play a role in expanding awareness among student advisors.

Additionally, stronger math and science curriculums at MPS are needed to prepare students for healthcare careers and other technical careers.

Eldercare Issues

ISSUE ONE: Workforce retention is a problem.

A recent study funded by the Helen Bader and Hartford Foundations found that retention not recruitment is the key workforce problem. The turnover rate for the workforce that caters to the elderly is extremely high. For Wisconsin during 2001, it estimated that caregiver turnover rates were as high as 95-97 percent¹⁸. This is relevant to the inner city because roughly 36 percent of the eldercare workforce in the region resides in the inner city¹⁹.

Poor retention is mainly caused by a challenging work environment, low wages and benefits, lack of advancement opportunities, poor work preparedness, lack of interest in working with the elderly, lack of support services and lack of respect at work.

ISSUE TWO: "Quality of Life" services are lacking.

More elderly are choosing to "age in place" instead of residing at nursing homes or similar facilities. 93 percent of Milwaukee's elderly either live alone or in a household with relatives or non-relatives²⁰. Therefore, services that can facilitate independent living are needed.

The main services desired are transportation, personal safety and in-home services (e.g., companionship, personal care, housekeeping, shopping, handy man, etc.). The elderly lack knowledge on how to obtain these services from credible sources. Affordability of these services and willingness to pay for these services are issues.

What are the action steps?

ACTION STEP ONE: Four key hospital systems²¹ plan to increase the number of inner city healthcare workers as a percent of mid-high level skilled category from 8.6% to 10% by 2010; an increase of almost 1000

more inner city skilled workers. This will be achieved through collaboration with other large health service employers, and in partnership with educational providers to expand training capacity.

A Healthcare Workforce Consortium consisting of hospitals, academic institutions, training intermediaries and the Wisconsin Hospital Association has been established.

The objectives of the Consortium are:

Improve the collaboration and communication among health service employers and training providers

Improve the effectiveness and efficiency of training programs at post-secondary institutions

Increase funding (private and public) to support training, especially mid-skilled occupations

Improve the awareness of Health Services as a career for non-traditional work pools

The Consortium's first area of focus is to identify ways to expand the training capacity for targeted mid-skilled occupations. Currently they are reviewing fast track training innovations such as the Surgical Technician Program and the WRTP Third Party Intermediary Model.

The Surgical Technician Program developed by PIC, MATC, Aurora and Covenant hospitals is training entry-level hospital workers for certification as surgical technicians. The curriculum is a fast-track design that only includes the core classes needed. This has allowed training to take place in 9 months vs. the usual 2 years. The Consortium is exploring how to replicate and expand this program.

In the WRTP 3rd Party Intermediary Model, WRTP has proposed to contract with technical colleges in hiring additional instructors for customized training programs. As a training intermediary, WRTP would access funds from a combination of public and private sector sources, to develop programs targeting inner city residents. This model would relieve health service employers from the challenges of delivering training to select employee groups.

The Healthcare Workforce Consortium is committed to providing career advancement opportunities for its inner city entry-level workforce. Hospitals have reported that 15 percent of their workforce resides in the inner city. Almost 9 percent are in skilled occupations and 24 percent are in unskilled occupations. The Consortium's goal is to increase the percentage of inner city residents in skilled occupations to 10 percent by 2010, which roughly translates to 1000 more skilled workers among four key hospital systems and other large health service employers²².

ACTION STEP TWO: The Milwaukee Aging Consortium is forming an Eldercare Workforce Consortium to improve the quality of eldercare services by developing a comprehensive training curriculum to improve training and workforce retention.

The Connecting Caring Communities initiative **led by the Milwaukee Aging Consortium** formed a consortium of both for-profit and non-profit eldercare employers. This group initially would like to focus on developing a comprehensive training curriculum to support home care and personal care workers.

A comprehensive training program is a best practice model for retaining low to mid-skill level minority healthcare workers. Organizations that have employed such programs have an average retention rate of 70 percent compared to the industry average of 40 percent²³. A successful training program has a rigorous selection model, provides support services, conducts job placements and performs ongoing evaluations. Funding for such training can come from a combination of public and private funds.

Once the training program is implemented the eldercare consortium will address providing competitive benefits, possibly through forming a Professional Employer Organization (PEO) or an Employee-Owned Cooperative.

ACTION STEP THREE: The ICM Inner City Team will convene entrepreneurs and encourage them to pursue the attractive business opportunity of providing non-medical support services to the elderly; inform them about the market, the workforce, and available sources of capital.

Based on the needs of Milwaukee's elderly, a business opportunity exists to offer non-medical services (also known as quality of life services). Non-medical eldercare services is an attractive industry. Currently the total market size is estimated at \$8 billion²⁴ and the compounded annual growth rate of the industry leader, Home Instead, was 48 percent between 2000 and 2002.

The services offered in this business are very diverse. They typically include in-home assistance, companionship, errands and shopping, housekeeping, medication reminders, handyman services, mail, bills and letters.

Non-medical services are affordable. The hourly rate ranges from \$13-\$35. Therefore, children of the elderly or the elderly client can reasonably pay for these services. Franchise opportunities exist with start-up costs as low as \$10,000. The Milwaukee area has more than 10 such franchises currently, although none are currently located in the inner city.

Non-medical services to the elderly is an opportunity that can utilize the inner city as a location and/or as a source of workers.

Additionally, this is an opportunity with low barriers to entry, high growth potential and minimal start-up costs.

The Eldercare sub-team has already identified one new entrepreneur that is interested in establishing a non-medical business in the inner city. Additionally, one to two existing for-profit firms are considering expanding their non-medical services to the inner city.

III. CONSTRUCTION & DEVELOPMENT

Construction & Development Introduction

The Construction & Development Action Team is led by Jerry Franke, president of Wispark, the real estate development subsidiary of Wisconsin Energy Corp. and Carla Cross, CEO of Cross Management Services. Mr. Franke and Ms. Cross selected a diverse and representative group to form the core construction team. The objective was to keep the core team small and manageable. The core team was responsible for working through issues, prioritizing opportunities, obtaining focus and setting a direction. Based on the focus areas, the core team expanded to further the work on the opportunities identified. The core team expanded into three sub-teams focused on Workforce Development, Business Development and Communications with the following main objectives:

Increase the number of minority and women in construction management and the trades.

Increase the demand for emerging minority and women owned construction businesses, especially from the private sector.

ORIGINAL CORE TEAM

Co-Chair: **Carla Cross** – Cross Management Services

Co-Chair: **Jerry Franke** - Wispark

Leif Nesheim - Berghammer Corporation

John Bowles - Central City Construction

Bill Williams - Central City Construction

Rhonda Kelsey - City of Milwaukee

Gary Grunau - GPD/Gilbane

Lyle Balistreri - Milwaukee Building & Construction Trades Council

Mark Sherry - Mortenson Construction

Leon Burzynski - Wisconsin Regional Training Partnership

WORKFORCE DEVELOPMENT SUB-TEAM

Co-Chair: **Leon Burzynski** - Wisconsin Regional Training Partnership

Co-Chair: **Dan Davis** - CG Schmidt Inc

Patricia Daniels - Apprenticeship & Training Coordinator Of Steamfitters/Refrigeration JAC

Earl Buford - Big Step/ WRTP
John Bowles - Central City Construction
Mona Schroeder - Beers -MATC
Lauren Baker - Milwaukee Public Schools
Courtney Barlow - Milwaukee Urban League, Inc.
David L. Berkley - National Association of Minority Contractors
Mary Connolly - Reach Milwaukee
Phil Rose - Roman Electric

BUSINESS DEVELOPMENT SUB-TEAM

Co-Chair: **Mark Sherry** - Mortenson
Co-Chair: **Bill Williams** - Central City Construction
John Bowles - Central City Construction
Diane Chamness - Chamness Consulting Inc.
Tim Maag - Mortenson Construction
David L. Berkley - National Association of Minority Contractors
Eric Ness - U.S. Small Business Administration

COMMUNICATIONS SUB-TEAM

Co-Chair: **Leif Nesheim** - Berghammer Corporation
Co-Chair: **Gary Grunau** - GPD/Gilbane
Darian Luckett - The Business Council, Inc.
Maria Cameron - Hispanic Chamber of Commerce
Dean Amhaus - Spirit of Milwaukee
Jerry Fulmer - We Energies

Why was this cluster selected?

REASON ONE: The construction boom.

Southeast Wisconsin is on a verge of a construction boom. For example, Power the Future is a substantial \$7 billion eight-year construction project that will build five new power plants, improve existing plants and upgrade the power delivery system. The Marquette Interchange is a \$800 million five-year highway construction project that will rebuild the main transportation hub for Southeast Wisconsin. Additionally, according to the Milwaukee Business Journal 2003 Book of Lists, approximately \$500 million in construction spending is expected for hospitals and education institutions in the Milwaukee area.

The expected growth presents an opportunity for increased participation by inner city residents as construction workers and business owners.

REASON TWO: Construction and development represents a catch-up potential.

Employment by inner city construction firms declined at a rate of 2.9 percent between the years 1995-2001. However, for the Milwaukee four-county area, employment slightly grew at 1.8 percent for the same time period²⁵.

3.6 percent of inner city residents work in construction versus 7 percent nationally. The number of inner city residents working in construction declined by 12 percent between 1990 and 2002.²⁶

REASON THREE: The growth of the industry and the aging workforce will lead to additional job openings.

According to the Wisconsin Department of Workforce Development, 4,120 job openings are expected for construction and development between 1998-2008 due to replacements and industry growth. 67 percent are due to replacements and 33 percent due to growth. Replacements are mainly due to retirements.

The baby boom cycle is creating an aging workforce. Unions need to attract younger people to the construction trades. The average age of a Milwaukee Building and Construction Trades member is 40.

Lyle Balistreri, President of the Milwaukee Building and Construction Trades Council, made the following point at the August 5, 2002 construction meeting: "Currently, there is not a labor shortage, but the gray-hair factor will be an issue in the future. Unions will run out of non-union labor to organize to cover the future labor shortage."

Given the inner city has a younger workforce (40 percent of inner city residents are under 21 years old vs. 23 percent for the region) and higher unemployment rate (12 percent vs. 5 percent for the region), it can be targeted as a resource for the construction industry future needs²⁷.

What are the inner city issues relevant to the construction cluster?.

Below are the key issues facing the construction industry that were raised at action team meetings. The issues fall into two broad categories: Workforce Development and Business Development.

Workforce Development Issues

ISSUE ONE: Low minority recruitment and retention.

Difficulties in recruiting are due in part to low apprenticeship test scores. Because the apprenticeship process is competitive, low test scores greatly inhibit someone's ability to become an apprentice. For inner city residents, this may be the direct result of weak math and science curriculums at the Milwaukee Public School System, MPS.

Recruitment issues also stem from a lack of knowledge on how to get into an apprenticeship program for the trades or management positions. Given there are 14 different apprenticeship committees for the 21 different

unions, each with different processes and applications, navigating through the process can be quite confusing. Low retention of the inner city workforce in construction is a product of the work environment, workforce preparedness and life issues. The work environment is not always conducive to women and minorities. Some construction supervisors lack the sensitivity needed to manage a diverse workforce. Also, during ICIC interviews construction employers noted that frequent absenteeism, lateness, and poor soft skills contributed to higher turnover of the minority workforce. Additionally, life issues such as lack of reliable transportation and child-care issues contribute to high turnover.

ISSUE TWO: Programs that exist to address minority and women participation in the workforce are fragmented and uncoordinated.

Fortunately, the Milwaukee community has recognized the importance of increasing the participation of minority and women in the construction workforce, as evidenced by the many existing programs that address this issue.

Unfortunately, despite the fact that many of these programs share similar objectives, they collaborate very little. And because many of these programs rely on the same resources, efforts are diluted. Employers and organizations complain about how difficult it is to participate in all of the initiatives. Also, they are generally not aware of all the initiatives.

ISSUE THREE: Construction is not perceived as an attractive career choice.

Construction is not seen as an attractive career due to its cyclical employment, the requirement for physical labor, and the need to work in all weather conditions. Parents discourage their children from pursuing a construction career because of its cyclical nature and perception as a “last resort” occupation. Guidance counselors and teachers promote a college education as a better choice for high school graduates vs. construction apprenticeship programs. Of the 2,459 Milwaukee Public Schools graduates in 1999, one percent planned to enter apprenticeships.

According to the 2000 Jobs Rated Almanac by Les Krantz, construction laborer was ranked as one of the worst jobs overall. Parents and educators are not aware of the various career options in construction or of its above average wages and benefits.

ISSUE FOUR: Determining the number of apprentices needed in construction is difficult, given the industry’s cyclical nature.

Decision-makers on apprenticeship committees have great difficulty

justifying large apprenticeship classes when a significant number of their journey level mechanics are unemployed or working short weeks, even when a significant workload is expected in the future. Decisions about training new apprentices are generally made under conditions contrary to those that will exist when the apprentice completes and becomes a journey level worker. Often, This leads to periods of construction manpower shortages or high levels of unemployment in the industry.

Business Development Issues

ISSUE ONE: Emerging minority and women business face obstacles that prevent them from growing.

Some of the issues facing minority and women construction businesses are the same issues that many minority and women businesses and small businesses face:

Lack of access to capital: Lacking the financial resources for basic business activities, such as working capital can greatly affect a construction firm's ability to bid on larger projects. A recent survey showed, that among comparable firms, black owned firms paid an average of 1 percent more in interest²⁸. Capital is both harder to obtain and more costly for minority firms.

Lack access to markets: Most private sector projects, including institutional projects, do not have participation goals for minority and women businesses. For example, Milwaukee hospital and university construction is estimated at over \$500 million in 2003²⁹. Most hospitals and universities do not have participation goals. Additionally, minority and women businesses have limited opportunities to build relationships with decision-makers in the private sector. This makes it difficult for M/W business to capture market share in the private sector. Therefore, most of their business stems from the public sector where participation goals are generally a requirement.

Lack of knowledge and support networks: As with most small businesses, most construction entrepreneurs lack formal business training, which can directly inhibit their growth. During action team meetings, it was frequently discussed that minority and women businesses need assistance with developing competitive bids, managing projects, creating business plans, etc. Additionally, they lack mentors or a board of advisors that can provide expert advice, and also encouragement and support.

There are other obstacles more specific to construction that minority and women construction businesses face.

Bonding and insurance: In order to bid on most construction projects, bonding and insurance in line with the contract size are necessary. Most minority and women business face difficulties obtaining bonding and insurance, especially with larger contracts. Expansion is difficult because minority and women businesses may be limited to bidding on small contracts.

Certification processes: With most public sector projects, being a certified minority and women business is necessary. However, certification requirements among public sector entities differ and can be burdensome. One contractor noted in an ICIC interview that he was required to provide his high school SAT scores to obtain a certain certification, even though he has been out of high school over 30 years. Minority and women businesses may lack the resources to complete a sometimes rigorous and iterative process.

All of these factors contribute to minority and women business performance. Minority and women construction firms represent only one percent of the total construction spend for Wisconsin, versus the national average of 4 percent³⁰.

What are the action steps?

ACTION STEP ONE: Working together various community partners (such as the Construction Labor Management Council, Wisconsin Regional Training Partnership and the Private Industry Council) are planning to establish a Construction Center of Excellence to grow existing workforce and business development programs and make them more effective through collaboration, innovation and accountability. Hold an annual construction fair to promote the center's resources and encourage new collaborations.

Given there are programs in place to support minority and women workforce and business development, the team felt the focus should be on bringing existing programs to scale through the creation of a Construction Center of Excellence. This Center would provide an umbrella infrastructure to bring together all programs and encourage collaboration, accountability, innovation and communications among existing programs. The center would become the single point of contact for all information concerning the Milwaukee construction marketplace.

The Center will be able to bring existing programs up to scale mainly through the establishment of accountability. Programs will work together to ensure they operate under the same standards and, support one another to achieve their objectives.

Initially, the Center will be a web-site that contains comprehensive

industry information, such as the following:

Workforce Development Information:

Detailed program information, including performance information and available grants

- Job opportunities
- Apprenticeship information
- Events (e.g., career fairs)

Business Development Information:

- Construction projects and bid requirements
- Governmental assistance (local, state, federal)
- Certification applications and instructions
- Events (e.g., conferences)

Industry Information:

- Links to trade associations and publications
- Industry trends and best practices information

Union Information:

- Links to trade unions

The long-term goal is for the Center to become a physical building housing all programs related to construction workforce and business development. The Center will offer a progression of programs from the qualification for an entry-level job to the formation of a new business (e.g., business incubator).

ACTION STEP TWO: WRTP, through its Power the Future Academy will ensure inner city workforce participation on the largest state construction project.

It is important to leverage the largest state construction project as a means to provide construction job opportunities for the inner city workforce. The Wisconsin Regional Training Milwaukee Careers Center has been selected to provide central assessment and training including apprenticeship preparation and placement assistance. The Milwaukee Careers Center will partner with community-based organizations, W2 agencies, job centers and high schools to identify candidates. It will partner with apprenticeship training centers and other preferred providers to deliver training. The Milwaukee Careers Center will act as the central source for supplying viable candidates to the Power the Future project.

ACTION STEP THREE: The Milwaukee Area Technical College plans to introduce a two-year Construction Management program, supported by the construction industry, to increase the number of minority and women in construction management positions and facilitate their progress up

career ladders.

Although the team was reluctant to introduce “new programs”, they believed a gap existed for construction management. Given the changing role of technology in construction (new tools like estimation and project management software), construction management/administration is changing. Beyond a 4-year degree program at MSOE, training is not available. For Milwaukee County, 41 openings per year for the next 5 years are expected for construction management³¹. A construction management course at the MATC would provide minorities and women with more access to construction management opportunities.

The program would be complementary to the Associated General Contractors, AGC Supervisory Training Program and the MSOE-program. It will focus on technology and construction administration programs.

Initially, program will be a certificate program. The long-term goal is for the program to be state certified and to create a 2+2+2 program (2 years at a technical HS, 2 years at MATC, 2 years at MSOE or other local 4-year degree programs).

The success of this program is dependent on employers' participation. We conducted a focus group with a representative sample of the construction industry and the response was positive. The next steps is to design a curriculum that will satisfy their needs and to pilot the program.

ACTION STEP FOUR: The ICM Inner City Team will initiate a communications strategy emphasizing the benefits of diversity to hospitals and universities and corporations to increase the utilization of minority and women owned construction firms on these large construction projects.

Owners of construction projects (e.g., hospitals and universities) may not be fully aware of the quantitative and qualitative benefits of diversifying their construction suppliers.

A deliberate communication strategy focused on construction project owners, mainly CEOs at hospitals and universities, should increase the utilization of minority and women construction firms.

The key message that will be communicated is that diversity is good for business and for Milwaukee. Milwaukee businesses will need to reflect the diversity of the city and the country, in order to remain competitive. To support this message, the team will spotlight corporate contracts with emerging minority and women (EM/W) construction firms within the SE Wisconsin region that work; explain the quantitative benefits of diversity, both from a corporate and community perspective; and present best practices for corporate partnerships with EM/W construction firms.

Another key message that will be communicated is that there are successful minority and women construction businesses. Spotlighting the major corporate relationships that M/W construction firms have formed and the type of projects they have done will support this message. The message will also describe the obstacles successful M/W construction firms have overcome. In addition to speaking with CEOs, the team will speak to facilities and purchasing managers at the CEO's organizations because they are the decision-makers. If they incorporate minority and women participation goals into their business objectives, the team's goal will not only be realized, but also sustained.

The team will utilize various communications mechanisms to disseminate the key messages to the broader community, such as articles and publications, meeting with relevant associations and participating at key related conferences and events.

IV. BUSINESS PROCESS SERVICE CENTERS

BPSC Introduction

Business Process Service Centers, (BPSC) specialize in transaction processing for one or more business support areas such as claims processing, customer support, payroll, collections, etc. Jeff Joerres, CEO of Manpower Inc., and Tim Sheehy, President of the Metro Milwaukee Association of Commerce lead the BPSC Action Team. The BPSC opportunity emerged from earlier work in Financial Services, where the team found that the majority of job opportunities in financial services could be classified as BPSC functions.

A small team consisting of Manpower and the MMAC are pursuing the opportunity. The objectives of this team are the following:

Attract BPSC employers with growth potential primarily to the inner city

Create employment and management opportunities for inner city residents at BPSC at competitive wages.

Establish a well-functioning Business Process cluster that enhances the competitiveness of the region and becomes a vital part of the economic landscape.

LIST OF BSSC MEMBERS

Co-Chair: **Jeff Joerres** - Manpower Inc.

Co-Chair: **Tim Sheehy** - Metro Milwaukee Association of Commerce

Marke Bunke - Manpower Inc.

Anne Edmunds - Manpower Inc.

Peter Beitzel - Metro Milwaukee Association of Commerce

Bret Mayborne - Metro Milwaukee Association of Commerce

Why was this cluster selected?

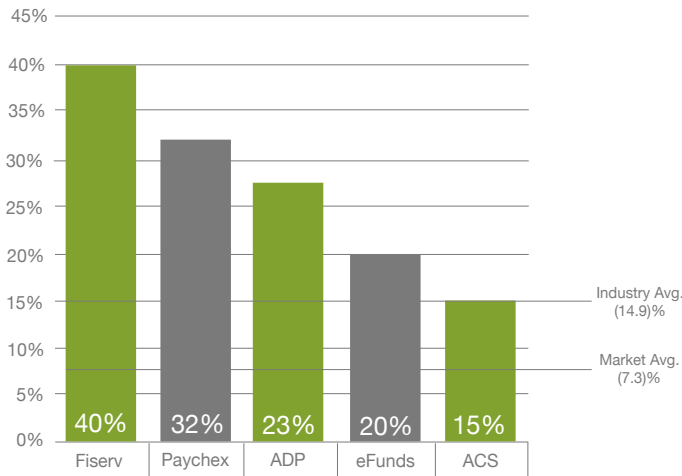
REASON ONE: BPSC is part of an attractive industry.

BPSC is part of the Business Process Outsourcing (BPO) industry. BPO involves a company outsourcing a business process or function to a third party. Often in a BPO arrangement, the work is performed at a BPSC location.

BPO is growing and is still in its infancy. It has been formally tracked as an industry only since 1999. BPO is expected to grow at 15 percent per year³² and is expected to reach \$300 billion by 2004³³. This growth is mainly being fueled by improvements in technology, which make it easier to deliver many functions remotely, and by the economic downturn, which has forced companies to focus on cost cutting initiatives. BPO providers can perform the same functions at lower costs and better service levels with better retention of employees. One BPO expert remarks, "Every CEO in America is thinking about how to outsource non-core functions." The huge growth in the industry is expected to level off in 8-10 years.

BPO companies are profitable and are creating value. The average industry ROE for BPO companies that share the same SIC code was 14.9 percent from September 2001 to September 2002 versus the market average of 7.3 percent³⁴. BPO helps companies to achieve business value. In a survey of 500 executives by Michael F. Corbett & Associates, 93 percent said there is a strong correlation between BPO and shareholder value.

Return on Equity for Select Business Process Outsourcing Companies



Source: Charles Schwab

Notes: Trailing 12 Months period from september 2001-2001

Industry is defined as companies on the S&P 500 with the same SIC code

Market is defined as the average of companies on the S&S 1500 index

BPSC functions can offer livable wages. Because BPSC functions are not just limited to call centers, salaries vary widely based on function and industry. For example, the median expected salary in Milwaukee for a customer service representative is \$28,425; for an IT support specialist at a help desk it is \$41,370; and for a telephone triage nurse it is \$47,673. All these positions can be part of a call center, but the salaries greatly differ³⁵.

BPSC offers career advancement opportunities. A Business Process Service Center is a central location where multiple clients are served for a BPO company. Given the growth of BPO, openings are created for management positions. For example, a customer service rep at a bank may have limited management opportunities within the same area. But at a growing BPO company, where customer service is the core function there are more opportunities for advancement.

BPSC offers Milwaukee the opportunity to build market share in a growing and profitable industry.

REASON TWO: Milwaukee has competitive assets for the BPSC marketplace.

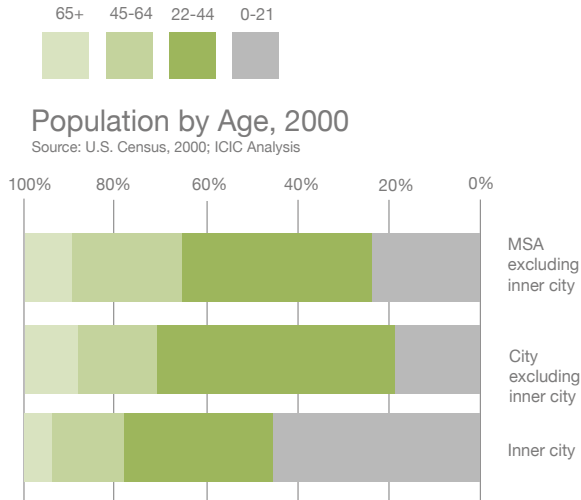
Service centers can be located anywhere. Companies are looking for the best location mainly based on labor and real estate. Milwaukee's inner city offers competitive assets in both these categories.

According to a site location consultant, the three things needed for a successful BPSC location are "labor, labor and labor". Milwaukee's inner city has a young, educated and available workforce.

Milwaukee's inner city has the youngest workforce in the Southeastern Wisconsin four-county area. 40 percent of Milwaukee's inner city population is 21 years old and under, compared to 24 percent for Ozaukee and Washington Counties and 23 percent for Waukesha County. Milwaukee's inner city population represents the future workforce³⁶.

68 percent of Milwaukee's inner city residents over 25 years old hold high school diplomas and 38 percent have some college compared to 73 percent and 44 percent respectively for the U.S. Therefore, Milwaukee's inner city workforce is relatively educated and available. 12 percent of Milwaukee's inner city workforce is available to work versus 5 percent in the four-county region – based on 2000 unemployment figures.³⁷ Roughly 15 percent of Milwaukee's inner city is underemployed based on the skill level of their occupation. Additionally, the inner city workforce is sizable compared to that of the four-county area. In absolute numbers Milwaukee's inner city workforce is larger than the workforce in Ozaukee and Washington Counties, and it is 80 percent of Waukesha County's workforce and 30 percent of Milwaukee County's.

During ICIC interviews with BPSC operations, it was noted that a city location offers the right resources, and more flexibility and better retention than suburban locations. Sample comments include: “Great labor pool, especially given proximity to universities.” “City offers a diverse workforce.” “Having a location outside the city may inhibit our growth in the future.” The inner city workforce is willing to work shifts that are not suburban friendly.” “We significantly reduced turnover by moving downtown.” “There is a big difference between the commitment level of a worker located in Milwaukee vs. the suburbs.”



According to a 2003 Mercer Human Resources Consulting survey of about 175 cities, Milwaukee has a negative 2.9 percent salary differential for a job with median national salary of \$30,000. This means that jobs for which the national median is \$30,000 will pay, on average, \$29,130 in Milwaukee. This is very reasonable compared to other large cities in the mid-west. For example, in Chicago the salary would be \$33,270, Detroit \$32,010 and Minneapolis \$30,930. This is a partial reflection of Milwaukee’s lower labor cost and cost of living.

Milwaukee has available and appropriate real estate for BPSC at competitive rates. Areas such as Menomonee Valley and Pabst Brewery offer opportunities to build. Tower Automotive, Northridge Mall and buildings on St. Paul Avenue can be refurbished. Office and industrial rents in Milwaukee are 10 percent-20 percent less than Chicago, Minneapolis and Detroit. Additionally, electric rates are 25 percent below the national average³⁸.

Real estate in Milwaukee’s inner city has additional tax incentives. Tax incentives such as the Renewal Community and federally designated

enterprise zones and the possibility of new market tax credits can offer significant tax savings for a BPSC.

BPSC operations tend to locate in places where there are other companies doing similar work. The Milwaukee area has several key BPSC operations such as Fiserv, Metavante, UMB Fund Service, e-Funds, Call Solutions, Blue Cross Blue Shield, Mark Travel, among others.

Milwaukee offers other advantages aligned with the criteria used to select BPSC locations. It is located in the central time zone, has a low risk of natural disaster, is in close proximity to major universities, such as Marquette University and UWM and is accessible by public transportation.

The BPSC footprint is still expanding. Companies are looking for the optimal location that can meet their needs at a cost advantage. BPSC offers Milwaukee the opportunity to gain share in a growing and profitable industry that is a great fit for the inner city. It has the potential to become the new manufacturing for Milwaukee.

What are the inner city issues relevant to BPSC?

The two key business environment issues that may inhibit efforts to attract BPSC operations to Milwaukee's inner city are **crime and land assembly**.

Crime is a problem for Milwaukee's inner city. 90 percent of the city's violent crimes and 70 percent of its property crimes occur in the inner city³⁹. Crime is a showstopper. Without safety concerns being addressed, it will be very difficult to persuade BPSC operations to locate in the inner city.

Milwaukee's inner city lacks readily available sites for potential BPSC operations. Small and fragmented land parcels, antiquated facilities and brown fields make it difficult and expensive to prepare sites in the inner city. Land development has to be done in parallel with recruitment efforts to be successful.

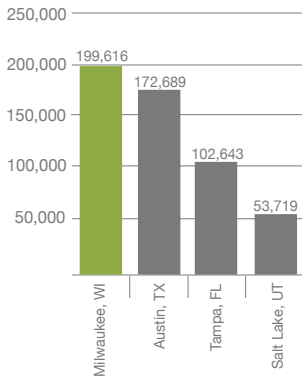
There are additional issues specific to Milwaukee and BPSC that can negatively affect the BPSC recruiting efforts, including a declining population, higher operating costs relative to other key BPO cities and the threat of foreign competition.

Milwaukee County population has declined by 2 percent between 1990 and 2000. This decline has also taken place among the young population in Milwaukee's inner city. For the age group 21 and under, Milwaukee's inner city population declined by 2.3 percent between 1990 and 2000.

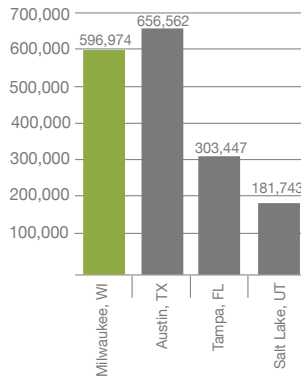
This may be an issue, given that BPSC operations look at population growth as an indicator of capacity for future growth.

Milwaukee–Waukesha County mean hourly wages are higher than the national average and higher than other key BPO locations. There are more unions in Wisconsin, which contributes to the higher wages. Additionally, Wisconsin has one of the highest state and local tax burdens according to the 2002 results from the Tax Foundation. Wisconsin has a 12 percent state and local tax burden. Only 2 other states had higher tax burdens, New York at 12.3 percent and Maine at 12.8 percent. This may be an issue, given that BPSC operations are seeking locations that offer the lowest cost structure.

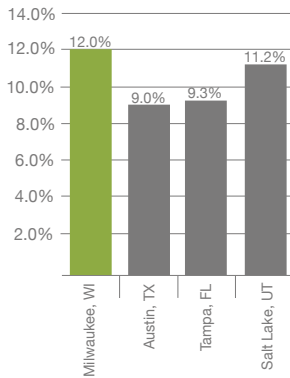
Source: 2000 U.S. Census
POPULATION THAT HOLDS A H.S. DIPLOMA OR EQUIVALENT, SOME COLLEGE AND AN ASSOCIATE DEGREE



Source: 2000 U.S. Census
POPULATION



Source: Tax Foundation
STATE AND LOCAL TAX BURDEN



Source: Bureau of Labor Statistics Information is for Milwaukee–Waukesha, Austin–San Marcos, Tampa–St. Petersburg–Clearwater and Salt Lake City–Ogden
MEAN HOURLY WAGES



Foreign competition is a definite threat for domestic BPSC operations. Experts predict that by 2015 348,000 business operation jobs and 1.7 million office support jobs will move overseas to low-wage countries such as India, China, Mexico and the Philippines⁴⁰. These locations offer low wages and a tremendous pool of college-educated people who are eager and available to work. The labor costs offshore can be more than 90 percent lower than domestic wages based on the occupation. For example, an accountant in the U.S. earns about \$5000/month compared to \$300/month in the Philippines with a master's degree. Additionally, the high unemployment rates and desirability of the jobs keep turnover rates low, even for lower-skilled jobs. In the Philippines the average turnover at call centers is under 10 percent a year compared with upwards of 70 percent in the U.S.⁴¹.

Offshore providers make it very difficult for domestic operations to compete. But, just as in the case of manufacturing, all BPSC functions will not go offshore. Business requirements, geo-political security risks, and the intense administration that is involved in managing an offshore arrangement will keep crucial back-office operations onshore.

Despite the internal and external challenges facing Milwaukee, opportunities still exist to attract BPSC operations that will value Milwaukee's competitive assets.

What are the action steps?

Milwaukee can grow its business base of BPSC operations by focusing on existing companies and new entrants in the following targeted industry groups:

FIRE - Finance, Insurance, Real Estate
Healthcare Services
Wholesale and Retail Trade
Manufacturing

The industry groups were selected because Southeastern Wisconsin has a strong business base in those areas and they have a high level of BPSC activity.

ACTION STEP ONE: The MMAC working with various community partners (such as ICM, Manpower, DCD and the GMC) will increase the competitiveness of Milwaukee for existing BPSC's and new entrants by preparing readily available sites and developing the workforce. And Encourage regional BPSC operations to expand and/or relocate their offices to Milwaukee to be closer to their incumbent workforce through tax and other incentives.

Existing companies consist of both BPSC operations and local end-users. There are opportunities for existing BPSC operations to expand their footprint in Milwaukee either through consolidation or growth. For example, Fiserv has more than 40 U.S. locations in 37 different cities and 19 different states. Fiserv may consider consolidating part of their footprint into Milwaukee or expanding their future operations in Milwaukee, if it makes business sense. Additionally, for current BPSC operations the focus is on retention. Increasing the competitiveness of Milwaukee for existing companies makes it easier to attract new ones.

Local end-users are local companies with large internal BPSC functions. Cost saving opportunities exist to outsource their BPSC functions to a local BPO company (e.g., Call Solutions) or to consolidate or relocate their BPSC functions to Milwaukee at a lower real estate cost with tax incentives while being closer to the workforce. This is especially true for BPSC functions that are located in the suburbs but rely on a city workforce.

ACTION STEP TWO: The MMAC working with various community partners (such as ICM, Manpower, DCD and the GMC) make the business case for Milwaukee as a satellite BPSC location for medium-sized firms to real estate developers, site consultants and firms in the following industries: Financial Services, Insurance, Real Estate, Health Services, Wholesale and Retail Trade and Manufacturing.

Because the BPSC geographic footprint is still expanding, opportunities exist to attract new entrants to Milwaukee. Milwaukee can be positioned as a satellite location for medium-sized firms in the four primary industry groups. These businesses are more likely to find Milwaukee's assets attractive. Utilizing a persuasive data driven business case (see below) those businesses need to be targeted.

Milwaukee's assets need to be promoted to gain the attention of companies looking to relocate. This can be accomplished by publishing articles in key site selection trade journals such as Site Selection and Area Development magazines. Additionally, building relationships with key site selection consultants will be beneficial.

In addition to focusing on existing companies and new entrants, solutions have to be developed to rectify issues that are affecting Milwaukee's assets. Building relationships with key real estate developers will assist with preparing readily available sites. Regional and visionary real estate developers who find Milwaukee attractive will be more willing to work on removing fixable barriers and partnering on redevelopment projects. Also, working with the Workforce Enterprise, a regional workforce development initiative, funding and programs need to be in place to provide relevant training for BPSC functions.

The first step the BPSC Action Team will pursue in actualizing the attraction strategy is building the business case by initially targeting BPSC functions in Financial Services. By working with the following five key Milwaukee area Financial Services firms, the team will develop and refine Milwaukee's business case for BPSC operations.

Fiserv
Metavante
M&I
Mortgage Guaranty
US Bank

These institutions were selected because they have high level of BPSC activity, in some cases have multiple locations concentrated in the suburbs, rely on a city workforce, provide career opportunities and offer competitive wages.

Creating the Business Case

A customized data driven business case has to be created for each potential BPSC relocation to Milwaukee. The two main components of the business case are Workforce and Location information.

Workforce Information Working with the initial five target financial companies, the BPSC Action Team will supply the following information on workforce:

Characteristics of Milwaukee's inner city and city workforce that fit the employer's BPSC need (e.g., percentage of the inner city and city workforce that have the required skill set; other relevant qualities about the workforce like their ability to work third shift).

Training options available to meet the employer's current and future workforce needs.

If the employer is willing, information about their current workforce (e.g., the percentage of the workforce currently from the city for BPSC functions, current BPSC job opportunities, turnover rate, etc.).

Location Information

Information about available sites primarily in the inner city and city that fit the employer's needs and associated cost and benefits (e.g., access to public transportation, proximity to workforce and colleges and universities, etc.).

Tax incentives available based on an inner city location.
If the employer is willing, information on their current footprint and real estate costs.

Utilizing the workforce and location information, cost-saving options can

be presented to the employer. This information should help the employer in determining which, if any, BPSC functions to relocate to Milwaukee.

The BPSC Action Team hopes to fine-tune the components of the business case based on the experience of working with the five initial targets. They will then use this approach to target additional prospects in the primary industry groups for both existing companies and new entrants.

V. MANUFACTURING RETENTION AND RENEWAL

Introduction

ICM's manufacturing work began with an investigation of the Metal Manufacturing cluster. The Metal Manufacturing cluster is comprised of firms engaged in such activities as metal fabrication, die-casting and metal polishing. Metal Manufacturing is a large cluster with substantial employment across the inner city, city, and region. As the cluster research progressed, interviews and preliminary surveys revealed that the challenges facing inner-city metal manufacturers applied to all manufacturers and that ICM's work would have greater impact if it were broadened to include the overall manufacturing sector. In addition to the metal related manufacturing industries, ICM's work now includes plastics, chemicals, food processing, and machine parts fabrication among others.

Because manufacturing is major employer in the inner city that is declining, ICM intends to undertake a retention and renewal strategy with the following objectives:

No net loss of manufacturers from the inner city due to crime, land or workforce issues.

Make Milwaukee the preferred location for U.S. based manufacturing.

To understand manufacturing in Milwaukee, ICM spent considerable time on in-depth, quantitative research. For this reason, an action team is only now being formed. However, key industry and civic leaders have been involved throughout the research phase of the manufacturing work.

CITY OF MILWAUKEE

Julie Penman, The Department of City Development

Jim Scherer, The Department of City Development

INDUSTRIAL DEVELOPMENT CORPORATIONS (IDCS):

Salley Maddick, 30th Street Industrial Corridor

George Christensen (WHEDA)

Stephanie Harling, Havenwoods Economic Development Corporation

Howard Snyder, NWSDC

Bob Gintoft, NEMIDC and MLG Real Estate

Joe Taylor, 30th Street Industrial Corridor

REAL ESTATE DEVELOPERS:

Mike Mooney, MLG
Tim Casey, Centerpointe
Max Dickman, Dickman Real Estate
Roger Siegel, Polachek
Jerry Franke, WisPark

MANUFACTURING TECHNICAL ASSISTANCE PROVIDERS:

Jim Fackelman, WMEP

INNER CITY MANUFACTURERS:

Irv Palmer, Manutec
Paul Cadorn, Capitol Stampings
Matt Kirchner, ABQC

Why was Manufacturing selected?

REASON ONE: Manufacturing matters to Milwaukee.

Manufacturing is a critical part of Milwaukee's economy. There are 26,000 manufacturing jobs in Milwaukee's inner city, 26,000 in the rest of the city (52,000 in total for the city of Milwaukee), and 178,000 in the four-county region⁴². One out of every five inner city residents who works has a manufacturing job. 29 percent of jobs located in the inner city are in the manufacturing sector⁴³.

Manufacturing has deep roots in Milwaukee. The city gained international renown in the late 19th and early 20th century as a hub of machining and was known as the "Machine Shop of America." Prominent Fortune 1000 manufacturers such as Harley Davidson, Johnson Controls, Briggs and Stratton, Harnischfeger Industries (mining equipment), and Rockwell Automation have their headquarters in the Milwaukee region.

REASON TWO: Milwaukee's inner city offers competitive advantages for manufacturers.

There are competitive advantages for manufacturers located in Milwaukee's inner city. The highest rated advantages are workforce availability and access to transportation, based on a series of interviews conducted by ICIC.

Manufacturers looking to expand or grow their workforce will find the availability of labor in Milwaukee's inner city an asset. As stated previously the inner city workforce is younger and underemployed compared to that of the region. The inner city is also a prime location for transportation access. It is located next to all major highways, Mitchell airport, the Port of Milwaukee and major rail lines.

“Milwaukee has a good transportation infrastructure...Our location puts us in the loop; we want to be in the loop”; “We are centrally located, and can get anywhere in the city very quickly.”

REASON THREE: Manufacturing pays competitive wages.

Manufacturing pays above average wages. The average annual wage for a Metal Manufacturing worker in Milwaukee is \$38,000 per year, \$4,000 more than the average for all other occupations⁴⁴.

What are the inner city issues facing manufacturers?

All of the issues described below are based on an extensive survey and interviews of manufacturers in the Milwaukee region and on national research.

ISSUE ONE: Manufacturing employment is declining in Milwaukee, while remaining flat in the region and nationally.

Milwaukee's share of the MSA's manufacturing employment continues to decrease. From 1990 to 2001 Milwaukee's share of the state's manufacturing jobs decreased by four percentage points, and this trend is continuing⁴⁵. From 1995 to 2001, Milwaukee County manufacturing employment decreased at a compound annual growth rate (CAGR) of negative 2.2 percent. The decline is even more pronounced for Milwaukee's inner city. For the same period inner city manufacturing employment declined at a CAGR of negative 2.6 percent for a net loss of 4,600 jobs⁴⁶. However, manufacturing employment in Waukesha County grew annually by 1.8 percent, Washington County by 2.9 percent and Ozaukee County by 2.7 percent.

Regional manufacturing employment excluding the inner city grew at a compound annual rate of 0.4 percent and added 3,400 jobs between 1995 and 2001 – evidence that manufacturing can compete and even grow in the Milwaukee region⁴⁷. Analysis of regional job trends showed that the decline in manufacturing was concentrated entirely in Milwaukee County – with the inner city accounting for 37 percent of the region's job losses.⁴⁸

Why is inner city employment declining, while the region and nation are growing, albeit slowly? To answer this question and to learn more about growing manufacturers, ICM, under the leadership of Kathy Hudson of the Brady Corporation, Jim Haney of the Wisconsin Manufacturing and Commerce, Tim Sheehy of the MMAC and Phil Neuenfeldt of the Wisconsin AFL-CIO, conducted a survey of Milwaukee's manufacturers. ICM contracted a local survey firm to reach a statistically significant sample of the 4,000 manufacturing companies in the four-county region.

A total of 370 companies completed the survey. Survey objectives included:

Quantify the successful manufacturers in the four county region and identify their characteristics.

Identify inner city related issues.

Utilize the survey findings to develop preliminary recommendations for improving the competitiveness of the Milwaukee manufacturing environment.

ICM Manufacturing Survey Specifics

In March 2003, ICM conducted a survey of 370 manufacturers in the Milwaukee four-county area.

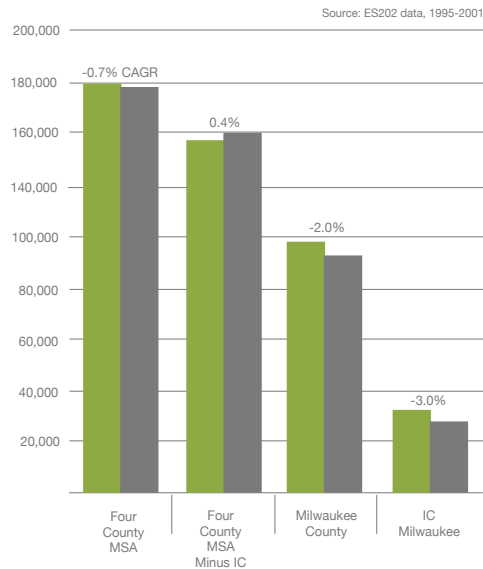
The 62 question survey was administered by Lein-Spiegelhoff, a Brookfield, Wisconsin survey research firm. Don Heinz, consultant and adjunct professor at Marquette University, provided post-survey statistical analysis and guidance.

370 surveys were completed: 295 by telephone, 13 web surveys solicited by publicity, 47 web-surveys solicited through an “e-blast”, and 26 pre-test phone surveys that utilized a somewhat different survey instrument. The survey was completed by CEOs, CFOs, and other senior executives.

The survey sample, 370 respondents, provides data with a confidence coefficient of 0.95 and a confidence interval of 4.8 percent. This means that if the survey were conducted an infinite number of times, there is a 95 percent probability that the results would be within 4.8 percentage points of reality each time.

Consistent with standard survey research practice, the team weighted the responses in each category so that their share of the reported sample equaled their share of the universe of manufacturers in the four-county area.

Manufacturing Employment by Geography



The survey results generated both predictable and surprising findings pertaining to the number of successful manufacturers, the characteristics of these manufacturers, foreign competition, and inner city manufacturing issues. The results of the survey are referred to throughout the rest of the manufacturing chapter.

ISSUE TWO: Crime and the perception of crime are problems for inner city manufacturers.

Based on the ICM manufacturing survey, 58 percent of inner city manufacturers noted that crime is a problem for their company, compared to 13 percent of rest of City manufacturers and 15 percent for those elsewhere in the MSA. Responses for the “perception of crime” are similarly negative for inner city companies. These results were expected and are grounded in facts; as stated previously, 90 percent of Milwaukee’s violent crimes and 70 percent of the city’s property crimes take place in the inner city.

Crime prevention and security measures in industrial areas are obvious and essential steps toward retaining manufacturers in Milwaukee’s inner city.

ISSUE THREE: Land assembly and redevelopment are more difficult in the inner city.

Milwaukee’s inner city has an abundance of older industrial properties and vacant land. 78 percent of the city’s industrially zoned vacant land is located in the inner city. Also, roughly 51 percent of Milwaukee’s tax-delinquent industrially zoned property is located in the inner city.⁴⁹ Land assembly and redevelopment are more complicated in the inner city than in other areas because of the lack of quality sites due to size, contamination, and blight.

Of the inner city’s 147 vacant industrially-zoned parcels, 141 are smaller than two acres. And of the 71 tax-delinquent industrially-zoned parcels, 62 are smaller than two acres. Three to five acres is the market norm for industrial use in Milwaukee, according to the Polacheck Industrial Market Forecast (2002). Larger underutilized and abandoned lots are available for industrial redevelopment in areas such as the 30th Street Industrial Corridor, Cleveland and Oklahoma Avenues, Northwest Business Park Area, RiverWorks, Port of Milwaukee and the largest, Menomonee Valley. While redeveloping these areas is challenging, efforts are underway.

Interviews with Milwaukee manufacturers highlighted a demand for expansion space:

“We put a lot of money into a plant expansion about two years ago. But now, we have nowhere else to expand when we need to.”

“The area is fine but there is no room to expand. We won’t be able to expand based on our ten to twenty year projections. Our specific location is tough beyond five years.”

“We would be very interested in having a place to move to in the city, a complete industrial park that is more secure, has the docking stations, and parking; where we could put the warehousing next to the manufacturing space; where there is no neighborhood complaints. We would love it.”

ISSUE FOUR: The Milwaukee manufacturing sector is affected by foreign competition, but a surprisingly large number of Milwaukee manufacturers plan to keep their businesses in Milwaukee.

Foreign competition was the top business concern of respondents to the ICM manufacturing survey. 60 percent of respondents stated that their company is increasingly and negatively affected by foreign competition. However, many manufacturers are not shifting their business or purchasing overseas. Only 23 percent of manufacturers have considered moving their business, or a portion of it, to a foreign country. Additionally, only 22 percent of manufacturers have shifted purchasing expenditures from local suppliers to lower cost foreign manufacturers.

ISSUE FIVE: The inner city workforce is not perceived by employers to be as technically skilled as the workforce in other geographic areas.

The ICM manufacturing survey reveals that inner city manufacturers are less likely than manufacturers in the rest of City and the rest of MSA to believe that the technical skills of their workforce are a competitive advantage. Only 41 percent of inner city manufacturers found the technical skills of their workforce to be a competitive advantage, compared to 52 percent for the city and 66 percent for the region. This finding corresponds with the qualitative findings from interviews with local manufacturers.

Inner city CEOs face workforce challenges

“My biggest labor problems are my workers’ low technical skills and finding people that want to show up for work and give you eight hours of work.”

“I have no problem finding people, but I have problems finding people with a strong work ethic. I hire unskilled labor and train them on the factory floor.”

ISSUE SIX: Inner City manufacturers are less likely than non-inner-city manufacturers to have grown their revenues over the past three years.

23 percent of Inner City manufacturers reported growing revenues, compared to 45 percent of rest of City firms, and 50 percent of rest of MSA manufacturers.

Moreover, while inner-city companies are as profitable as manufacturers

in the rest of the City, they are less profitable than companies in the rest of MSA. Inner City manufacturers are less likely than non-inner-city manufacturers to have grown their revenues and to have been profitable; however, they are just as likely to be more profitable than they were three years ago.

48 percent of Inner City manufacturers are more profitable than three years ago – a higher percentage than in both the rest of the City and the MSA.

It is unclear what is causing these differences. Based on the distribution of survey respondents, the differences are not due to the size of manufacturing firms or to the type of manufacturing.

ISSUE SEVEN: CEOs Want Tax Reductions.

54 percent of manufacturers believe that the top policy issue facing Milwaukee is taxes and believe that government can best assist them by reducing taxes and/or offering tax incentives.

Although rising health care costs are generating headlines in the newspapers, only nine percent of manufacturers responded that healthcare costs are their top policy issue⁵⁰.

What are the emerging action steps?

There is a widespread belief that manufacturing is dying in Milwaukee and across Wisconsin and that manufacturing jobs and production lines are all moving to China and Mexico. However, the results of the ICM manufacturing survey demonstrate that Milwaukee has a core of successful manufacturers who plan to be in Milwaukee. Specifically, the survey determined that:

44 percent of manufacturers experienced revenue growth between 1999 and 2002;

33 percent increased the number of employees in those three years;

75 percent of manufacturers are profitable; and,

44 percent of manufacturers are more profitable than they were three years ago.

Also, the survey shows that 73 percent of manufacturers expect to be in business at their current location in five years. This finding dispels the notion that all manufacturing jobs are leaving the region. These and additional results from the ICM manufacturing survey help to form the emerging recommendations in Manufacturing.

Action Step One: Focus all programs on creating an excellent business environment for all manufacturers – especially those that are growing, profitable, and planning to stay in Milwaukee.

The ICM manufacturing survey will assist existing programs to focus on manufacturers that are successful. A statistical analysis of growing, profitable manufacturers reveals that they have the following characteristics:

- Are able to charge a price premium relative to their competitors.
- Manufacture proprietary products and/or utilize proprietary processes
- Manufacture more high-end products
- Offer installation services
- Spend more on workforce training than three years ago

These characteristics show statistically significant correlation with one or more measures of success. Measures of success are defined as the following:

- Revenue growth
- Profitability and profitability growth
- Interested in conducting a plant expansion in 2 years
- Plans to still be supplying their largest customer in 3 years
- Expects to remain at their current location in 5 years
- Expects to increase employment in 3 years

ACTION STEP TWO: The MMAC working with various community partners (such as ICM, DCD, WMC and the GMC) will increase the competitiveness of inner city Milwaukee as a manufacturing location by increasing security, assembling land and facilities and improving workforce technical skills.

Crime recommendations

Crime reduction is essential to retaining manufacturers in the inner city. Other cities have implemented industrial-focused interventions to provide safety for owners, workers and customers. For example, in Philadelphia, the Urban Industry Initiative (UII) worked with city officials and a group of manufacturers to implement a private security program. 350 manufacturers jointly purchased security services to patrol their area and created a uniform façade for manufacturing plants in the area. In Chicago, the Limited Local Access Program installed privately operated gates on streets and alleys adjacent to manufacturing facilities. Typically, the gates are closed during evening and weekend hours to limit opportunities for criminal activity.

Land assembly recommendations

Manufacturers relocating overseas for market-driven opportunities will continue. But the trend of manufacturers leaving Milwaukee's inner city for the suburbs can be reversed. Aggressive industrial redevelopment

and land assembly are needed in Milwaukee's inner city to respond to the aggressive and successful efforts from Milwaukee's adjacent neighborhoods and the suburbs (e.g., West Allis, Glendale, and Waukesha, Washington and Ozaukee counties). This can be accomplished by engaging the private sector in land development, reconsidering the use of public financing tools and working collaboratively with other political subdivisions in the region.

The private sector can contribute to much needed land development efforts by the following:

Establish private land acquisition and land banking via a social venture capital fund. The fund would identify appropriate acquisitions and pool environmental insurance to mitigate liability. Contractors would complete the cleanup, clearance and development. The land would sell for a moderate return. The investors of the funds would get shares of the returns.⁵¹

Developers can work with manufacturers and the city to identify industrial sites that can be easily redeveloped with limited risks and feasible returns.

Moreover, regional partnerships can facilitate smart regional industrial development. The MMAC, MEDC, GMC and WISREP can establish economic development partnerships to develop the region's economy while curbing sprawl in certain areas. This will become increasingly necessary due to the limited supply of industrial sites in many Milwaukee suburbs. According to Colliers International Market Report (Milwaukee, January, 2002), "An increasing number of suburbs are adopting no-growth policies and are critical regarding TIF districts, which is hindering industrial development". Given this impending reality, working with suburban economic development entities, sites in Milwaukee's inner city can be developed as satellite industrial facilities.

Workforce recommendations

Working with the Wisconsin Regional Training Partnership, just-in-time, technical training can be made available to the inner city workforce. Additionally, through the Workforce Enterprise, a regional workforce development initiative, funding should be secured to provide desired manufacturing training for the region at large.

ACTION STEP THREE: The MMAC working with various community partners (such as ICM, DCD, WMC and the GMC) will add an inner-city (place-based) component to existing minority-supplier development programs.

Minority supplier development programs implemented by Milwaukee-based organizations have been successful. These programs exist to increase the diversity of business ownership and of the workforce employed by these businesses. Typically, inner-city firms have a higher

percentage of minority-ownership and a higher percentage of a minority workforce. Adding a place-based, inner city component to existing supplier development programs can help to achieve the objectives of inner city and minority wealth creation. The MMAC and the Business Council should consider adding a geographic based component focused on the inner city to the Supplier Diversity Council.

ACTION STEP FOUR: Already underway. Strengthen private and public sector partnerships focused on inner-city manufacturing and industrial development.

The MMAC and the Milwaukee Redevelopment Authority have recently merged, creating an entity with precisely the objectives called for in this recommendation. The newly formed organization will respond to sentiments expressed during ICM's work to date:

"It's time for the private and public sector to truly partner and target potential manufacturers to the region," said Kathy Hudson, chair of the Brady Corporation and co-chair of ICM at the January 10, 2003 executive committee meeting. "There is no reason why, for example, the area from Madison to Chicago can't be the North American headquarters for European-based manufacturing....Rapid prototyping, customization, heavy machinery, web-integration are examples of "winning strategies" that should be done in Milwaukee." Tim Sheehy, president of the MMAC, agrees that a coherent marketing agenda is needed and that an "advance team" should be reconstituted for the city to engage with existing and potential manufacturers. Additionally, a single point of contact for business development is needed, according to Tim Keane, entrepreneurship in residence at Marquette University.

VI. BUSINESS ENVIRONMENT STRATEGIES

In addition to the four industry clusters, the ICM Strategy Board selected to work on the following two cross-cutting issues that impact all clusters and are major impediments to inner city business development: **Workforce Development and Entrepreneurship.**

WORKFORCE DEVELOPMENT

Workforce Development Introduction

A trained workforce is the inner city's greatest asset. There is consensus among employers, workers, educators, labor and government that the economic future of Southeastern Wisconsin hinges on the workforce's ability to compete in the global economy. Given that the inner city workforce is the largest component of the region's workforce, it has to be further developed to unleash its underutilized potential.

What are the inner city issues in workforce development?

The inner city workforce face many challenges, which makes workforce development complex and arduous. Based on action team meetings and ICIC interviews the inner city workforce in general has the following problems:

Poor soft skills: Work readiness has been cited as an issue for the inner city workforce, mainly for entry-level positions. This includes issues such as timeliness, work ethic and professionalism.

Poor math and science skills: The math and science curriculum at MPS is not adequately preparing the inner city workforce for high tech jobs. This is increasingly important because high tech occupations exist in all clusters and with continued advances in technology, they will remain among the fastest growing occupations.

Low awareness of opportunities: Currently there is no single point of contact for information about training programs available or career opportunities. Inner city residents cannot take full advantage of available programs, if they are not aware of them.

Lack of support for “life” issues: The common obstacles faced by the inner city workforce relate to childcare and transportation. Without reliable childcare and transportation issues of absences, timeliness and loss of productivity becomes more prevalent. Transportation becomes more of an issue when the job is located outside of the public transportation system.

In addition to the challenges the inner city workforce face, there are infrastructure issues that impact workforce development efforts.

Limited funding: Funding to support training for mid and high-skilled occupations has been insufficient. This is partially due to the lack of collaborative efforts that typically garner larger federal and state grants.

Post-secondary training inefficiencies: Due to resource constraints, existing rules and processes, colleges and universities have not been able to easily adapt programs to meet the changing needs of the industry. Employers may need curriculum redesigns and/or customized training to meet current labor shortages, but education institutions may not have the right system in place or resources to meet those needs. Faculty shortages due to lack of funding and/or lack of qualified instructors have contributed to waitlists and limit training capacity. The non-transferability between 2 and 4-year institutions can create unnecessary obstacles for individuals seeking to advance their careers. All these factors can impact employers' ability to compete in the marketplace.

Fragmented efforts: Fragmented efforts exist among employers, local workforce organizations and training programs.

Employers rarely collaborate with each other to address their shared workforce needs. Instead employers seek customized training at an education institution just for themselves. And the education institution doesn't have the capacity to provide customize training for every employer that approaches them.

Local workforce organizations across the region each generally pursue separate workforce strategies, even though they would benefit from shared solutions and resources given their proximate locations.

Training programs even though they have similar missions and utilize the same resources, rarely work together to accomplish their objectives in a coordinated fashion.

In summary, Milwaukee needs a more focused, effective and accountable workforce development system.

What are the workforce development action steps?

ACTION STEP ONE: ICM, UWM Center for Workforce Development and the Milwaukee Private Industry Council (PIC) have partnered to form the Workforce Enterprise, a regional collaborative to address Southeastern Wisconsin workforce needs, with emphasis on Milwaukee's inner city workforce. The Workforce Enterprise is Southeastern Wisconsin's opportunity to train locally, act regionally and compete globally.

The Workforce Enterprise is being led by Linda Stewart, president of the North Milwaukee State Bank for the interim. The Workforce Enterprise will initially focus on the workforce needs of the four industry clusters selected by ICM and Printing.

The Workforce Enterprise mission is to implement a collaborative workforce development strategy to increase the competitiveness of the southeast region workforce by developing an effective and efficient workforce development system. The key objectives are as follows:

Coordinate partnerships within the region to create a stronger, less fragmented, and more collaborative workforce development system.

Bring together existing workforce initiatives for unified planning and implementation.

Support area businesses in developing and implementing market-based workforce solutions.

Strengthen relationships between businesses and educational institutions to

better anticipate and meet workforce needs.

Expand education and training programs focused on mid-skilled occupations.

Develop policy recommendations and funding strategies to increase local, state and federal support of workforce development.

Develop a monitoring and evaluation strategy that will maintain what's working, replicate best practices, and eliminate what's not working.

Ensure that no business will decide to leave or fail to expand operations in Southeastern Wisconsin because of labor shortages or under prepared workers.

WORKFORCE ENTERPRISE BOARD MEMBERS

University of Wisconsin Milwaukee
Initiative for A Competitive Milwaukee
Private Industry Council of Milwaukee County
Racine, Kenosha, Walworth County Workforce Investment Board
Waukesha-Ozaukee-Washington Workforce Development Board, Inc.
Milwaukee Area Technical College
Waukesha County Technical College
Moraine Park Technical College
Washington County Economic Development Agency
Waukesha County Economic Development Corporation
Milwaukee Metropolitan Association of Commerce
City of Milwaukee-Department of City Development
UMOS, Inc.
Steve Adams Consulting
NorthStar Economics, Inc.

The success of this model depends upon the active participation of business leaders from the industry clusters. The project is not an academic exercise, but a commitment to bring about fundamental change to serve the needs of business and the diverse workforce.

Currently, the Workforce Enterprise is developing an online clearinghouse to help connect employers and training organizations. The goal is to become the single point of contact for all information related to workforce development. The web-site will catalog existing training programs with information on services offered and performance data. Additionally, it will provide relevant tools, case studies, latest news, trends, and other resources related to workforce development.

The Workforce Enterprise is also assembling the seven county region to develop regional workforce solutions and to jointly apply for federal and state funding to support these solutions and the ICM workforce recommendations.

The Workforce Enterprise is Southeastern Wisconsin's opportunity to train locally, act regionally and compete globally.

ACTION STEP TWO: The Wisconsin Regional Training Partnership (WRTP) plans to develop a central training and placement resource, Milwaukee Careers Center (MCC). MCC will be the intermediary between employers, training institutions and the community.

MCA will obtain commitments from employers in targeted industries to hire qualified candidates on a just-in time basis. MCA will partner with training institutions and secure funding to provide the training needed by employers. MCA will work with the community to identify viable candidates from any Job Center, W-2 Agency, CDC or CBO organization. MCA will implement a standard referral process with community partners. And educate community partners about career opportunities and qualification requirements in targeted industries.

Ultimately, MCA goal is to streamline the workforce development system.

ENTREPRENEURSHIP

Entrepreneurship Introduction

Tim Keane of Marquette University and Kanti Prasad of the University of Wisconsin Milwaukee lead the Entrepreneurship action team. The action has met several times and identified the following objectives:

Implement interventions and investments to improve the business environment for inner city entrepreneurship.

Develop strong minority and women entrepreneurs.

ENTREPRENEURSHIP ACTION TEAM

Tim Keane, NuEdge Systems, LLC

Alex Stewart, Marquette University

Kanti Prasad, UWM, School of Business Administration

Karen Gotzler, Urban Economic Development Association of Wisconsin

Frank Cumberbatch

Julann Jatczak, Wisconsin Women's Business Initiative Corporation

Joe Wolfe, Wisconsin Business Development Finance Corporation

Kathryn Dunn, Helen Bader Foundation

Kay Bokowy, Marquette University

Bob Plevin, North Avenue Community Development Corporation

Lucy Holifield, UWM Small Business Development Center

ReDonna Rodgers, Center for Teaching Entrepreneurship

What are the inner city issues facing inner city entrepreneurs?

The Milwaukee metropolitan area ranks 48th among the 50 largest metropolitan areas in black-owned businesses and 49th among the same group in Hispanic-owned businesses⁵². This suggests that the opportunity for minority entrepreneurship is not being fully realized in Milwaukee. The three main issues facing minority and inner city

entrepreneurs are access to capital, education and access to markets and networks.

Access to capital

Minority inner city entrepreneurs have less access to capital than non-minority entrepreneurs in three critical areas: own funds for investment in start-up, commercial bank loans and venture capital.

In general, individuals interested in starting a business lack a full understanding of what is needed to put their “financial house” in order, how to use appropriate business financing tools and when the timing of such tools should be utilized in a business life cycle.

Banks outreach to inner city entrepreneurs is limited. They are not fully leveraging credit enhancement programs to bridge the needs of inner city entrepreneurs with the bank’s lending criteria.

Access to equity is not only limited, but minority entrepreneurs are generally hesitant to utilize such financing tools for fear of losing control. There must be more access to venture capital for appropriate inner city businesses. Additionally, more education about the risks and benefits of venture capital is needed.

Education

Minority inner city entrepreneurs often lack formal business training needed to position their businesses for growth and sustainability. There are many programs currently available within the community, ranging from university-based to nonprofit organizations that specialize in entrepreneurship education. What is not readily available, however, is a way to navigate through the many offerings to find the most appropriate training opportunities.

Access to Markets and Networks

Having a diverse set of business relationships is instrumental to building a business. Relationships will help to provide access to decision-makers and to opportunities. Typically, minority inner city entrepreneurs are limited in building such networks, which can limit their ability to increase market share. Minority inner city entrepreneurs heavily rely on the public sector or a local customer base, due to limited access to the private sector and broader opportunities. Additionally, limited access to capital further amplifies this issue, because where opportunities are available, minority entrepreneurs may not have the working capital needed to make the deal feasible.

What are the entrepreneurship action steps?

Access to Capital Recommendations

ACTION STEP ONE: Create new source of equity capital.

There is currently an effort underway between many partners including the Helen Bader Foundation and other private venture firms to create a new venture capital fund, which would focus on business opportunities in low to mid income (LMI) communities. This fund will seek businesses with high growth potential, and will also seek opportunities that provide “community development” returns such as job creation, service expansion, etc.

ACTION STEP TWO: Strengthen network of business technical assistance providers working on financial packaging.

The local community of business technical assistance providers has formed a coalition to increase efficiency and effectiveness in working with their business customers. The Business Assistance Caucus of Milwaukee (BACOM) is working to increase the utilization of various financial / credit enhancement programs through combined workshops and training sessions.

ACTION STEP THREE: Promote the packaging and promotion of various business incentives available from government, including the Federal Renewal Community tax credit and deductions and the New Markets Tax Credits program. Both programs offer incentives of either tax credits for investments in targeted areas or other types of deductions which reduces business taxes and increase available business capital.

Urban Economic Development Association (UEDA) and City of Milwaukee Department of City Development (DCD) will coordinate their marketing efforts on the Renewal Community incentives (of federal tax credits for employment, accelerated depreciation for commercial revitalization and Section 179 purchases as well as a zero percent capital gains rate on Renewal Community property) with efforts to promote the use of New Markets Tax Credits and other federal, State and local programs. ICM and its partners will demonstrate the benefits of layering incentives and combining business retention and attraction tools and educate inner city entrepreneurs and small business owners on their financial value.

Education Recommendations

ACTION STEP ONE: Centralize information about available training programs and business development assistance.

To better market the existing programs available in the greater Milwaukee

area. BACOM has developed a preliminary directory of business technical assistance providers. BACOM working with UWM's Center for Urban Initiatives and Research will expand this directory and "map" all of the economic development programs and resources for entrepreneurs and make them available through a web-based portal.

Similar to the example of Columbus Technology Council, which provides a substantial list of events, groups, resources and promotes member businesses, the entrepreneurship portal will be a one-stop web-site for entrepreneurs. The entrepreneur web portal will link to public and private resources. This interactive tool would be easily accessible and updated regularly to connect practitioners and entrepreneurs to each other. The web-site should be hosted through the Milwaukee Department of City Development or the Milwaukee Economic Development Corporation. And maintained by an umbrella organization like BACOM, regional council, or a community resource like, Onmilwaukee.com, MMAC, county incubator or a university consortium.

ACTION STEP TWO: Launch a business plan competition.

There is a positive correlation between business plan preparation, formal education and training, and sales for minority inner city entrepreneurs. Business plan competitions can be a way of encouraging entrepreneurs to put the time and energy into the planning process and receive expert technical advice through the process. Marquette University recently started a business plan competition. This competition is has an inner city category and two categories for Marquette University alumni and students. Winners for each of the three categories will be forwarded to the statewide business plan competition announced by the Governor earlier this year.

ACTION STEP THREE: Offer coordinated small business technical assistance through BACOM.

The Business Assistance Caucus of Milwaukee (BACOM) is an affinity group of public and nonprofit agencies and private consultants, working together to develop strategic assistance to inner city entrepreneurs and business owners.

The focus of BACOM is to help existing businesses make their companies stronger, and assist potential entrepreneurs start small businesses in Milwaukee and to develop the infrastructure to support that assistance.

Currently, BACOM is developing business assistance seminars for entrepreneurs and owners and managers. Additionally, BACOM is bringing training opportunities and expert speakers to the business assistance providers, and establishing systems for referrals to technical

experts. Through BACOM, a minimum of 1,000 inner city entrepreneurs will receive technical assistance.

Access to Markets and Networks Recommendations

ACTION STEP ONE: Increase minority supplier development.

Currently, a Supplier Diversity Council has been working to increase the utilization of local minority business suppliers with large corporations. This effort will help local minority-owned firms access new markets and increase opportunities for more local spending by large corporations. The Supplier Diversity Council, created by the Metropolitan Milwaukee Association of Commerce and The Business Council, should continue to expand beyond the scope of corporations to include the leadership of local hospitals and universities.

ACTION STEP TWO: Recognize successful inner city businesses.

There are many growing companies in Milwaukee's inner city that go unrecognized for their contribution to the economy through taxes, jobs and goods/ services provided. Efforts are underway through a partnership with University of Wisconsin Milwaukee's School of Business Administration and Marquette University's business school, along with the Business Journal to celebrate the fastest growing Milwaukee's inner city companies. This local competition, to be rolled out Spring 2004 will serve as a springboard for nominating Milwaukee companies to the Inc. Magazine / ICIC Inner City 100 National Competition.

ACTION STEP THREE: Establish networks that foster and support entrepreneurship.

"Networks are the single most critical factor for a strong entrepreneurial region...they are links to potential sources of capital, new employees, strategic alliance partners, and service providers."⁵³

Support networks play a key role in entrepreneurial development. Successful entrepreneurs inspire, encourage and support new entrepreneurs. The development of formal entrepreneurial network groups should be encouraged, understanding they have a natural course. Networks groups can be structure by industry cluster.

Existing networks catering to new entrepreneurs should expand their networks to include other networks with seasoned entrepreneurs and successful business leaders. These networks can host joint events to build business relationships that can be mutually beneficial.

IMPLEMENTATION

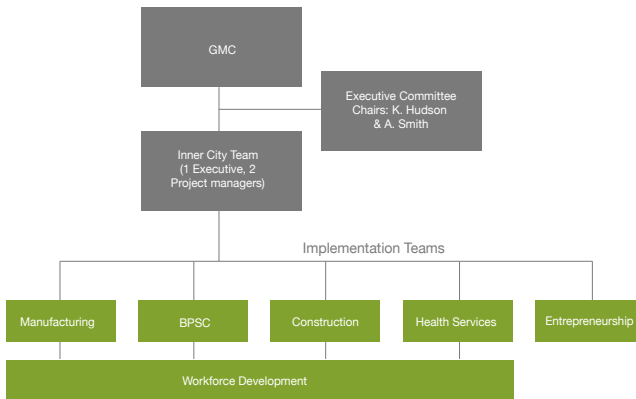
Implementation is the key to transforming ICM's work from ideas to action to lasting change. In September 2003, after a year of strategy development, the committee launched the Initiative for a Competitive Milwaukee (ICM). ICM's mission is to ensure economic development in Milwaukee's inner city, retaining and creating jobs, and enabling wealth accumulation.

Therefore, the ICM implementation team must accomplish the following:

- Provide overall leadership and oversight
- Make implementation a priority with high visibility
- Mobilize and connect resources
- Secure funding
- Act as a central resource to coordinate other related initiatives
- Maintain momentum

Implementation Structure

To be successful, the ICM implementation team must engage the community, make decisions promptly and respond to changes effectively. For this reason, the intent is to keep the structure small, yet inclusive. There are three components of the implementation structure: the Executive Committee, the Inner City Team and the Cluster Implementation Teams.



Executive Committee

The existing executive committee that has overseen the project thus far is the ICM Executive Committee. The committee is a group of successful private sector leaders and proven community leaders who are committed to improving Milwaukee's inner city economy. Katherine Hudson, chair of the Brady Corporation and Art Smith, CEO of Keystone American Express Travel Services are the co-chairs of the Executive Committee.

The executive committee is responsible for making decisions about leadership, finances, resources and overall implementation activities. Additionally, the executive committee will manage the Inner City Team and assist with communications and outreach.

The executive committee will meet frequently with the Inner City Team, especially at the early stages of implementation, to provide access to necessary resources, resolve issues, ensure progress and maintain momentum across all of the clusters.

Inner City Team

The Inner City Team is the group that is focused on implementation every day. This group consists of a senior executive and two project managers. The executive will be a recognized and seasoned leader, who is well connected to the private and public sectors and has a passion for the inner city. This person will be responsible for managing each of the Cluster Implementation Teams, mobilizing resources, engaging the community by connecting organizations and initiatives to the project, managing relationships and maintaining the project's overall momentum and visibility.

Given the breadth and depth of the activities involved in the executive role and based on lessons learned from past ICIC engagements, the executive will require additional professional support. Two project managers will work directly with the Cluster Implementation teams. These professionals are responsible for project management, coalition building, hands-on work activities and general administrative support. These individuals should represent the "up and coming" leadership of Milwaukee who are dedicated to reshaping Milwaukee's future.

The Inner City Team reports to the executive committee and is responsible for the project's progress. Additionally, they are responsible for measuring results as initiatives are implemented and identifying new opportunities and developing new cluster strategies.

We Energies will provide a loaned professional for the executive position. The Helen Bader Foundation has provided funding for the project management positions. Because the Inner City Team is a temporary entity, ICM's work must become part of the economic fabric of the region to effect sustainable change. The Inner City Team can accomplish this by developing strong partnerships, so that the inner city economic agenda becomes an integral part of the region's agenda.

Cluster Implementation Teams

The Cluster Implementation Teams are responsible for executing the recommendations from ICM. Each team will be led by two Cluster Champions, who are directly responsible for the team's progress.

The Cluster Champions have an organizational vested interest in the recommendations and have access to and commit resources toward implementation. They are responsible for achieving community support by engaging the relevant organizations and initiatives on their team. The Cluster Champions are:

Health Services: Clare Reardon of Froedtert Hospital and Robin Mayrl of the Helen Bader Foundation.

Construction & Development: Jerry Franke of Wispark and Carla Cross of Cross Management Services.

Business Process Service Centers: Jeff Joerres of Manpower and Tim Sheehy of the Metro Milwaukee Association of Commerce.

Manufacturing: To be determined shortly.

The Cluster Implementation Teams are directly supported by the Inner City team and the Executive Committee.

CONCLUSION

It is not inevitable that inner-city communities and residents must suffer economically. ICM will change Milwaukee's inner city through increased jobs and wealth creation and income opportunities. Specifically, ICM intends to accomplish the following:

Health Services

Increase the number of skilled inner city workers as a percent of the total from 8 percent to 10 percent by expanding training capacity—would mean roughly 500 more skilled workers among four key hospital systems⁵⁴.

Improve the quality of eldercare services by forming an Eldercare Workforce Consortium to develop a comprehensive training curriculum to improve training and workforce retention.

Convene entrepreneurs to encourage them to pursue the attractive business opportunity of providing non-medical support services to the elderly; inform them about the market, the workforce and available sources of capital.

Construction and Development

Establish a Construction Center of Excellence to grow existing workforce and business development programs and make them more effective through collaboration, innovation and accountability. Hold an annual construction fair to promote the center's resources and encourage new collaborations.

Ensure inner city workforce participation on the largest state construction project, Power the Future, through the WRTP's Career Academy.

Introduce a two-year Construction Management program at the Milwaukee Area Technical College to increase the number of minority and women in construction management positions and to facilitate their progress up career ladders.

Business Process Service Centers

Increase the competitiveness of Milwaukee for existing BPSC's and new entrants by reducing crime, preparing readily available sites and developing the workforce.

Encourage regional BPSC operations to expand and/or relocate their offices to Milwaukee to be closer to their incumbent workforce through tax and other incentives.

Make the business case for Milwaukee as a satellite BPSC location for medium-sized firms to real estate developers, site consultants and firms in the following industries: Financial Services, Insurance, Real Estate, Health Services, Wholesale and Retail Trade and Manufacturing.

Manufacturing Retention and Renewal

Level the playing field between inner city Milwaukee and the suburbs as business locations by reducing crime, assembling land and facilities and improving workforce technical skills.

Through the ICM Inner City Team and others, identify, contact and work with the 20 percent of manufacturers in the region (approximately 800) that are planning plant expansions⁵⁵.

Add an inner-city (place-based) component to existing minority-supplier development programs.

THE INITIATIVE FOR A COMPETITIVE MILWAUKEE IS THE FIRST STEP TO ECONOMIC REVITALIZATION OF MILWAUKEE'S INNER CITY. WITH CONTINUED COLLABORATION AND FOCUS, SUSTAINABLE TRANSFORMATION IS NOT ONLY POSSIBLE, BUT ACHIEVABLE.

(Footnotes)

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