



BRIDGE TO THE NEW ECONOMY

PREPARING THE
CHEQUAMEGON BAY AREA
FOR THE NEW ECONOMY

September 18, 2000

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BACKGROUND

With a common goal of creating a technology-based segment for the Chequamegon Bay economy, a group of local leaders began a series of meetings late in 1999. This proposal represents the outcome of these meetings and is the guiding document for the development of that technology-based segment for the Chequamegon Bay area.

The group determined that it was in the best interest to promote the development of a technology segment of the economy in order to achieve the benefits offered by these types of jobs. The benefits are:

- New additional jobs with potential earnings ranging from \$50,000 to \$100,000 annually.
- Opportunities that would allow local graduates to find high quality jobs within the region.
- Businesses that do not require high start-up costs.
- Businesses that are kind to the environment, do not produce manufacturing type wastes, nor consume vast amounts of natural resources.
- Businesses that will remain and expand in the area rather than relocate out of the area.
- Businesses that do not put immediate pressure on the area's infrastructure or current housing market.

Creation and development of a technology-based segment of the local economy is possible. This possibility exists because of global changes related to:

- New Technology. The development of new technology now allows companies and individuals to locate in more remote areas. A knowledge-based economy does not rely on traditional heavy infrastructure, which is concentrated in urban areas. We no longer consider ourselves remote.
- New Economy. The explosion of technology-based business in the economy has created a high amount of business change and opportunity. Manufacturing jobs are being reduced while technology jobs go unfilled because of the lack of a qualified workforce. There is a demand for locations that can meet the needs of business in the New Economy.

As this proposal was being developed, it became clear to the group that the Chequamegon Bay area has a solid foundation to build upon. The Bay area has an extremely high quality of life that includes exceptional outdoor recreational opportunities; a low cost of living; a vibrant local cultural and arts scene; and fresh, clean air and water. These elements enable the area to attract and keep a

knowledge-based workforce. However, there are other factors that need to be improved. The key issues that need to be addressed for technology jobs to be created are:

- There is a general lack of knowledge regarding technology businesses—what they need, what opportunities they provide, and how they operate.
- The workforce, in general, is not currently qualified for technology jobs.
- There is a lack of venture capital.
- The support infrastructure of accounting, legal, and financial services is not available locally.
- There is a lack of high-speed Internet connections found in urban settings.

The group began to come to a common consensus: “We can be agents of change or victims of it.” To work on a plan to address the issues and create this proposal, the group determined that they needed to focus on four areas. Committees were assigned to develop ideas for each area:

- 1) Infrastructure
- 2) Education & workforce development
- 3) Finance
- 4) Business development/incubation

The ideas were brought back to the group and openly discussed. The input from these discussions were then used by a small work group as the basis for creating the initiatives found in this proposal.

PROPOSAL

This proposal contains four initiatives. These initiatives work together toward achieving the goal of developing a technology-based segment of the Chequamegon Bay economy.

The initiatives are:

1. High Tech Telecommuting

Attract and develop high tech professionals who want to live in the Chequamegon Bay area and telecommute.

2. Skills for the Knowledge Economy

Develop the skills and attitude needed to create a workforce for a knowledge-based economy, by investing in the children at a very early stage.

3. Chequamegon Group

Start a public company, locally owned by area stockholders, whose purpose is to acquire appropriate, early stage companies, relocate them to the area, and help them develop and grow, creating jobs and wealth in the area.

4. Bay Area Epicenter

Create a highly visible, focal point for technology initiatives and incubator for early stage technology companies.

HIGH TECH TELECOMMUTING

Description

Develop a technology telecommuting industry.

Provide a link between high tech professionals and customers needing their services by marketing their services and assisting them in acquiring contracts.

Focus on programming, graphic art, and technical consultant professionals.

Goals

- 1) Attract ten new telecommuting professionals a year to the area with annual potential earnings of \$50,000 to \$100,000 per year.
- 2) Assure that the area can compete with other areas by having competitive (high speed/low cost) access to the Internet.
- 3) Establish a track history of success that can be used to attract other professionals.
- 4) Create a future labor pool for companies who want to relocate in the area.
- 5) Seed the area with high tech professionals that can demonstrate success to the local population.
- 6) Seed tenants for the Ashland Area Enterprise Center.
- 7) Provide a pool of people/skills that can contract with local businesses.
- 8) Build the base of people gradually over time so that the pressure on housing, schools, and other current infrastructure can be absorbed.
- 9) Improve the local economy as these people build homes, buy groceries, etc.

Services

- Identify and attract professionals interested in relocating to the Chequamegon Bay area.
- Assure their long-term success by providing assistance in getting contracts/fees and mentoring.
- Facilitate networking among the professionals.
- Secure group contracts where multiple professionals can work together to complete large projects.

- Help professionals develop and maintain skills by organizing and providing access to technical training and workshops/seminars.
- Provide relocation assistance.
- Assist in billing and collections.
- Provide access to accounting, legal, and financial professionals.
- Work with the local banks to establish a credit line to advance fees to professionals during their initial start-up period.
- Annually benchmark Internet accessibility and service level in the Chequamegon Bay Area (including cost, reliability, and speed) against other areas, highlighting strengths, and weaknesses.

Organization

- Recommend this function be managed by the Chequamegon Group
- Action Plan
- Hire director of marketing and project manager
- Begin recruiting and marketing campaign
- Assist professionals in relocation

Case Studies

The Chequamegon Bay Area already has a few individuals that are telecommuting. Despite some current barriers to speed and lack of a support network, they have pioneered to bring their professions to the region and are living proof that telecommuting is a viable method for earning a living in the Bay Area. Below are case studies of four unique individuals to help illustrate what kind of work is being done as well as the challenges and rewards for using telecommuting to live and work in the Chequamegon Bay Area.

Casper-Martinsen Inc.

Bruce Martinsen and his wife, Julie Casper, own a graphic arts company based in the Orchard Country outside of Bayfield that has been telecommuting out of the Bayfield area for 12 years now. Casper-Martinsen's main client is Anderson Windows. They use the telephone, fax machines, Federal Express, email, and the Internet to communicate with their clients. Casper-Martinsen currently uses the Internet primarily for purchasing supplies for their business and sending small PDF files via email.

Bruce says there have been challenges. Data transfer time through local Internet access is "painfully slow," and big projects cannot currently be sent over the Internet without being broken into small parts for the clients to proof. He feels it would be very nice if projects could be sent electronically, directly to client or printer.

Julie and Bruce greatly enjoy the quality of life they get living in the Bayfield area. Julie is an avid gardener and describes Bruce as an extremely avid gardener! The Orchard Country is definitely an excellent fit for their green thumbs.

Kristen Carey

Kristen is a designer based on Madeline Island. Kristen primarily does artwork for promotional products, all on computer. She must show artwork to her customers so she often mails a hardcopy of the work along with a floppy disk. She currently uses email to attach smaller files. Because she does all of her work on her computer at home, her overhead is very low, and she can offer her clients much lower costs than firms in big cities. Many of Kristen's clients use her artwork in catalogs that they post on the Internet.

Kristen was worried at first about moving to Madeline Island because of difficulty in finding year round work. She has ended up doing very well in the art design industry despite the remote location. Kristen has found that though she makes less money, she has more freedom and time with a much higher quality of life. She feels she has become more productive in her projects requiring less amount of time for completion. This a valuable feature for the equestrian lover and soon to be bride.

“French” Larry Whalen

Larry is the Chief Information Officer for Eyecity.com (a large optics online retailer). Larry administers the network for Eyecity.com part of the week at the office in Duluth and part of the week remotely from Madeline Island.



Currently, Larry says there are “huge” difficulties with doing his work remotely. Challenges of connections, speed, and durability of connection have all been hurdles.

Larry spends as much time as possible on Madeline Island because “I love it here!” He enjoys the outdoors and the recreational opportunities. In the winter, the solitude is a special draw for Larry while the “insane” party atmosphere of the summer makes for a nice contrast. Larry’s goal is to be able to live and work full-time in the Chequamegon Bay Area.

Two of Larry’s passions are tutoring area school children on computers and cross-country skiing. Larry doesn’t even let a snow drought get in the way as he is often seen gliding across the pavement on his rollerskis.

Mary Methven

Mary Methven worked for a law firm in the Twin Cities. She was the only person at her firm that really understood their databases. When Mary decided to move to Madeline Island, she was able to continue her work of creating and maintaining the databases remotely. She emails in work and dials in to the firm’s system to fix files and enhancements and conversions of the information.

Mary has been doing this for two years now and really enjoys the peace and relaxation gained from living in a rural setting. She also feels that the urban areas are close enough that she can still get as much of the city life and stimulation when she “wants” to fit it into her life.

Mary is an enthusiastic runner who also assists her husband, Jim, in preparing his team of sled dogs for races in the region.



CHEQUAMEGON GROUP

Description

Start a public company, named Chequamegon Group, owned by area stockholders whose purpose is to acquire appropriate, early stage companies, relocate them to the area, and help them develop and grow, creating jobs and wealth in the area.

The Chequamegon Group, a hybrid between a venture capital firm and a high tech incubator, would maintain control thereby assuring that the common good of the employees and the area is protected (i.e., they will not pull out of town – Green Bay Packer model).

Goals

- 1) Acquire one company per year (utilize careful research to assure a company is purchased which has the proper profile for success).
- 2) Job creation (typically buy companies with two – three employees that can achieve 60 employees within five years, each with an average salary of \$60,000 plus stock options).
- 3) Company stability.
- 4) Local ownership.
- 5) Wealth is distributed back to the shareholders and employees.
- 6) Establish a track history of success that can be used to attract other companies to the area outside of the structure of the Chequamegon Group.
- 7) Provide an opportunity for everyone in the community to participate through the purchase of stock in the Chequamegon Group.
- 8) Take a portion of the profits to fund the Skills for the Knowledge Economy initiative.

Services

- Conduct research on proper company.
- Raise the money/provide the start-up capital.
- Purchase a significant interest in each company.

- Mentor the companies to success by providing access to marketing, management advice, strategic planning and competitive research; accounting, legal, and patent professional services; graphic design, technology development consulting, and computer programming services.
- Provide a facility, or access to a facility, during early stages of development - for the first year or two - at which point they would relocate to another facility in the area.

Action Plan

- Obtain seed money.
- Hire an individual to work full-time on creating the corporation.
- Create a board of directors to start company.

Organization

- Shareholders
- Board of Directors
- CEO

SKILLS FOR THE KNOWLEDGE ECONOMY

Description

Develop the skills and attitude to create a workforce for a knowledge-based economy by investing in the children at a very early stage.

Goals

- 1) Development of workforce for the new economy.
- 2) Create/develop an entrepreneurial attitude among the students thereby creating a base for economic development in the future.
- 3) Provide students, teachers, and faculty with access to technology thereby allowing them to develop curriculum utilizing technology.
- 4) Encourage and assist schools in the utilization of technology in the teaching/learning environment.

Services

- Provide laptop computers to all students entering middle school.
- Provide free Internet access to the homes of all students entering middle school.
- Work with educators to develop a curriculum that utilizes technology.
- Fund and assist the preparation of classrooms for technology-based teaching.
- Establish and run a summer technology camp.
- Establish and run a summer entrepreneurial camp.

Action Plan

- Site visits to schools that have high tech classrooms in operation.
- Validate the costs of upgrading classrooms.
- Create a grant request.

Organization

- The two full-time positions would be a part of the Chequamegon Group.

BAY AREA EPICENTER

Description

Create a highly visible focal point for technology initiatives. Provide headquarters for the Chequamegon Group, High Tech Telecommuting, and Skills for the Knowledge Economy initiatives.

Goals

- 1) Build a facility that sends the message to the general public that the Chequamegon Bay Area is a home for high tech professionals.
- 2) Provide an incubator for Chequamegon Group companies during their early stages.
- 3) Build a facility that demonstrates to possible recruits the commitment to technology by the Chequamegon Bay Area.
- 4) Build a facility that will communicate to the Chequamegon Bay Area students and general populous the opportunities in the technology economy for the area.
- 5) Create a facility that will not compete with or replace existing economic development programs.

Services

- Design, build, and manage the facility.
- Provide a home base for the Chequamegon Group and other initiatives in this proposal.
- Provide office space for early stage companies that have been acquired and are being mentored by the Chequamegon Group.
- Offer meeting space in support of technology.

Costs

- Facility design
- Construction
- Furnishings

Funding

- Facility would be leased by the Chequamegon Group and Chequamegon Group companies

Action Plan

- Acquire funding
- Hire architect
- Locate building site

Organization

- Managed by Chequamegon Group

For more information regarding these initiatives contact:

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