

Summary Report of the  
Central Wisconsin Task Force meeting held October 18, 2001  
Wausau Club, Wausau, Wisconsin\*

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by

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## **Part 1: Regional activities leading up to the Summit**

Activities in Central Wisconsin leading up to this year's summit occurred in the late winter and again in the fall of 2001. On 12 February of 2001 members of the Central Wisconsin Task Force came together in Marshfield, Wisconsin at the Marshfield Clinic to review the outcomes of the first Economic Summit and to look to the future. The discussion on February 12 focused on three areas: workforce development, energy needs and regulation, and venture capital development. As at the November 2000 Summit, energy generation and conservation emerged as a central theme at the Marshfield meeting.

In the autumn of 2001, Chancellor George and Assistant Chancellor Diemer reconstituted the Task Force. Whereas the membership of the Task Force in 2000 derived from the thirteen counties of central Wisconsin with the intent of acquiring a broad representation of municipalities, chambers of commerce, educational institutions, and business leaders, the membership of the Task Force in 2001 is based on the concept of economic clusters as put forward by Don Nichols and John Torinus. For the central Wisconsin region, we determined to focus on the following economic clusters: paper/forestry, financial services (including insurance), health care, agriculture/food production, information systems, and business services. The full list of participants is included as an appendix to this report.

The reconstituted group met on October 18, 2001 at the Wausau Club in Wausau, Wisconsin. The groups listed in the appendix focused on five topics, the discussions from which this report derives. The questions were as follows.

1. What one or two things could provide an opportunity for accelerated growth in your business/industry?

2. What changes are necessary to create an atmosphere that would lead to an enhanced socio-economic strengthening of your business/industry or generally in Central/Northern Wisconsin?

3. What areas can you identify as significant successes in your industries?

4. Can you say why these successes happened, i.e., what "best practice" brought them about?

5. What lies ahead for you in the years to come; do you see a changing landscape that might stunt or end the success you currently are enjoying?

Below we have summarized the outcome of this meeting in the three subsequent parts of this report.

### **Part 2: Success stories in each region with respect to economic clusters**

Successes enjoyed in our region are due to a number of attributes common across the economic clusters on which we focused. These attributes include environmental policies, good customer relations, high productivity, advances in technology, partnerships, and strong leadership.

Environmental policies, regulations, and practices are especially important to the success of the paper/forestry and energy industries; the latter industry participated in the business services discussion. For example, both industry sectors found that environmental improvements, such as cleaner water in the central Wisconsin region, have been vital to their sectors' relative success. Moreover, a strong working relationship with regulators has been very beneficial to the energy sector.

Regarding good customer relations, the health-care and information systems industries in the central region sees consumer confidence that the industry can take care of the public's needs as central to its strength in this part of the state. Without such

confidence, those looking for quality healthcare would search elsewhere. In addition, research done by area medical staff has heightened the reputation of regional healthcare providers. As for information systems, the industry has identified customers' needs and continues to meet them. This reliability has, in turn, empowered customers to use new and varied products with the confidence that they will receive quality support. The result is that information systems in central Wisconsin has seen continued growth in its sector of the economy.

High productivity is another area of success in central Wisconsin. For our agriculture and food processing industries, productivity is a double-edged sword, while for the paper-products industry, higher productivity and efficiency analysis have led to greater strength. On the one hand, our area food growers are highly productive, which leads to low food costs, in turn to a lower cost of living. This certainly can be seen as a measure of success. On the other hand, high productivity levels means lower profits for our food producers. Overall, however, our growers and food processing leaders are experiencing success in bringing new products to market such as white cranberry juice and healthy-grown potatoes. Moreover, lower food production costs are offsetting the negative effects of high productivity. In the area of paper production, improved productivity and improvements in industry efficiency have bolstered the sector in what is recognized as a difficult time for paper and forest products.

High productivity naturally follows from advances in technology. The financial services sector is especially benefiting from technological advances. For example, the use of electronics helping to create speed and efficiency in areas such as automatic deposits, electronic money transfers, and claims processing. As banking moves further

toward paperless processes, technological advances will become even more important to the sector's success. Information systems, of course, contribute greatly to heightened productivity through technological advances. Synergy that exists between information systems and other sectors of the economy leads to productivity across the economic spectrum.

Partnerships are essential to the success in all of the industry groups represented in this summary report. This is especially true in the paper/forestry, financial, and agriculture sectors. In each case the key partnership is with higher education. The UW System and the state technical colleges have been key players in promoting innovation and continuing education. A few examples are the P.A.P.E.R. Academy coordinated through University of Wisconsin (UW)-Extension at the University of Wisconsin-Stevens Point (UWSP), agricultural research conducted at the UW and then communicated to producers through UW-Extension, and continuing education and training of working adults through partnerships formed between UWSP and the area UW Colleges (the Collaborative Degree Program); among UWSP, Mid-State Technical College, and the Portage County Business Council (the Wisconsin Learning Center); among UWSP, UW-Marathon County, Northcentral Technical College, and Wausau-area businesses (the NEW Coalition); and among UWSP, Mid-State Technical College, and Stora Enso of North America.

The Wisconsin Learning Center (WLC), which comprises traditional and distance-education classrooms located at the Portage County Business Council headquarters, will initially provide technology-based education for employees in Portage County. Ultimately, through distance education capabilities, the WLC will provide

education and training to time-bound and place-bound adult students throughout central Wisconsin. Course offerings are scheduled to begin in February 2002. This center is the result of a highly successful partnership between the education and business community at the local level, and between the local partners and the federal government. UWSP and Mid-State Technical College have each contributed substantial funds to this venture, as has the Portage County Business Council Foundation. The commitment of these funds was used to leverage further funding from the federal government through the work of Congressman David Obey.

The NEW (New Economy Workforce) Coalition seeks to develop post-secondary educational opportunities that integrate information systems, finance, and communication courses in one or more packages that provide the knowledge and skills, which central Wisconsin employers require of their staff. With funding from the Marathon County business community, the Coalition's intent is to explore distance learning, on-site and other delivery options to provide employees with convenient and fulfilling advanced learning opportunities. Through the partnership of UWSP, UW-Marathon County, Northcentral Technical Colleges, and Marathon County businesses led by Liberty Mutual/Wausau Insurance, the Coalition is now working to identify employers' educational needs. The next stage will be to provide educational services.

This arrangement with Stora Enso focuses on supplying training and education to 6,000 Stora Enso employees in central Wisconsin. In all cases, delivery of education and training are key factors in the success of these economic clusters. The partnerships named above focus heavily on distance education and training provided to time- and place-bound adults whose employers recognize the value of continuing education.

Finally, strong leadership among businesses has been critical. For example, the expansion of our region's healthcare infrastructure has provided services to communities that would not have facilities or services otherwise. In the business service cluster, as well, and especially within the energy provision sector of that cluster, strong leadership from industry leaders and from community leaders has meant that our region and our state have not seen the kinds of energy emergencies experienced elsewhere in our nation. Despite some price rises, we have seen—relative to other areas of the country—dependable energy supplies at reasonable rates. Without individual advocacy, i.e., strong leadership, this would not have been possible.

### **Part 3: Regional assets and any barriers to success for the future**

Assets and barriers can, at times, be two sides of the same coin. We have already mentioned our region's high level of food productivity above. With relatively low food costs and a stable energy supply helping to keep the cost of living low in the central part of our region, our area is attractive to businesses looking to relocate and attract employees with skills and education that call for high salaries. On the other hand, our agriculture industry's high level of productivity coupled with producers' independent natures will continue to plague this economic cluster with relatively low prices making independent farming difficult. From recognition of these barriers comes opportunity, however. Our food producers and packagers are recognizing the viability of niche markets. Moreover, a growing number of farmers in central Wisconsin are realizing the value of working more closely with their ultimate customer, the consumer. In a number of cases, this is done through Community Supported Agriculture (CSA) operations. CSA farms are able to contract with consumers to grow and raise a variety of products (usually

produce) at a pre-arranged price, thus providing some level of market-price control for the grower.

By the same token, energy is consistently an area where questions always arise. While at this point we have been fortunate to have a steady, reliable energy supply, our region needs to be more attuned to new forms of renewable energy. It is possible that deregulation in the energy field will assist with the delivery of alternative energy sources. Also within the energy sector, there is a need for better public understanding of varied energy sources and the impact on the environment those sources will have.

In the healthcare industry, in information services, and in the financial services sector, staffing will be a problem in the future. First, practicing doctors from the “baby boom” generation will not likely work until the age of 70 as doctors of past generations tended to do. With professional stress increasing in the healthcare field, early retirements will become more common. Second, the cost of education for the healthcare professions will continue to be an obstacle. In addition, the healthcare industry is seeing an increase in demand for specialization, which may not be based on complete or accurate information. That is, potential patients are requesting services based on what they have learned from the Internet or from television. While it is beneficial for patients to be informed, they are not always receiving complete or accurate information, which makes appropriate delivery of services more difficult. Similar problems in staffing face the financial services and information systems sectors as retirements increase in the area of financial services, and as information systems continue to look for highly trained recruits.

However, recent retirees are a definite asset in our region. Like Stevens Point, Marshfield, and communities throughout our region, state, and nation, the Wausau

Chamber of Commerce has the SCORE (Service Corps of Retired Executives) program through which retired executives volunteer to help people who have an idea for a business, but who need help effecting their plan.

For our paper and forestry products industries, the strength of the state, national, and global economies is inextricably linked. Especially within the area of international trade, the relative strength of the dollar is very important. For the paper and forestry industries to thrive, the U.S. dollar needs to weaken. With a strong dollar, these two industries are not able to expand their exporting efforts. In addition, since these are industries whose customers come from all sectors of the economy, broad economic growth throughout the state, nation, and world is critical.

Our environment in central Wisconsin is clearly an asset. Representatives of the banking and insurance sectors made special note of this aspect. While attracting employees is, at times, a barrier, banking and insurance representatives report that once here employees wish to stay in our area. The clean environment is a strong factor in their decision to remain and raise families in central Wisconsin.

Finally, information systems executives see the trend toward heightened emphasis on accountability to be an asset in our region and throughout the state. That is, all sectors of the economy, whether centered in government, private business, or our schools, continue to strive for increased accountability and better measurement tools. This emphasis on accountability and measurement will continue to fuel the success of the information systems sector.

**Part 4: Central Wisconsin's proposals for a statewide "to do" list for state government, the university, and private business to work on, beyond the regional level to advance economic growth statewide**

Below is a representative list of issues that the business sectors involved in our regional meeting identified as areas where change in practice or policy would enhance growth in our region and beyond.

- Wisconsin needs a more business-friendly and resident-friendly tax climate.
- Federal programs need to provide true rewards for sustainable environmental practices in farming and other industries.
- Federal and state programs to provide continual technology training for employees.
- The agriculture industry is in need of firmer water-access and water-use regulation.
- It is essential that the University of Wisconsin System be provided with ample resources to provide support to the state's economy through its basic educational mission, as well as such programs as extension and outreach for farming, and continuing education for adult workers.
- Easing anti-trust laws relevant to the healthcare sector, would allow for more collaborative partnerships, which, in turn, could result in a reduction of healthcare costs as, for example, our region's five area hospitals could combine to have a central cancer center as opposed to five separate facilities.
- The state needs to promote more collaboration among four-year colleges, two-year technical colleges, and other educational institutions.
- The K-12 system must do more to promote learning of varied societies and religions in order to prepare students for a more diverse society and workplace.
- The state must work harder to promote our regions as employee-friendly places to live; i.e., the quality of life in Wisconsin, e.g., safety and a clean environment, is a significant recruiting tool for businesses and employees.
- The state-directed procurement process needs to promote an equal and fair market place for all vendors and consumers.

## Appendix

### Regional Economic Summit Task Force Meeting • Wausau Club Small Group Designations • 18 Oct. 2001

#### I. Paper Industry/Forestry (8)

- Greg Aiken, Neenah Paper
- Tim Laatsch, Stora Enso North American
- Craig Timm, Domtar Industries
- Larry Graham, UWSP Paper Science Dept.
- Virg Noordyk, Fox Valley Tech
- John Clark, Mid State Technical College
  
- Facilitation Team: Peter Manley & Sue Gunderson

#### II. Financial Services/Insurance Industry (7)

- Richard Meyer, Associated Bank
- Gary Freels, Alexander Foundation
- Gayle Lawn-Day, UW-Marshfield
- Bev Long, Nicolet Area Technical College
- Brad Zweck, Liberty Mutual
  
- Facilitation Team: Rita Straub & Susan DeRouchey

#### III. Health Care Industry (7)

- Robert DeVita, Ministry Health Care
- William Mineau, Marshfield Clinic
- Jim Veninga, UW-Marathon County
- Jane Schill, St. Michael's Hospital
- Renee Daniels, aide to Congressman David Obey
  
- Facilitation Team: Brenda Janke & Julie Hellweg

#### IV. Agriculture/Food Processing (7)

- Randy Duckworth, Vegetable & Potato Growers Assn.
- Tom George, UWSP
- Tom Lochner, Wis. Cranberry Growers Assn.
- Jeff Manor, Kraft Foods
- Susan Searing, McCain Foods
  
- Facilitation Team: Sue Buck & Joan Sosalla

**V. Information Systems (6)**

- Joel Dando, Renaissance Learning
- Cliff King, Skyward
- Adrian Lorbetske, Nicolet Area Technical College
- Ed Nakhla, Office Solutions
  
- Facilitation Team: Dave Tice & Anne Mathson

**VI. Business Services (6)**

- Bob Ernst, Northcentral Technical College
- Richard Harris, Waushara County Chamber of Commerce
- Ted Penn, Wisconsin Public Service
- JoAnne Leonard, WPSC
  
- Facilitation Team: Patrick Nehring & Vicki Lobermeier