



Bob Kill

Minnesota's manufacturing businesses--large and small--critical to state, local economies

A Minnesota in-the-post-pandemic-world interview

October 16, 2020

In an October 16, 2020, interview with the Civic Caucus, Enterprise Minnesota president and CEO Bob Kill speaks about how critical manufacturing businesses are to the state's economy and to the local economies of communities across the state. He describes the consulting services the organization provides to small- and medium-sized manufacturing

companies across the state-almost all with 250 employees or fewer-to keep their businesses profitable and competitive. He also discusses some of the findings of the organization's annual survey of 400 Minnesota manufacturing executives.

Background

00:00 - Introduction (Janis Clay)

Bob Kill is president and CEO of [Enterprise Minnesota](#), a consulting organization that works with small- and medium-sized manufacturing companies in Minnesota to help them compete and grow profitably. (See Kill's complete biography at the end of the Discussion section.)

Enterprise Minnesota has been helping manufacturers for over 30 years. The organization also serves as the voice for the industry, raising visibility and appreciation for the value manufacturers provide our communities and the state's economy. Its affiliation with the federal Department of Commerce's [Manufacturing Extension Partnership \(MEP\) National Network](#) allows it to utilize a range of public-private partnerships to drive growth and innovation in local manufacturing.

Enterprise Minnesota works with a wide variety of manufacturing companies across the state that have anywhere from 10 to 500+ employees-from plastics to food to computers to metal casting and more. The organization's 10 consultants, who live and work throughout the state, assist manufacturers through five interconnected service areas: strategic planning and revenue growth, talent and leadership development, hosting eight manufacturing peer councils around the state, ISO management systems and continuous improvement.

One of Enterprise Minnesota's major annual initiatives is its [State of Manufacturing® survey](#). The organization's pollster interviews over 400 Minnesota manufacturing executives to gauge their perceptions on the state of their businesses, their outlook on the economy in the year ahead and other issues impacting business and employees. The survey also included five focus groups. Click [here](#) to see slides reporting the results of the September and October 2020 survey, which was released on November 5, 2020, and click [here](#) to watch a video presentation of the results.

01:29 - Opening Remarks.

Bob Kill: Enterprise Minnesota has three guiding principles: (1) its mantra is helping manufacturing grow profitable; (2) Its vision is acting as the voice of Minnesota's manufacturing industry; (3) its foundation for success is consistently providing valuable, measurable and sustainable client business results.

Annually, Enterprise Minnesota provides over 400 services to 220 manufacturing companies across the state, mostly with 250 employees or fewer. The organization is

Minnesota's affiliate of the U.S. Department of Commerce's **Manufacturing Extension Partnership (MEP) National Network**.

Enterprise Minnesota works closely with all six of the Minnesota Initiative Foundations around the state and works on economic development at the state and local level.

There are 8,360 manufacturers in Minnesota, 49 percent in the seven-county metro area and 51 percent in the nonmetro area. Those companies provide 317,200 manufacturing jobs, or 13 percent of the jobs in the state, and 704,850 supporting jobs. The average weekly wage of the state's manufacturing employees is \$1,264. Over 55 percent of Minnesota's manufacturing companies-4,620-have 10 or fewer employees.

Automation plays a large part in the state's manufacturing businesses, with 62 percent of them using automation. Automation must be part of the manufacturing process. Contrary to what is often thought, automation does not replace workers, but actually complements the skills of workers.

Enterprise Minnesota's State of Manufacturing® survey, conducted earlier this year-before the pandemic, found that 50 percent of the Minnesota manufacturing executives interviewed listed health-care coverage as a concern, following by 40 percent who named attracting and retaining quality workers as a concern. The executives said they were navigating around the challenge of worker shortages by maximizing productivity (59 percent), developing current employee skills (55 percent) and working with area technical colleges (24 percent).

Discussion

24:27 - How is Enterprise Minnesota funded? (Pat Davies via Paul Ostrow)

Kill: Originally, one-third of the funding came from clients; one-third from the state; and one-third from the federal government. But now we don't get any direct state funding. Through our federal partnership, for every dollar we spend providing services to companies with fewer than 500 employees, we get 50 cents back. We bring almost \$3 million into the state from our federal partnership. So, 45 percent of our \$5.5 million budget comes from client services revenue and the rest from the federal government.

27:32 - How has technical school enrollment fared in the last few years? How has COVID-19 impacted this, as compared to other higher education institutions? (Paul Gilje)

Kill: When the economy is really good, the technical colleges have to fight to get enrollment, because potential students can get jobs. Minnesota technical colleges

increased their enrollment in 2019. Enrollment in 2020 is not down as far as we would have thought during COVID-19. Enrollment at Dunwoody, which always has more applications than it can handle, is down two to eight percent this year.

30:44 - What are you doing to break down biases and other obstacles that exist for kids who are not college-oriented, which pressure them into getting four-year degrees, and helping those kids to understand their options? (John Adams)

Kill: Parents want kids to go to colleges. We try to be a great partner to the technical colleges. Mankato, Faribault, Alexandria and Willmar all have good manufacturing programs. We try to complement their visibility campaigns.

33:18 - What lasting impacts will COVID-19 have on Minnesota's manufacturing industry? (Janis Clay)

Kill: There are several things: (1) safety of workers has been taken to a new level; (2) the companies are coping with remote working of office staff, who might never return to the office; and (3) sales staff and others can't call on their clients. There's been a new growth in people who want our help since the pandemic began.

36:31 - What activity are you seeing by local and county governments to foster the creation of livable-wage jobs? Is there a portion of the inner cities of Minneapolis and St. Paul where the introduction of manufacturers could work to increase employment and decrease poverty? (Clarence Shallbetter)

Kill: Anoka County is making aggressive moves to get manufacturers to leave Minneapolis and come to Anoka. In St. Cloud, manufacturing can result in huge economic development in their economy. Transportation is vital. The key channels transitioned from rivers to railroads and now to freeways, which make the difference today. Mankato and Alexandria have taken advantage of this. All of the employees of Absolute Quality, located near the Twins stadium, are people of color. Hennepin County is the largest in the state in manufacturing, with Anoka County second.

Manufacturing is seen as more of a positive in Greater Minnesota than in the metro area. That's partly because of old ideas of what manufacturing is. The pollution from manufacturing today is so low today that it doesn't even measure.

42:28 - If a group were interested in the industrial economic development of an unused urban space, who might they approach if they didn't have direct contact with a specific company? (Paul Ostrow)

Kill: We need to have some people on economic development staffs with a background in manufacturing. It'd be good to contact manufacturers like Graco, who already have plants in

the city. The state Department of Employment and Economic Development (DEED) has programs all the time. Some legislators are passionate about getting manufacturing in the central cities. There are lots of opportunities for developing good workers here with some investment.

44:48 - One strength of Minnesota's economy is its diversity. Could you comment on the economic diversity in manufacturing that we have in Minnesota and whether this is a focus for Enterprise Minnesota? (Lee Munnich)

Kill: We have a diversity of manufacturing in the state. Alexandria and Saint Paul are centers for food processing and food handling. We have many manufacturers of medical devices and manufacturing of big equipment, like Caterpillar and others. Our typical manufacturing clients are building components for various other companies. Our manufacturing doesn't go down as much during slumps in the economy because of its diversity.

47:32 - In the past, Control Data was able to develop in North Minneapolis through subsidies, involved city leadership and community support for the manufacturer. In order for urban industrial development to make headway, it would require city leadership and broad community support. (T Williams)

Kill: It's a longer journey to manufacturing than to retail. Manufacturing doesn't have the voice in that area we'd like to have.

51:30 - Could you point out some areas where Minnesota has unique and leading national and international manufacturers, why that is, and how they are having success? (Dave Broden via Janis Clay)

Kill: Two things stand out in Minnesota's manufacturing sector compared with other states: (1) the diversity of our leading-edge manufacturing, such as medical devices and food processing and handling; and (2) our strong technical colleges, located all around the state. Minnesota has high-tech companies like 3M. Lots of small manufacturers are making things for 3M. And we have a great workforce.

54:05 - Where is the greatest promise today in policymaking toward addressing workforce shortages? (Paul Gilje)

Kill: It comes down to several things: (1) Understanding and (2) perhaps direct state investment in the manufacturing industry. Our strength in other industries sometimes dilutes the commitment to manufacturing. (3) There are also regulatory and tax things.

There was a shrimp company in Marshall that ended up in South Dakota because Minnesota was too slow in making decisions. It's back to getting our elected officials at the

state and local levels to understand the importance of manufacturing as a good career and that these are the kinds of jobs that can help our small communities.

We have our state-funded Growth Acceleration Program that has given hundreds of manufacturers rebates of 25 percent or 50 percent when they invest in their companies.

59:24 - Large Minnesota companies are often well connected with University research. How is your organization connected with major research institutions in Minnesota? (John Adams)

Kill: We're not very related to large universities, because they tend to be focused on large companies.

1:01:47 - MnDOT district engineers interviewed manufacturers to learn more about their transportation issues. Do you think this approach is useful in figuring out how to solve problems faced by manufacturers? (Lee Munnich)

Kill: Outreach is very important, especially in Greater Minnesota. Manufacturers are recognizing that economic development includes issues such as the workforce, housing, child care and transportation.

1:04:02 -Secondary education has shifted practical instruction almost completely out of high school and into technical postsecondary schools. However, this change overlapped with the two-year community college system that was also emerging. What type of postsecondary educational system would you advocate to be most productive for manufacturers and their communities? (Clarence Shallbetter)

Kill:There's been a push in the last 10 years to put technical training back into the high schools and even to junior high. Alexandria built a new high school with advanced manufacturing front-and-center in the school. Hutchinson and Brainerd are doing the same thing. And manufacturers are taking charge of keeping the technology current in the schools. It's being done community by community.

1:08:58 - Is employer-based training of workers through internships and apprenticeships a major piece of the effort to combat the manufacturing-sector workforce shortage? (Dana Schroeder)

Kill: Now that's blossoming as companies realize they must work with the colleges and students early. Dunwoody led the way and now the technical colleges are all doing it and

manufacturers are working with them. It's not going to happen overnight. We could do more in major metro areas where there are so many opportunities. It's the kind of change that's started to take place over the last few years.

1:13:14 - Closing Remarks.

Kill: You can have automation and all kinds of things, but, in the end, you need the right kinds of skills and the right kinds of people. Manufacturers have become aware of that. Talent and leadership development has grown to become one of our major sources of consulting with clients.

Present on Zoom interview

John Adams, Helen Baer, John Cairns (vice chair), Janis Clay (chair), Pat Davies, Paul Gilje, Bob Kill, Robert Lodge, Lee Munnich, Paul Ostrow, Dana Schroeder (associate director), Clarence Shallbetter, Lynn Shelton, T Williams.

Biography

Bob Kill is president and CEO of Enterprise Minnesota. He has served in that position since 2007. He leads the organization's efforts to achieve its strategic, growth and operational goals. A long-time manufacturing executive, Kill is passionate about helping manufacturers grow and bringing attention to manufacturing as a driver of Minnesota's economy. He is committed to connecting public and private stakeholders of manufacturers together in order to foster the collaboration needed to produce a thriving manufacturing industry.

Kill is recognized as a spokesperson for Minnesota's manufacturing industry and is regularly quoted in national and regional media on manufacturing trends and industry outlook. He has appeared before the Minnesota State Legislature and the U.S. Congress emphasizing the high value of manufacturing to our economy. Kill received national recognition in 2010 by the National Institute of Standards and Technology's Hollings **Manufacturing Extension Partnership (NIST/MEP)** as Group Innovator for the **State of Manufacturing**® strategy. In 2011, he was recognized by *Twin Cities Business* magazine as "one of 200 Minnesotans you should know," noting he is helping all understand that "making something" is cool again.

Kill has a bachelor's degree in economics from the University of Minnesota.