

Milwaukee Tech Hub

Initial Assessment

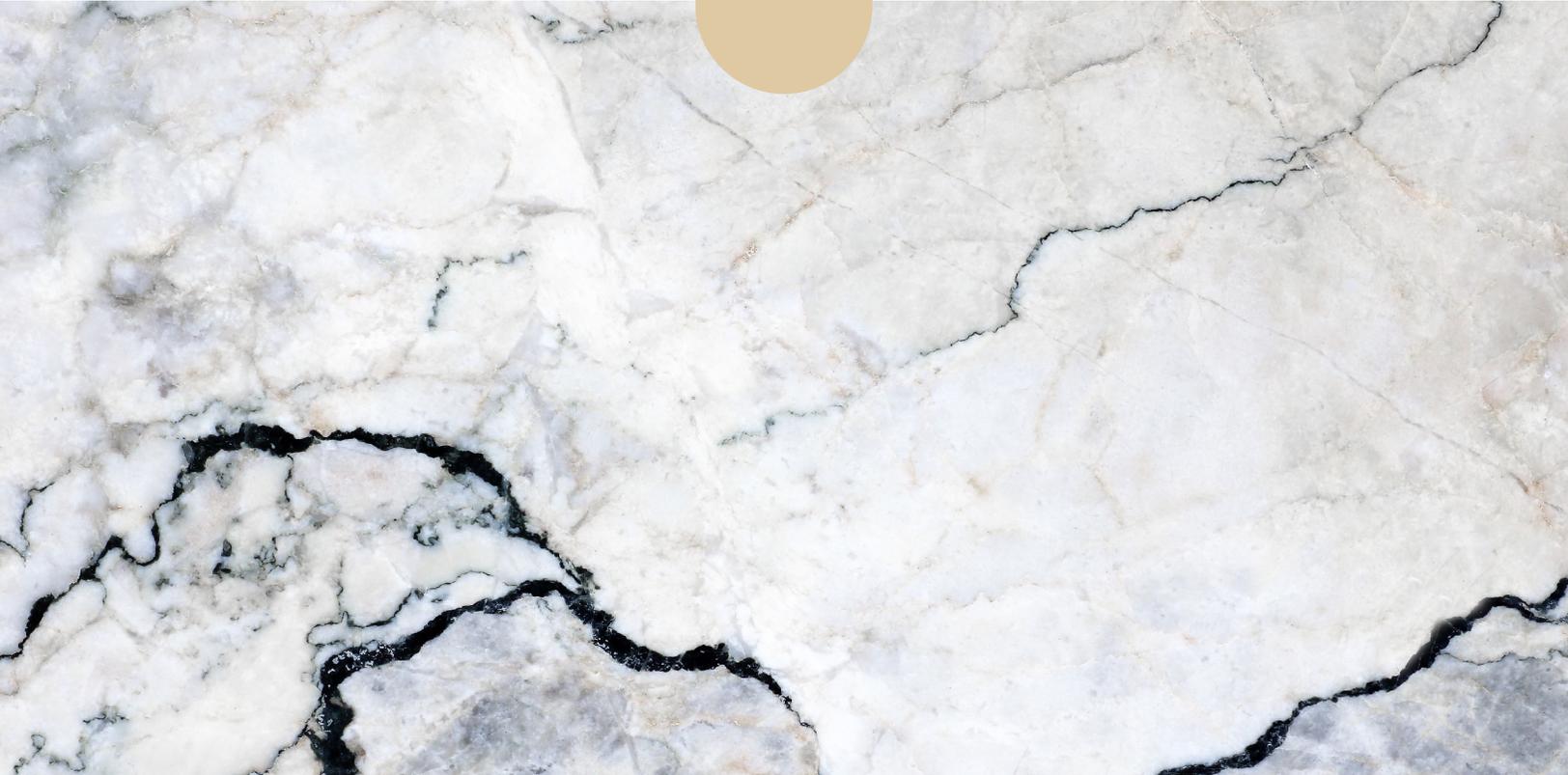


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A. EXECUTIVE SUMMARY

It's not an exaggeration to say that the world's eyes are on the Milwaukee region. The Foxconn announcement in August 2017 set off a firestorm of media coverage and local excitement. For the last six months, President Trump has often provided national attention by pointing to the region as a bastion of patriotism and promise. The President's announcement was no less than declarative. "This is a great day for American manufacturing, for American workers and for everybody who believes in the concept, made in the U.S.A." Gov. Scott Walker's almost daily remarks on the health of the Wisconsin economy, closely related to positioning the state for additional job growth, has also set off a round of debates around Wisconsin's role in the global economy and whether government should incentivize free enterprise.

Regionally, the announcement has sparked dialogue regarding the region's readiness for transitioning to a digital or technology-based economy. Technology jobs were being created in the region before—and growing at a healthy pace. Foxconn's news added an exponential sense of urgency and a hint of the coming competitiveness for talent as well as an increased awareness of the region's need to reconnect with its entrepreneurial heritage.

Most regions would be fortunate to inherit Southeastern Wisconsin's projected job growth. Now, the question is whether the area is ready? With 175 years of economic history starting with fur trade and evolving into industrial manufacturing, shifting the mindset and culture will take a concerted, consistent and significant effort. The same will be true for training and recruiting talent and readying for entrepreneurial success.

Adding to this complexity and urgency is the conundrum of shifting into a future economy when the Midwest and Northeast have barely recovered from the last seismic shift. In 1960, about one in four American workers were employed in manufacturing. In 2016, fewer than one in 10 were employed in the sector—many of these jobs headquartered in the central part of the country.¹

In 2018, with Wisconsin's unemployment nearing a record low, Millennials leaving rural areas for urban centers and baby boomers approaching retirement, the critical question is, how can Southeast Wisconsin not only avert a talent and economic crisis but thrive and become an example for other recovering industrial regions?

Additionally, the region has an opportunity to educate others about the blurring skills and training lines between advanced manufacturing and "traditional" technology. That is, if you can call the advent of Internet technology since 1990s "traditional." Advanced manufacturing is defined as, "manufacturing that entails rapid transfer of science and technology into manufacturing products and processes."² The nuances for the two categories of skills may be different but the fundamental language of science, technology, engineering and math (STEM) is arguably the same. Milwaukee, like the entire U.S., is faced with quickly preparing its population for jobs that didn't exist 10 years ago, while training its next generation for jobs that have yet to be invented.

As we catch up to the ever-dynamic definition of technology, Milwaukee is positioned to capitalize on its abundant asset base in an accelerated fashion. The area's college and university system provide talent options other regions would envy. With a deep understanding of what is to come, area universities have presented themselves as flexible, ready for change and willing to partner with industry. Milwaukee's early but eager entrepreneurial scene also stands to benefit greatly. Private industry and soon, public dollars, will fuel innovation, ingenuity and entrepreneurialism. The Midwest's focus, hard work and determination in addition to a bevy of innovation-economy assets will undoubtedly position the region for fast success. Its history as the "machine shop to the world" will offer a strong Maker and entrepreneurial framework to rebrand the area.

1. <http://money.cnn.com/2016/03/29/news/economy/us-manufacturing-jobs/index.html>

2. https://en.wikipedia.org/wiki/Advanced_manufacturing

Finally, while it's safe to say that Milwaukee's digital job revolution does not represent an "anomaly" or "passing manufacturing trend," it is agreed that the region has plenty of work to do. We can also declare with optimism and determination that it's a second chance for a part of the country, like so many others left behind

by globalization, to show the world's watching eyes what the U.S. is capable of: reinvention of the highest order, swift action to do what it takes to be successful, and a reminder of the benefits that an entrepreneurial economy can deliver.

Findings Summary

BRAND IDENTITY/CULTURE

- Fragmented regional voices of influence, low awareness regarding regional vision
- Dissatisfaction with dated regional brand image
- Concurrent sense of optimism and immanent transformation
- Discouraged over public perception of the regional start up ecosystem
- Strong pride associated with the region's Maker heritage

INNOVATION ECOSYSTEM

- Need for stronger Network Effect, in particular, entrepreneurial mentors, models of success and those with domain expertise
- Siloed assets and resources
- Risk averse culture
- Undeveloped commercialization infrastructure for corporate or university research and development

CAPITAL

- Available investment capital but underdeveloped pathways to access
- Opportunity for investors and entrepreneurs to benefit from increased involvement from outside perspectives and dollars.

TALENT

- Number and diversity of higher education and training institutions create opportunity for a strong talent pipeline.
- Disparate and unquantified understanding of talent inventory and access
- Opportunity to improve connectivity between training institutions and industry
- Opportunity to align strategies for talent training, retraining, diversity and inclusion