

EMSI DATA HELPS WISCONSIN CITY RETAIN LARGEST EMPLOYER, ADD JOBS

When a major Wisconsin manufacturer considered relocating to Oklahoma, local and state economic development professionals put on a full-court press to convince the company to stay. The results were overwhelmingly positive, offering a vibrant example of a successful business retention effort.

NEARLY 1,900 FOND DU LAC JOBS AT STAKE

By late summer 2009, Mercury Marine's long-term future in Fond du Lac, Wisconsin, was very much in doubt. The world's largest producer of outboard boat motors was challenged by the downturn of the boating industry and was looking for contract concessions from the local union. An option for Mercury Marine executives was to move their manufacturing operation from Fond du Lac to Stillwater, Oklahoma, where it already had a smaller-scale site. The company's corporate offices would possibly follow later.

One part of the three-pronged process that was necessary to keep Mercury Marine in Fond du Lac was a "yes" vote by the union on some contract concessions. The other two parts—local and state incentive packages—were being formulated well before an initial union vote took place in late August. The Fond du Lac County Economic Development Corporation (FCEDC) and other county officials were exploring all options to persuade the company that east central Wisconsin was its best option.

"WE WANTED TO MAKE SURE STAKEHOLDERS WERE MAKING INFORMED DECISIONS BASED ON RELIABLE DATA WITH A TRUE UNDERSTANDING OF THE IMPACTS."

—Brenda Hicks-Sorensen,
President, Fond du Lac County EDC

ECONOMIC IMPACT RESULTS USED AS EDUCATIONAL PIECE

From the start of discussions with Mercury Marine, FCEDC President Brenda Hicks-Sorensen emphasized the magnitude of the company's impact to the city, region and state to decision-makers. She produced multiple EMSI economic impact reports to convey that the relocation of Mercury Marine would not just mean the loss of 1,900 jobs and the estimated 500 others the company was planning to add when the economy improved. EMSI's impact figures showed that the departure of the county's largest employer would result in the loss of an estimated 5,900 net jobs in Fond du Lac County and almost 8,000 jobs in the seven-county region through indirect impact on suppliers and government and business. The financial hit would be \$353 million to the county and \$450 million to the larger region due to a loss of annual earnings.

The impact figures were also used to inform city, county and state officials who were deciding on various incentive packages to offer Mercury Marine.

"We wanted to make sure stakeholders were making informed decisions based on reliable data with a true understanding of the impacts. So these numbers were utilized a lot with them," said Hicks-Sorensen. "In fact, it was a

number of the county board supervisors who asked if they could share this information with their constituents. So they really relied on this information that we provided them.”

Understanding the ramifications of the company’s exit from Wisconsin added an element to the process that ultimately proved effective.

RESULT: MERCURY STAYS, WILL MOVE HUNDREDS OF JOBS FROM OKLAHOMA

Once Mercury Marine went public with its potential relocation, FCEDC decided to release the impact numbers. Hicks-Sorensen and her staff wanted area residents to understand how damaging it would be to lose the manufacturer.

“Because this ended up being a very public discussion, it was very important for us to be able to show the impact on the economy,” says Linda Berlin, FCEDC’s Director of Research. “This was also helpful in discussions with state and local leadership.”

The city and county eventually unveiled a \$53 million incentive package to Mercury Marine. Ultimately, the union accepted the concessions, paving the way for the company to announce it was staying in Wisconsin – and elevating manufacturing job totals to 1,400 to 1,600 jobs between those from Oklahoma and anticipated new hiring in the next seven years.

Looking back, Hicks-Sorensen says, the economic impact reports changed the dynamic of the retention effort, particularly when the staggering job-loss numbers were made public.

“I think it allowed the community to rally around something,” she said. “Before, everyone knew that Mercury was important to the community, but I think it was a little bit shocking and it provided people with something real to get their arms around.”

LINKS AND MEDIA RESOURCES

Fond du Lac EDC: <http://www.fcedc.com/>

Impact of Mercury Marine on Fond du Lac (PDF):
<http://www.fcedc.com/sft386/talkingpointspublic.pdf>

“Mercury Marine agrees to keep Fond du Lac plant,” The Business Journal of Milwaukee, September 4, 2009:
<http://milwaukee.bizjournals.com/milwaukee/stories/2009/08/31/daily102.html>

ABOUT EMSI

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