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*** A Med-Tech Center For The Twin Cities? - Boosters See Hope In Obama Proposal ***

by

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Economic Development Reporter

The situation may be looking up for Twin Cities interests trying to win federal dollars to start a Medical Technology Manufacturing Institute.

In his Tuesday State of the Union address, President Barack Obama said he would use his executive authority to start three new centers for his National Network for Manufacturing Innovation, which the med-tech institute supporters are seeking to join.

The White House later elaborated that Obama will sign an executive order to create the centers, pooling existing resources between federal agencies led by the Departments of Defense and Energy.

Obama has been seeking \$1 billion from Congress to create 15 such centers. The federal government in August 2012 awarded an initial \$30 million — with \$40 million in matching dollars from companies, universities and nonprofits — to set up a pilot National Additive Manufacturing Innovation Institute in Youngstown, Ohio.

Getting more such locations open will “turn regions left behind by globalization into global centers of high-tech jobs,” Obama said Tuesday night.

That doesn’t really describe Minnesota’s medical technology sector, which includes such worldwide leaders as Fridley-based Medtronic and Little Canada-based St. Jude Medical — not to mention research and development at the University of Minnesota and Mayo Clinic, and plenty of startup company activity.

Nena Fox is leading efforts to create the med-tech institute. She acknowledges that the lack of real economic disadvantage might be a hurdle, but she also thinks the Twin Cities has plenty of advantages to win an institute that could benefit the entire Upper Midwest.

“I think we fit all of the other criteria being kicked around for a high-impact hub,” said Fox, a Fredrikson & Byron lawyer who is also seeking to create a Global Robotics Innovation Park in the area.

Last month, the federal Advanced Manufacturing National Program Office released a preliminary report on how a manufacturing innovation network might be designed.

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According to the report, some centers will focus on industry sectors, and the medical device industry is used as the chief example.

The report describes a potential institute focused on “improving medical device or biomaterials manufacturing processes.” The centers would do this by “enabling rapid on-line sensing and analytical capabilities, and creating new tools for bioprocess optimization and control to enable cost-effective production methods.”

The description resembles what the Minnesota groups are seeking. Supporters include regional economic development group Greater MSP, the Minnesota Precision Manufacturing Association, trade association LifeScience Alley and the Minnesota High Tech Association.

Such government support of industry has been fraught with problems in the United States because of a free-market economy, warned Brad Goldense, founder and CEO of the Needham, Mass.-based Goldense Group, a technology consultancy.

Goldense thinks the federal government has a much better track record when it focuses on funding research into a specific technology or manufacturing process that the country has fallen behind on.

One of the best examples, according to Goldense, is the Sematech partnership that the government forged with 14 U.S.-based semiconductor manufacturers in the late 1980s.

Albany, N.Y.-based Sematech, which stopped receiving government funding in 1996, focused on specific, common manufacturing problems and is credited with helping to turn the industry around, Goldense said.

Goldense thinks a medical device institute should do the same type of thing.

“What do we need? Not just what type of industry would we like to have healthy — or what the government thinks should be healthy. That’s just going to bounce off,” Goldense said.