

Thank you very much. It's great to be here.

Although I have to admit that as I flew in and looked at those beautiful lakes I had a thought that it sure would be nice to be out on one of them casting for walleye.

But I guess we have work to do.

I want to acknowledge and thank our local partners who helped make this day possible:

- Alexandria Technical College.
- The Alexandria Lakes Area Chamber of Commerce.
- The Alexandria Area Economic Development Commission.
- The Tri-State Manufacturer's Association.
- And the Midwest Manufacturing Association.

With leaders like these, it's no wonder Alexandria continues to be such a vibrant and thriving community.

We also thank Nancy Libersky (Li-BERSKY) of the U.S. Small Business Administration and Ryan Kanne (CONNIE) of the U.S. Commercial Service.

I'm happy to be here today in the backyard of "*Big Ole*" the Viking. I'm told he stands twenty-eight feet tall and weighs four tons.

Now that's what I call a prominent public figure.

I understand "*Big Ole*" has been through a lot since he was first erected in Alexandria. He's been badly burned, weather-beaten, had a broken leg and incredibly, he's even had a building collapse on top of him.

It's amazing that Big Ole is still standing.

There are days when I know exactly how he feels.

As an independent governor who has had to deal with a legislature full of Democrats and Republicans, believe me I understand.

But Big Ole has an advantage—he's got a battle helmet, spear and shield.

But that's okay. I have my own way of dealing with state lawmakers.

I do it with straight talk.

I do it by ignoring political games and focusing on doing what's right for Minnesota.

Today, I want to talk about one of those things that's right for Minnesota:

I want to talk about the importance of international trade —about expanding our presence in the global marketplace and increasing our exports to other countries.

It's one of the cornerstones of my Big Plan—to strengthen Minnesota's role as a world competitor.

Last year, our companies exported \$17 billion in manufactured goods, services, and agricultural commodities.

From Canada to China, the European Union to India, and Sweden to Singapore, we're spanning the globe and showing that we can compete with the best.

Like I said—we flex a lot of muscle—but we're not Arnold Schwarzenegger yet.

We've only begun to develop our trade potential.

While Minnesota companies have distinguished themselves as world leaders in computers and electronics, food processing, medical technology—we need more players to suit up and join the competition.

Since I've been governor, I've traveled to Japan, Mexico, Canada, and Germany. And in a couple weeks we're headed to China on the largest trade mission ever undertaken in Minnesota and one of the most ambitious undertaken by any state.

We've gone on these business development missions not only to open doors for Minnesota companies already sold on the benefits of exporting—but to open the minds of companies that need to see the benefits firsthand.

At every turn I've promoted Minnesota to the rest of the world.

Today, I want to do something a little different. I want to promote the rest of the world to YOU.

I'm doing it because not nearly enough of our small and medium-sized companies—especially in Greater Minnesota—are taking advantage of the opportunities to develop their export potential. And it's my job to do everything I can to change that.

Why? Because I know what any smart business person knows—that you have to *FOLLOW THE MONEY*:

- More than 95 percent of the world's population and two-thirds of its purchasing power are outside of the United States.
- Export sales of U.S. goods and services have grown at more than 10 percent annually compared to domestic growth of 2 to 3 percent.

That means that jobs, paychecks and economic growth are more dependent than ever on world markets.

In fact, one in eight manufacturing jobs in Minnesota is directly related to exporting.

We can't afford *NOT* to export.

I know that making the decision to export isn't an easy one. And the investment of time and money cannot—and should not—be made without being reasonably sure of what lies ahead.

It's only prudent to be aware of potential risks. But you should also be aware of the potential rewards—because there are many:

- Companies that export are 20 percent more productive.
- They pay 15 percent higher wages and 11 percent higher benefits.
- They experience 20 percent greater job growth than non-exporting counterparts.
- They are more stable and less likely to go out of business.

Exporting increases profits through greater sales volume and lower production costs—and benefit companies in other ways.

- Research and development costs can be paid off more quickly.
- And product life cycles can be lengthened.

And let's not forget another very important point:

Anyone who has been in business for more than a week knows that there are good times and bad times.

But when you have strong export sales abroad, economic or seasonal downswings here at home can be less painful.

Minnesota has felt its share of pain during this recession. Thousands of jobs have been lost.

But a little pain can be a good thing if it teaches us something. Right now it should be teaching us that more exports mean more job security.

The benefits of exporting are so compelling that I can't figure out why more Minnesota companies aren't doing it.

But don't take my word for it. We've got a few experts right here who can tell you a lot more than I can about the benefits of doing international business.

As small businesses go—Douglas Machine couldn't have started out any smaller. But today it competes with the best in the global marketplace.

And Douglas Machine's economic impact goes well beyond Alexandria. This company affects the pocketbooks and dinner tables of the entire West Central Region.

An important slice of that economic impact comes from export sales:

- Last year, Douglas Machine's export sales exceeded \$6 million—about 10 percent of total sales.
- In the 15 years the company has been exporting, international sales have generated between 8 percent and 21 percent of total revenues.
- Today, Douglas Machine does business in 31 countries throughout Europe, Asia, the United Kingdom, Canada and Mexico.

In 1994, Douglas Machine had 465 employees and an annual payroll of \$12.5 million. Today, company jobs number 600—and payroll is nearly double that of eight years ago.

That's mighty impressive. But if you think Vern and Paul Anderson are going to rest on their laurels, think again.

They're too busy eyeing new opportunities in South America.

Another example of a small company with big ideas is Spectrum Aeromed in Wheaton.

George Ahlsten (ALL-sten) and Shirley Krenz from Spectrum are with us today.

I met George and Shirley in Mexico during our trade mission there in 2000 and found out about their efforts to sell life-support equipment to the Mexican Air Force.

In little more than a decade since it began Spectrum has become rising star and worldwide player in the air ambulance industry, with sales in the Middle East and Latin America.

Another company—right here in Alexandria—has really made the most of opportunities in the international marketplace. In fact, it won the Governor's International Trade Award in 1998.

Alexandria Extrusion gave me a tour today of what has to be the best operation of its kind on the planet.

The plant turns raw ingot aluminum into custom made parts for everything from computer disk drives and telecommunications equipment to medical equipment, sporting goods, store displays and lighting systems.

If you need it—Alexandria extrusion's highly trained employees will use the latest technology to build it. And they've been doing it since 1966.

The company has about 265 employees and gross revenues of about \$45 million.

Currently, the company's exports account for 5 percent of total sales, but have risen as high as 23 percent. It sells its products in China, Thailand, Malaysia, Singapore, Japan, Germany, Austria and Ireland.

Alexandria Extrusion is now preparing to take its next big steps as a world competitor. It hopes to become a multinational supplier with bases in Asia, Europe and Eastern Europe.

That's why president Tom Schabel (SHA-bel) is joining us on our trade mission to China in June. The company has plans for a joint venture deal with a Chinese counterpart.

Companies like Douglas Machine, Spectrum Aeromed and Alexandria Extrusion prove that you don't have to be a big company, in a big city, to play in the big leagues.

In fact, Tom Schabel says company owners should ask themselves the same question he once asked himself:

"Do you believe that for the rest of your business life, you can rely only on domestic business?"

If the answer is "no", Tom believes you really have no other choice but to export.

I couldn't agree more.

Too many of our small and medium-sized companies seem to think that international trade is a decision made only in the skyscraper boardrooms of multinational conglomerates.

Nothing could be further from the truth.

Did you know that nearly 97 percent of U.S. exporters are small businesses? Or that companies with 20 or fewer employees are the fastest growing segment of exporters in the United States?

Now, for those of you who may want to explore the possibility of exporting—but don't know where to start—we've got lots of answers.

Through the Minnesota Trade Office, the state offers so many types of export assistance I couldn't begin to list them all.

The Trade Office is actually the best-kept secret in the state—and it shouldn't be.

- You want information about how to export to specific markets and countries? We've got it.
- Want to know about specific products or industries? Just ask us.
- Need help unraveling rules and regulations? We can do that.
- Want advice in developing an international business plan? We're full of it—advice, that is.
- Need basic or advanced export education? We've got the classes.
- Want to do market research? Come use our extensive international business research center.

Most of our services are offered free or at a nominal charge. Now that's a bargain, and nothing makes me happier than making sure taxpayers are getting their money's worth out of government.

And if we don't have the answers you need, rest assured, we know someone who does.

In other words—we will do anything and everything to help get you started—because we know that Minnesotans can compete with *ANYONE*, *ANYTIME*, and *ANYWHERE* in the world.



It's time to take a cue from *Big Ole* the Viking.
Strap on your helmet. Pick up your spear and your shield. And get ready to do battle in the international arena.

Once you make the commitment, I know you're going to conquer the world.

Thank you.