

Honorable James Doyle
Governor, State of Wisconsin
Executive Office
115 East State Capitol
Madison, WI 53703

October 18, 2010

cc:Aaron Oliver, Secretary of Commerce

Dear Jim,

It is with regret and considerable frustration that I resign effective October 20, 2010 from the Wisconsin International Trade Council (WITCO) that you appointed me to back in 2004. [Regret because my contribution to the Council and its cause of international trade for Wisconsin over the years has been very limited... and frustration because I believe the State does not take seriously the need for both *more* international trade and Foreign Direct Investment (FDI), which of course generates more good paying jobs for Wisconsin.] WITCO has not met once for the past 28 months of this Recession Period, despite the statutory requirements for annual meetings.

Please note also below a lengthy P.S. I have attached some prescriptions that I believe are desperately needed to create jobs and raise our K-12 education to World class levels. I hope your successor will take these suggestions seriously.

My best regards in your post-Governor endeavors.

Sincerely,

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P.S. To the Future Governors of Wisconsin

I have worked some forty years in the business world, mostly abroad, both as an executive of a Fortune 100 company, and then of a very successful high tech startup (and later post retirement, in consulting/executive counseling). Working with many leaders in both the business, political and church arenas, the single most important ingredient for substantial "success" that I have observed is the establishment of one or two long term world class, stretch goals, with appropriate bench marking and long term, persistent monitoring of progress. These strong leaders have throughout their organizations and constituencies, irrespective of much resistance and changing environments and markets, persistently continued to communicate these stretch targets over and over again, as they and their successors and constituents see them being realized.

For the State of Wisconsin, despite considerable complexity, I believe that there should be simply two such gubernatorial stretch goals that address very dire needs and which most every Wisconsin citizen would buy into.

**1. FOR YEAR 2030 A PER CAPITA INCOME
10% ABOVE THAT OF MINNESOTA**

In forecasts for job creation in the next ten years...Wisconsin in most polls falls to the lowest ten states in the USA. Likewise for starting up new businesses. Few major Foreign Direct Investments (FDIs) have come to Wisconsin since the 1974 Kikkoman Soy Sauce plant in Walworth County...(Interestingly, it remains one of the most successful FDIs that the Japanese have made anywhere in the world.) In bidding for major investments vs. other States, our Wisconsin Department of Commerce is woefully understaffed. In this Recession when the engines of turnaround have been the BRIC countries, the budget for Wisconsin's International Trade Office of Commerce which supports exports has

been reduced from a peak of \$2.1 million (12 Years ago) to \$200,000 (today), our Overseas State Offices from eleven to four part time offices. Budgets for attracting investment into Wisconsin likewise are terribly inadequate. The Wisconsin International Trade Council has not met since May of 2008.

Why Minnesota? Because in many demographic and geographical ways the states are mirror images of each other. When I was a kid growing up in Madison in the 1940s-50s Wisconsin per cap income was some 10 % higher than Minnesota. They caught up to us in 1967; and now the average Minnesotan makes \$4,500 more than us Wisconsinites...Yet, the excuses come regarding our "rust belt" nature vs. their financial strengths. "We have Milwaukee (the fourth poorest major city in the USA) They have their Twin Cities" ..."Our polarization greater...our partisan interest groups stronger..."

Where is that Packer/Viking rivalry? Would not the high earners and all of us want annually an extra \$4,000+ in our pockets?

Wisconsin per capita income was #20 in the USA in 1952; Minnesota #29. In 2009 Minnesota has moved up to #14. We dropped to #29. Our Wisconsin average wages, on par with other Americans in the Sixties, now 13% below the average American wage. Likewise in productivity per worker. Something seriously wrong? One would have thought that any State leaders in the early 1980s when 500,000 U.S. UAW workers lost their jobs, would have commenced some zealous proactive job creation in the industry. Since then other States attracted over 16 new transplant auto plants to their States... Wisconsin zero. But the Governor's Office was somehow "shocked" in 2009 when the obvious happened: Janesville's GM Plant closed.

Many groups from the current, excellent "Accelerate Wisconsin" to "Competitive Wisconsin" to Madison's Research Parks to WARF to Fox Valley's "New North" to "Be Bold Recommendations" to "ExportTech"

to "Badger Partnerships" are admirably working to bring hi tech and other jobs to Wisconsin... Other insightful reports on growth and tax reform are available. Much of the diagnosis has been done by our experts. We know that despite okay comparative performance vs. its U.S. peers...Milwaukee's severe ills in the economy (and education) need much special creative attention...We know that Wisconsin must attract not only domestic and foreign companies but more computer and mathematical occupations and the 10% highly paid, decision-making executives who make so much more in Minnesota.

Yet, we have attracted only 15% of the venture capital of Minnesota... And with all our resources and the Wisconsin Idea and endorsement of "Accelerate Wisconsin" by both gubernatorial candidates, no "catching up" will follow *unless* the new Governor and we citizens have a clearly defined, often publicized, easily understood bench mark to monitor and prioritize decisions...Otherwise encouraging pockets of "success" will be smothered in 'feel good' pronouncements and partisan politics as we continue our race to the (economic) bottom."

2. BY YEAR 2030 HAVE K-12 MATH, SCIENCE AND READING SCORES OF ALL NON-SPECIAL-ED WISCONSIN STUDENTS ABOVE WORLD CLASS STANDARDS.

Wisconsinites often believe we lose jobs because of low wages elsewhere...Often it is rather the abundance of people skills (and subsidies and effort) that locate huge Intel R&D labs in Bangalore, Microsoft research centers in Beijing, Advanced Micro Devices state of art chip factories in Dresden. And it is also because we compare ourselves to the rest of the U.S., not the world for K-12. Even if we "successfully" would accomplish all of our State educational goals, and even with our #3 in Nation ACT Scores, our kids would still be in the global 'minor leagues' when competing for jobs. The U.S.A. (and Wisconsin?) in high school math is roughly 24th in the world, just below

Hungary and Poland. Same for Science/Reading. Rather set "major league" targets for math (vs. Finland/Singapore)...science (vs. South Korea/Japan) and reading (vs. Canada). (Add stringent 'Wisconsin Standards' for history, government, physical education and language/arts.)

The comeback will be groans of 'impossible' and a paralyzing plethora of conflicting educational ideas. ...Not "apples to apples"... Some will blame unions for putting job security above educational attainment...Others will say only "more taxes" or "radical tax code reform"... others "less state control/subsidies for the districts." But keep those simple two global stretch targets on the wall of every state office and every school house, and union hall...Very innovative cost effective, result-oriented programs will finally evolve as the citizens of Wisconsin become agitated and frustrated enough to insist on tangible globally impressive results for our kids/grand kids.

Now since retiring back to Madison in a state my wife and I were born in and love dearly, I have within the discordant political shouting heard much "feel good" sentiment coming from both the Thompson and Doyle administrations and an inordinate number of excuses as to why it is impossible and idealistic and demoralizing to put before our citizens, much less our teachers/parents and Chambers of Commerce, such ambitious targets. Yes, the solutions are complex and there is much debate as to implementation.

Are such goals not attainable in Wisconsin? I believe they are. My experience is that if a couple of such **stretch targets** are established, and constantly focused before the constituency and annually monitored ... workers...executives and in this case the very resourceful, skilled but frustrated citizens of Wisconsin *will* find ways/resources with our institutions and politicians to arrive at these goals. The State and private sector will need timelines and sub-goals to track... radical new program and priorities... And perhaps a recently resigned Michelle Rhee-type

educational tsar?... Communication, expertise and morale building... indispensable... Discovery of which current/new programs advance toward these goals...which do not will be learned. Much political resistance will be encountered. Butif JFK had not set 'a man on the moon' stretch target...would we have landed there in 1969? Do the Green Bay Packers have a chance at winning another Super Bowl if they never tack that stretch target to the locker room walls?

Without a couple of rousing, memorable stretch targets to not only keep up but exceed Minnesota's growth and to indeed prepare our young people for good paying globally competitive jobs...we can be assured Wisconsin will be forced to greatly reduce support for our superb higher educational institutions and innovative medical and environmental efforts...continue to drop toward Mississippi in our incomes...toward Third World Countries in our children's' preparation for life/work in this very competitive, global environment.

And without clear, quantitatively monitor friendly score cards for such stretch targets especially in these most difficult economic times when we are open to change, us citizens will have little ability to coerce politicians into result oriented solutions and to evaluate all of the rhetoric from interest groups and talk and legislation about "subsidies" "cutting taxes" ..."raising taxes"..."reducing budgets"... etc.

"When one does not know where one is going...any road will do" (or not do).

Call them "the Courageous Barrett" or "Courageous Walker" 20 Year Priority Targets"...Whatever...with them, we'll have a score card for twenty years to see if the "feel good" very partisan politics can be replaced with tough, innovative, practical, result-oriented programs and incentives at the State and local and private levels to approach economic and educational Super Bowl rings. ...That would indeed mean also the Wisconsin quality of life for all of us would soar!