



Special Advertising Section

# Greater Rochester

## New York's Home For Smart Business

Resilient, resourceful and top-ranked for its knowledge workforce, the Greater Rochester, New York Region is attracting and keeping smart people and smart businesses. ■ ■ ■

By Susan H. Burnell



The competitive advantages of the nine-county Greater Rochester, New York Region are significant: 18 leading educational institutions, proximity to major markets, some of the nation's lowest health-care costs and 7% of the world's supply of fresh water. By any measure, these weigh in on the plus side for business success. Yet it is in the measurement of a region's capacity for innovation, creativity and problem solving—a ranking leaders call the Intellectual Density Quotient (IDQ)—that Rochester validates its smart-business strengths.

"A lot of communities say, 'We have an educated workforce. We have the ability to innovate.' But we prove it by putting our facts out on the table," says

Mark S. Peterson, president and chief executive officer for Greater Rochester Enterprise (GRE), the region's economic development organization.

"IDQ is not just about what we say," Peterson explains. "It's fact based, using third-party rankings. When we invite site selectors to compare our IDQ with that of other regions of the country, they experience an 'aha' moment. They can see that Rochester outperforms communities five times its size, including San Jose, Denver, Durham and Oakland. So if you thought you knew Rochester, but haven't looked at this community in a while, it's time to take a serious look."

"The IDQ measurement shows what makes us different," says Dan Burns, president of M&T Bank, Rochester

Region. "Rochester is where smart people live and smart businesses grow. It's something we all believe in and see locally. For companies looking to set up operations in this region, all the talent they need to be successful is right here."

### A Resilient Economy

Twenty-five years ago, Kodak, Xerox and Bausch & Lomb employed 60% of Rochester's workforce. Today, these companies account for only 6% of local employment. Despite this reduction, there are now more people employed in the region than there were in the mid-1980s.

The community's ability to successfully weather economic challenges was recognized by Forbes in 2009

## Greater Rochester

David Klein

President  
& CEOExcellus  
BlueCross  
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when it ranked Greater Rochester seventh on its list of “Fastest-Recovering Cities in the U.S.” Instead of seeking employment elsewhere, Rochesterians found jobs with local small and mid-size companies or started their own businesses; 97% of the companies in the region now have fewer than 100 employees.

In addition to the ready talent base, these companies have access to resources available through financial institutions, GRE, entrepreneurship programs and a Small Business Development Center.

“It’s amazing how well Rochester has performed,” says Burns. “M&T Bank’s business in Rochester increased by 12% in 2009, thanks to solid growth in deposits, loans and fee income. Our clients really know how to manage through a difficult economy.”

M&T Bank, which entered the Rochester market 20 years ago, is among the nation’s top 10 SBA lenders. The bank counts 55 of Rochester’s top 100 fastest-growing companies as customers.

### Short Commutes and Engaged Citizens

Rochester’s size is a major advantage, says Burns: “We’re not too big, but we’re big enough to matter—big enough to justify a good airport and excellent hospitals. It’s easy to get around. People can be more productive because of short commute times. You can get out to make five customer calls in one day, which simply isn’t possible in highly congested areas,” he notes. “People can work a full day and still get home in time to go to their kids’ ball games.”

Adds Peterson: “A 100-person company in Rochester saves \$128,300 per year over the same-sized company in Los Angeles, because the Rochester employees are spending 6,000 hours

less per year delayed in traffic.”

“You learn very quickly that this is not just a place to get a paycheck,” says David Klein, president and chief executive officer of Excellus BlueCross BlueShield, who moved to the area more than 20 years ago. “There’s a sense of community, spirit and energy that I haven’t seen in many other places in the country. People take ownership. They volunteer. They give generously to United Way, the arts and other causes. They defend Rochester and they fight leaving it. We hear people say, ‘I’ll do almost anything to stay here, because my family has never been happier.’”



Vineyards in the Finger Lakes region

“Much of the quality of life we enjoy here started with the philanthropy of [Eastman Kodak founder] George Eastman,” says Wegmans Food Markets Chief Executive Officer Danny Wegman. “Beyond being a great place to work, it’s a community where people are always well taken care of.”

### Innovative Alliances

The region’s colleges and universities are partnering with local businesses and health-care institutions with an eye on the future, adding programs to keep the local economy and residents healthy. Education and health services now employ more than 20% of the region’s workers, and both sectors are seeing significant growth.

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Rochester General Health System (RGHS) and the Rochester Institute of Technology (RIT) are in the early stages of an alliance that will allow the development of new health-science education and research programs. The alliance matches Rochester General Hospital physicians with RIT faculty in areas related to biomedical research, telemedicine and robotics. It has already received funding from the National Institutes of Health.

“The alliance is an innovative way of bringing together the core competencies of a nationally recognized tertiary-care health system and a nationally recognized engineering and technology university,” says RGHS President and Chief Executive Officer Mark Clement. “It will create new-found opportunities for research and education. The combined efforts will serve the community by improving

health and strengthening the educational offerings of the university.”

Among the results of the alliance to date are joint vaccine research and a physician-assistant residency-training program in surgery. A unique new course brings students into Rochester General operating rooms to observe and practice biomedical photography techniques.

Earlier this year, RGHS was recognized as one of the “Top 100 Integrated Health Systems” in the U.S. for the fourth straight year. Rochester General Hospital is the fourth-largest cardiac center in New York State and has been recognized among the nation’s “100 Top Cardiovascular Hospitals” nine times by Thomson Reuters. A national leader in minimally invasive robotic surgery, the hospital is among the top 4% in robotic surgery volume, having completed its 3,000th procedure in March.

### A Model of Health-Care Excellence

“Employers who come to Rochester will find that we have a very effective health-care system,” says Danny Wegman. “Wegmans operates in five states, and Rochester has the lowest health-care cost of any of our locations.”

“Rochester was singled out as a model of excellence in the health-care debate back in the 1990s, and it remains a model of successful health-care delivery today,” says Excellus BlueCross BlueShield’s Klein.

The region has achieved some of the lowest health-care costs of any region in the nation while providing high-quality, accessible care, Klein adds. “We are successfully integrating our delivery systems, making use of electronic medical records, providing decision support and minimizing duplication of services. For companies



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Rochester is located in the heart of the Upstate New York super-region, close to major markets without the major-market expense. It is the only city that is home to the best small, medium and large companies to work for in America.



looking to do business here, that is a real differentiator. In fact, if the rest of the country's health-care systems performed at Rochester's level, reform legislation might not have been needed."

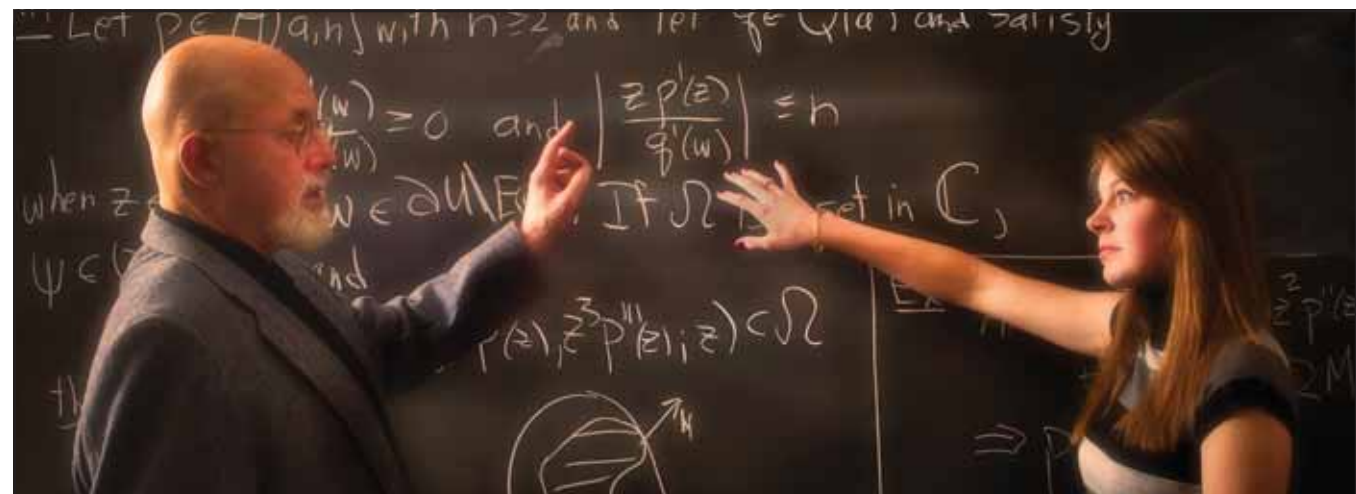
Excellus BlueCross BlueShield, headquartered in Rochester, is the region's largest third-party payer. Part of a \$5 billion family of companies serving Upstate New York, the non-profit also provides long-term-care insurance nationwide.

As the newest health-care reforms take effect, Klein views Rochester as

being on the leading edge, because of the culture of collaboration and innovation that has existed in the community for many years. "One example is the response to a shortage of neurosurgeons in the Rochester area 10 years ago," he says. "We were able to provide a \$4 million grant, which provided incentives for neurosurgeons who trained here to stay and practice here."

### Medical Research With Far-Reaching Impact

The University of Rochester Medical Center (URMC) factors into the IDQ equation as a major employer and research facility. The medical center comprises 80% of the university's full-time employees and \$2 billion budget, says Peter Robinson, URMC vice president and chief operating officer. "We are



Professor of Mathematics Dr. Sanford Miller and Courtney VanDeWeert '10.

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## Greater Rochester

distinguished by the amount of funding we receive from the National Institutes of Health, and we bring a significant amount of biomedical research expertise to the Upstate New York region. We rank among the top 10 medical centers in revenue generated from intellectual property over the past eight years."

URMC has long-standing R&D programs in partnership with Kodak and Bausch & Lomb in the areas of optics and health-care imaging. "There is a strong correlation between well-funded research and economic development," says Robinson. "In addition to new developments for existing companies, we're seeing four or five start-up companies launch per year as a result of research projects at the medical center."

One of those companies is iCardiac Technologies, which is commercializing technology developed by URMC's cardiovascular research program. The technology will allow pharmaceutical companies to learn more quickly whether an experimental drug may cause heart problems.

In addition to the research it produces and the students who graduate from its medical and nursing schools, the University of Rochester contributes to the region's intellectual excellence through its School of Arts and Sciences, Hajim School of Engineering and Applied Sciences, Eastman School of Music, Simon School of Business, Warner School of Education, and Laboratory for Laser Energetics.

### Attracting Growth Industries

The top asset for any business seeking to expand or grow is a constant supply of highly educated, innovative workers. While many employees and business leaders enter the workforce directly from the area's educational institutions, others have gained invaluable knowledge by working for some of its industry giants.

Such is the case with business intelligence company iVedix. Its chief executive officer, Raj Kutty, was formerly a member of an award-winning development team at Eastman Kodak.

"iVedix is a Rochester company because a wealth of knowledge exists here," says Kutty. "Much of what the world knows about imaging, for example, comes from the work done at Eastman Kodak. Furthermore, iVedix's elite technical team has a large representation of graduates from area universities."

iVedix is adept at bringing together data and process from multiple sources. Its technology expertise helps clients connect silos of information that exist within their organizations in real time. As a result, clients are able to see their data visualized and intuitively organized and are empowered to respond

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**live** It's easy to get a great meal in Rochester, thanks, in part, to Wegmans! Always a leader in innovation, Wegmans has its own restaurant, Next Door Bar & Grill, and its own, unique Organic Research Farm. Our Market Café offers a wide variety of freshly prepared foods that families love.



**play** Rochester is also famed for being the home of the LPGA—this year, Wegmans proudly sponsors Rochester's first Major LPGA Championship, with proceeds benefiting United Way's Graduation is the Goal—a national program that helps at-risk youth secure better futures through education and work.

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iVedix is currently working on a sophisticated process-driven solution that will combine retail stores' inventory and supply-chain data with real-time weather predictions. "Storms will no longer prevent stores from being adequately stocked; proactive updates to customers via mobile devices and social media outlets will be the norm," says Kutty. He expects this kind of collaborative, integrated and actionable business intelligence to be in high demand for government, media, health care and finance.

#### College Programs Respond to Market Needs

Major partnerships with local companies and school districts are woven into the curriculum and outreach activities

## Greater Rochester

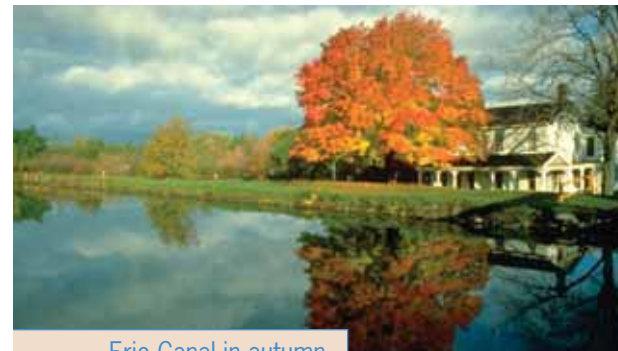
of Rochester-area colleges and universities. The College at Brockport, State University of New York (SUNY), has more than 30,000 alumni living in Greater Rochester, approximately 800 of whom are employed by area schools. The college works with these local schools, including the Rochester City School District, on programs to help high school students plan and prepare for college.

The College at Brockport offers 49 undergraduate programs and 41 graduate programs, including 23 areas of teacher certification. The college's focus on student success is apparent. "Our first-year retention rate of 86% is outstanding and approaches that of high-caliber private institutions," says the school's president, John R. Halstead, Ph.D.

To further support the local business community, The College at Brockport Small Business Development Center provides free business consulting services at its downtown MetroCenter. The MetroCenter also offers more than 100 graduate and undergraduate courses each semester. Many classes are held at night and on weekends to accommodate working adults. The center is part of Rochester's \$820 million downtown revitalization effort.

The College at Brockport, which will celebrate its 175th anniversary during the 2010–11 academic year, offers the Rochester area's only master's degree in Public Administration. One of its newest programs is a Master of Science in Forensic Accounting, which prepares graduates to meet the growing need for accounting oversight in the corporate world.

Responding to a projected shortfall of qualified pharmacists in central and western New York, St. John Fisher College enlisted the support of Rochester-based Wegmans Food Markets. In 2005, the regional supermarket chain donated \$5 million toward the creation of the Wegmans School of Pharmacy at St. John Fisher College. The school will graduate its first Doctor of Pharmacy students in early May 2010.



Erie Canal in autumn

"The speed and scope of our development may surprise the business community," says the school's president, Donald E. Bain, Ph.D. "We constantly seek opportunities that are mission consistent and market responsive. The fact that we have only the fifth School of Pharmacy in the entire state is noteworthy."

St. John Fisher College offers 31 undergraduate majors, 10 preprofessional programs, 11 master's programs and three doctoral programs. "For a school our size, we have an enormous breadth of offerings for our students," says Bain, "such as our accounting program, nursing DNP, education Ed.D., the increased internationalization of our curriculum and overseas experience, online education, and partnerships with the Rochester City School District."

Mark Zupan, dean of the Simon Graduate School of Business at the University of Rochester, calls the region's universities "intellectual Ellis Islands" for their ability to attract talent from around the globe. Consistently ranked as a world leader among graduate business schools, Simon plays a key role in educating entrepreneurs. "Entrepreneurship is the dream of many of our M.B.A. candidates," says Zupan. "The general management training of our M.B.A. program prepares them with knowledge of accounting, finance, marketing, operations and how to hone a business plan."

Simon faculty also participate with GRE to promote entrepreneurial ventures in Rochester, and many of its faculty and graduates serve on area corporate and nonprofit boards.

#### A Great Place to Work, Learn and Play

Among Simon's successful graduates is Colleen Wegman, daughter of Wegmans Food Markets Chief Executive Officer Danny Wegman. Colleen serves as Wegmans' president, while her sister Nicole, a graduate of RIT, is a company vice president. Wegmans, recipient of 13 "Best Places to Work" rankings, was founded in Rochester in 1916.

"Rochester's schools and universities offer a wonderful group of talent to draw upon at all levels," says Danny Wegman. "People are very happy to work, and even when young people move away from the area, they tend to come back here when they decide to get married and raise a family. From a business standpoint, would we ever consider moving anywhere

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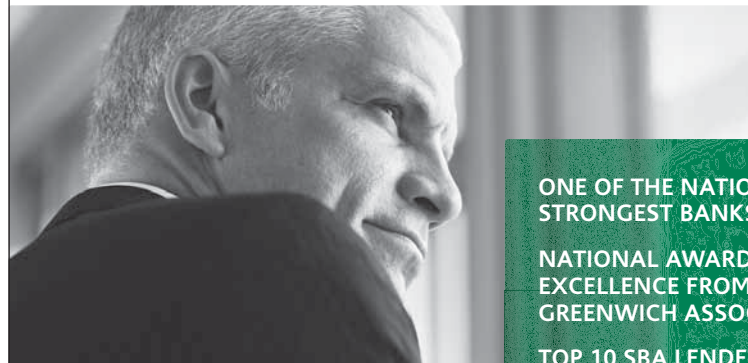
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else? No. We are in the right place for what we do.”

Wegmans Food Markets will be the presenting sponsor for the 2010 PGA Championship at Locust Hill Country Club outside Rochester.

Golf is just one of the many activities local business executives and their families enjoy. “Oak Hill is the only club in America to have hosted all six major golf events,” notes Excellus’s Klein. “We have the Rochester Yacht Club for sailing enthusiasts. Watkins Glen International Speedway, on the NASCAR circuit, is less than 90 minutes away. The Finger Lake wineries are turning out white varietals and Rieslings as good as you’ll find in Germany or Austria. We have neighborhood and jazz festivals, the Garth Fagan Dance Company, and the Rochester Philharmonic.” The truly four-season region also offers a variety of winter sports, including skiing.

### Strategic Location for Diverse Industries

Rounding out the diverse industry strengths of Greater Rochester are companies engaged in green technology, food and beverage manufacturing, and cutting-edge optics and imaging firms.

Wind and solar technologies are a

substantial part of the growth strategy for Rochester-based O’Connell Electric. Founded in 1911, O’Connell has been on the *Rochester Business Journal’s* “Top 100 Companies” list 13 times, and is ranked among the top 50 largest electrical contractors in the U.S. The company will find a ready supply of materials, as the region now has more than 100 manufacturers with the technical capability to manufacture wind turbine components.

Kraft, Constellation Brands, Cadbury Schweppes and Seneca Foods are among the 100-plus food and beverage manufacturers with a presence in the region. LiDestri Foods—manufacturer of sauces, dips, salsas and spirits, including Newman’s Own Sauce and Salsa and Frito-Lay’s Tostitos line—is expanding its operations and workforce in Rochester. The company now owns a manufacturing facility formerly occupied by Eastman Kodak. LiDestri’s Rochester location allows the company to reach 75 million people within a day’s drive.

Other companies with Rochester roots are aerial photography innovator Pictometry, which plans to add 100 jobs in the next two years; and Syntec Optics, the largest independent custom manufacturer of precision-plastic optics in the U.S.

A Brookings Institution analysis released in June 2009 pointed to Rochester as one of the “20 Strongest Metros in the U.S.” on the strength of its employment and housing prices.



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### Compare Rochester's IDQ for Yourself

Greater Rochester Enterprise invites company executives and site selectors to compare Rochester with other major metro areas in the U.S. by visiting [rochesterbiz.com/idq](http://rochesterbiz.com/idq).



# Smarten UP.

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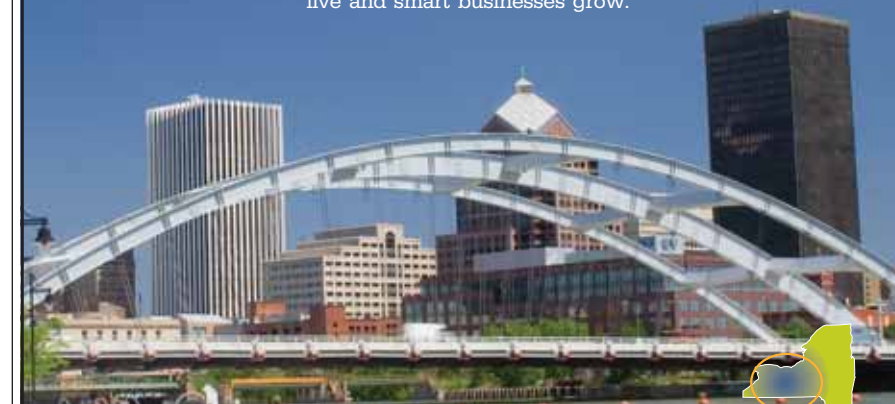
**Intellectual Density Quotient (idQ)** is a measurement derived through a comparison of a region's population to its rankings in a core list of recognized standards of success:

- Percent of population enrolled in college
- Number of patents issued per worker
- Number of workers trained to excel in our knowledge-based economy

**The Greater Rochester, NY Region has an idQ that is higher than any other region in the country:**

- We outperform well-known high tech regions around the country that are up to 5 times our size
- We produce more patents per worker (2.77) than regions such as San Jose, CA and Austin, TX.
- A greater percentage of our population is classified as knowledge workforce (25.3%) than Raleigh, NC or San Diego, CA.
- Right now 5.2% of our population is enrolled in college – this is a higher percentage than Boston or San Francisco.
- And...we are the only community in the country to be home to the best small, medium and large company to work for in America.

Go ahead—match us up against other regions around the country. You'll see that we have the **idQ** you're looking for. And you'll see why the Greater Rochester, NY Region is where smart people live and smart businesses grow.



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or call 877.805.1770 today.



### Proactive Stance for Smart Business Growth

Telecommunications products and services company Callfinity moved its headquarters to Rochester from Boston several years ago. “In Rochester, we discovered we didn’t have to compete with 30 other companies for the same talent base,” says Chief Executive Officer Jeff Valentine. “And more than any other area, Rochester was willing to work with us.”

Valentine says his company found GRE proactive and willing to bring resources to the table. “They told us about economic incentives for job creation in certain parts of the state. They helped us with utilities and tax breaks. Every dollar we save goes back into hiring more people, and we’ve been able to grow from three to 35 people. GRE provides a terrific value to the community. We wouldn’t have been able to grow as we have without their assistance.”

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