



State of Michigan Diversification Strategy and Programs

MICHIGAN
ECONOMIC DEVELOPMENT CORPORATION
THE UPPER HAND



Brenda Flory

SVSU Solar Event – October 15, 2009

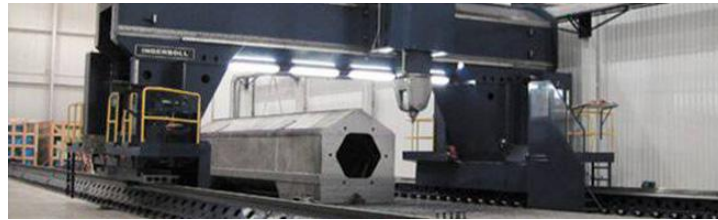
Strategies

- Stabilize Auto (next gen vehicles), while building new industries
- Attraction OEMs and Supply Chain Anchors
- Retain and Grow MI Companies through supply chain build out
- Train and Fund
- Be a conduit for matchmaking

What does Success look like?

- Less reliance on auto
- Companies with strong and diverse portfolios
- New industries gaining strength in MI—more contracts for MI companies
- Legacy industries moving in new directions
- For state incentives, there will be a stiffer test regarding company portfolio—**Are You Diversified?**

Company Success



- *W Industries* was founded in Detroit in 1981
- Produced 100 percent of its metal fabricated products for the automotive industry
- Today, 40 percent of business is defense products and 30 percent is heavy industry machinery, while only 15 percent of business remains automotive
- Plans to invest \$36M in infrastructure and hi-tech manufacturing equipment

Company Success

- Short and medium-run manufacturer was 90 percent automotive five years ago
- Now, primary focus is wind turbines while only 5 percent of business remains automotive - extensive assistance from NextEnergy
- \$7.1M investment to build a new manufacturing facility and more than double its workforce
- 358 new jobs—200 direct, 158 indirect

Dowding Industries, Inc.

State Programs—Diversification Training

- Grant program for training—now a 70/30 match system—with \$14,000 minimum state grant
- Monthly Summits or Pass Throughs as entry points into process
- Phase I coming towards end (December 2009)
- Phase II launching
- Program provides various levels of training and grant funding to move companies further along their Diversification Curve
- Program also provides state with company info to market to OEMs

Industry Expert Partners

- NextEnergy (Alterna**NEXTENERGY**)
- Defense Contract Coordination Center (DC3) and Michigan Procurement & Technical Assistance Centers (Defense)
- Michigan Aerospace Manufacturers Association (Aerospace)
- CJPS Enterprises (Medical Devices)
- Michigan Manufacturing Tech Center (Certification & Preparation)



Success to Date

- 2204 summit attendees (includes multiple attendees from one company)
- 1521 surveys sent, including 438 pass throughs
- 401 companies through process and in database
- 133 companies actively working on training
- \$1.5M State Grant Funding provided
- \$330M in new contract business in targeted spaces

Other State Programs

- Supplier Diversification Loan Program
- AE Supply Chain Outreach performed by MEDC BDMs
- Database and matchmaking (in design phase)
- Targeted Sector cross-functional “Matrix” teams including Solar
- Cross agency teams to connect companies & Communities to ARRA resources

Important Connections

- www.MichiganAdvantage.org/Diversification
- www.MichiganAdvantage.org/Recovery
- Diversification fact sheet available to you here
- Kelly Rogers, 517-335-0236,
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