

MICHIGAN

STATE of INNOVATION

PART IX in a SERIES

Focus on Business Retention: Michigan Economic Development Corporation Keeps In-State Customers Happy and Growing



by Vickery Eckhoff

Great service, 24/7 — it's an easy promise to make, harder to fulfill. But keeping business customers satisfied full time is exactly what the Michigan Economic Development Corporation (MEDC) has been doing since retooling its business retention efforts in the early 1990s.

Faced with a number of in-state businesses being wooed away from other states, the MEDC developed an account management system with 21 managers who are dedicated to visiting the business community, meeting its needs and building relationships. The result: a record number of new business developments and jobs for six years running and a near-perfect customer satisfaction rating of 99%.

The program provides the assistance and incentives companies need to thrive right where they are. Altogether, the MEDC's account managers visit more than 5,000 in-state businesses a year, helping them with site selection, one-stop shopping for environmental permits, workers' compensation issues, tax abatements and more.

The aggressive program more than pays for itself. In 2001, Four Winns Boats used a single business tax credit from the MEDC to reopen and expand operations in its home base of Cadillac rather than move to Sarasota, Fla. The move would have enabled Four Winns' parent company to generate a substantial annual savings but have a devastating impact on Four Winns' experienced work force in northern Michigan.

"There's a heart and soul to a boat company, and Cadillac is as much a part of Four Winns as Four Winns is part of Cadillac. Plus, we have an incredible work force that we would not be able to duplicate in the South," states Four Winns President John Anderson.



Above: With MEDC support, RL Polk chose Southfield over Cincinnati as the place to consolidate its data operations. Below: State assistance enabled Four Winns Boats to keep its facilities in Cadillac and preserve 535 jobs.

To avert a move, Anderson met with MEDC officials and, just days later, applied for a tax credit. "Never in my wildest dreams would I have believed that a state government or even the MEDC and the state of Michigan could move that fast," says Anderson. Within two months, the company had received an incentive package to convince it that Michigan rather than Florida was the place for Four Winns. This quick thinking protected 535 Michigan jobs and persuaded the company to invest more than \$17 million into the facility.

Automotive information solutions services provider RL Polk decided to merge its data operations in Southfield from offices in Cincinnati, thanks to MEDC assistance. "The end result of the MEDC's retention efforts was the company consolidating into Michigan and creating up to 300 new high-paying jobs. "I really applaud the MEDC on what they were able to do," says Stephen Polk, the company's chairman, president and CEO.

Training assistance and a quick call to action helped persuade Flowserve Corporation to expand in Michigan, adding up to 100 jobs. Flowserve Corporation, provider of industrial flow



management services, decided to expand its existing Kalamazoo site rather than another out-of-state location. "By providing additional training for our people, the Kalamazoo site was selected over another one to be our major site for the manufacturing of mechanical seals in the U.S.," says Bill Adams, vice president of marketing and technology for Flowserve's Seal Division.

Until the MEDC stepped in, there was no guarantee Michigan would be selected. "It gives business a competitive advantage," says Adam. "It's efforts like that from the MEDC that attract and keep businesses in the state of Michigan." ■

For more information, contact the Michigan Economic Development Corporation at 800-946-6829 or visit www.michigan.org.