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CRAIN'S

DETROIT BUSINESS

OCTOBER 12-18, 2015

Michigan Business

Although the grape harvest is unpredictable due to the weather, Michigan tasting rooms are trying new tactics

PAGE 35



CRAIN'S 40 under 40

They've built businesses from nothing. Brought new life to buildings in tatters. Brokered big deals, and negotiated grand bargains. They make things happen. And they've got decades left to do more.

Crain's 40 under 40 salutes the best of metro Detroit's young business, civic, and nonprofit executives who have achieved significant success — and are leaders to watch — such as Laura Hughes, right.

Their profiles start on Page 10, or see Crainsdetroit.com/40s.



Focus: Hope loses funds, idles training

By Sherri Welch
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Focus: Hope is suspending new enrollment in its workforce training programs until it secures funding for them, following employee pay cuts and reduced workweeks instituted over the summer.

Nearly \$3.2 million total in workforce training and related grants from the **Michigan Economic Development Association** and **Detroit Employment Solutions Corp.** were not renewed or expired this year.

Sources with knowledge of the situation say Focus: Hope did not hit the metrics for at least one state grant that it was awarded through the MEDC's Community Ventures program for 2014 but lost this year.

However, the program's director, James Durian, said Focus: Hope hit the minimum metrics for the program. But that grant was awarded to two other groups deemed more capable for those programs.

The Detroit nonprofit also received extensions on two other grants, one from the MEDC and the other from DESC, to complete the requirements of the grants, those agencies said.

"If extensions were granted, both parties agreed extensions were appropriate," Focus: Hope CEO William Jones



William Jones: CEO says funds not secured for new classes.

SEE **FOCUS: HOPE**, PAGE 53

State may pull plug on renewable energy mandates

Green groups, some businesses opposed

By Lindsay VanHulle
Crain's Detroit Business/Bridge Magazine

LANISING — Since Michigan's energy law was adopted in 2008, billions of dollars have been spent in the state's emerging renewable energy industry — building infrastructure, adding jobs and lowering costs.

With the help of the state's two

largest utilities, which are required under state law to generate electricity from renewable sources, nearly \$3 billion has been invested on wind, solar, biomass and other clean power sources across the state.

Now, the utilities want state lawmakers to end the standards that contributed to those results —

A look at DTE Energy and Consumers Energy solar, wind projects. **PAGE 51**

mandates that governed the amount of electricity they produce from renewable sources.

Detroit's **DTE Energy Co.** and Jackson-based **Consumers Energy** say they don't need mandates to expand their investment in solar and

wind power. Rather, they believe new rules from the federal **Environmental Protection Agency** requiring utilities to reduce their carbon emissions by 32 percent by 2030 will ensure further investments in alternative energy.

Their position has changed in seven years: Both companies supported including renewable standards when the Legislature approved the first energy law.

"There are some who believe that we won't do it unless we're forced to do it. I don't agree," said Irene Dimitry, DTE's business planning and development vice president. "It's the right thing to do."

Not everyone is convinced. Groups from the **Sierra Club** to some large industrial corporations — led by Benton Harbor-based appliance

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CRAIN

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MICHIGAN BRIEFS

PNC survey: State biz owners optimistic for short term

Michigan owners of small and midsize businesses are optimistic about the next few months, according to the annual fall survey conducted by Pittsburgh-based **PNC Financial Services Group Inc.**

Eighty-eight percent of respondents say they are optimistic about their company's prospects, up a tick from 87 percent in the spring. Other positive results: 33 percent expect to increase employees' pay, up from 26 percent in the spring; 31 percent are planning to charge higher prices, compared to 36 percent; and 77 percent expected consumer prices to rise, from 89 percent.

However, only 46 percent of the owners said they expected an increase in sales, 39 percent expected no change, and 13 percent foresaw a decrease; the spring numbers were 53, 43 and 4 percent, respectively.

Tom Henderson

Snyder wants Flint's water from Detroit – for now

Gov. Rick Snyder last week called

for Flint to switch back to Detroit's water system to address a public health emergency and grapple with broader concerns about the effects of the aging pipes distributing the city's water supply, The Associated Press reported.

Flint stopped using water from the Detroit system last year as a cost-cutting measure, opting instead for a supply direct from the Flint River. Residents have since complained of the water's bad smell, taste and appearance, as well as adverse health reactions.

Snyder said he would ask state lawmakers for \$9.3 million of the \$12 million needed to reconnect Flint to Detroit's system through next summer. Then the city would transition to a new regional water authority drawing water from Lake Huron. He said Flint would provide \$2 million, and the Flint-based **Charles Stewart Mott Foundation** has committed \$4 million.

MICH-CELLANEOUS

■ **Meijer Inc.** named Rick Keyes as the seventh president in its 81-year history, MiBiz reported. Keyes, 46,

vice president of supply chain and manufacturing since 2006, was named to head the Walker-based retailer two days after J.K. Symancyk left to become CEO at **Academy Sports + Outdoor**, a Texas-based sporting and outdoor goods retailer.

■ **Spectrum Health** plans to move up to 500 employees to a six-story office building being renovated in downtown Grand Rapids' Arena South neighborhood, MiBiz reported. According to a memo filed with the city, Spectrum will consolidate employees from two nearby offices.

■ Grand Rapids-based **Fox Motors Group LLC** opened the doors to its new **Fox Ford Lincoln of Chicago** dealership, MiBiz reported. The company invested about \$57 million into the 145,000-square-foot dealership.

■ **Charlevoix Area Hospital** will soon be known as **Munson Healthcare Charlevoix Hospital**, after two health care systems reached an agreement last week, the *Petoskey News-Review* reported. The arrangement will bring the Charlevoix hospital under the umbrella of the Munson Healthcare network, which includes hospitals in Traverse City, Cadillac, Grayling and Frankfort.

■ The nonprofit **Community Foundation of St. Clair County** hopes offering financial incentives will attract college graduates who have moved out of the area, The Associated Press reported. The foundation plans to offer three \$10,000 "reverse scholarships" early next year to help graduates with college loan debt and bol-

ster the area's workforce, the *Times Herald of Port Huron* reported.

■ How's this for a taste of home? Galesburg-based **Bell's Brewery Inc.** has released the first beer fermented in wooden tanks once used by **Stroh Brewing Co.** in Detroit, MLive.com reported. Bell's acquired the tanks in 2012 from Stroh after they had been sitting in a Detroit warehouse for more than 50 years. They were transported to Bell's in pieces and reassembled. The tanks were used because wood was used to make the bitter English beers that inspired Bell's new Andrews' Ale.

■ The **National Wildlife Federation** sued the federal government, contending it gives pipeline owners and operators — such as the company that runs twin lines under the Straits of Mackinac — a free pass on developing legally required plans for dealing with oil spills into lakes and other inland waterways, The Associated Press reported. The lawsuit accuses the **U.S. Department of Transportation** of failing to issue regulations on crafting spill strategies and of allowing companies to operate without them. Houston-based **Enbridge Energy Partners LP**, which operates the lines linking Lake Huron and Lake Michigan, has said

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they pose no threat.

■ How could northern Michigan's tourist industry not benefit from a recent travel story in *The New York Times* headlined "When Hemingway Was a Young Fisherman in Michigan"? In traversing the Petoskey and Walloon Lake areas where the author Ernest Hemingway fished a century ago, *Times* writer John O'Connor gushes over what Hemingway called "absolutely the best trout fishing in the country ... and the best place in the world to do nothing." O'Connor is a native Michigander, so he ought to know. ■

CORRECTION

■ On Page 13 of the Sept. 28 issue, Marjorie M. Fisher was incorrectly listed as co-chair of the **Max M. and Marjorie S. Fisher Foundation**. She is a vice chair.



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Going for the green

With economy improved, LPGA shoots for success in Michigan; could men's golf tour follow?

By Bill Shea
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Last week's announcement that the **Ladies Professional Golf Association** would stage a new tournament in Ann Arbor next May has some wondering when the men's pro tour will end its six-year absence from Michigan.

The **PGA Tour** hasn't played a regular event in the state since the Buick Open in Grand Blanc ended in 2009, and there hasn't been a major men's rotating event since the 2008 PGA Championship at **Oakland Hills Country Club** in Bloomfield Township.

Golf insiders say Michigan's economy has improved, and if the new LPGA Volvik Championship, scheduled for May 26-29 at **Travis Pointe Country Club** in Ann Arbor, is especially successful financially, it could turn some heads at the PGA Tour's Florida headquarters.

"I definitely think this market is ripe for more professional golf," said Keith Karbo, CEO of Ann Arbor-based sports marketing firm **Red Arrow Partnerships** who is the originator and tournament director of the LPGA Volvik Championship. "I think what this is going to do is going to revive interest in professional golf tournaments in Southeast Michigan."

How the LPGA Volvik Championship plays out on the business side will be something the men's tour keeps its eye on, said Dave Richards, owner of Bloomfield Hills-based **Resort & Golf Marketing**.

"The PGA Tour always is looking for new sites

and new sponsors," he said. "Say there's a 30 percent increase (in corporate hospitality sales), that might be something that shakes up or speeds up somebody's thought process."

The cash outlay for a men's tour event is significantly more than the cost of an LPGA event, making it a tougher sell in Michigan's still-recovering economic climate. Also, the PGA Tour can't come here unless there's an opening on its tournament calendar.

Richards estimated an LPGA event costs its main sponsor about \$500,000 to \$750,000, while a



RIVAN STINSON

The new LPGA Volvik Championship will be played May 26-29 at **Travis Pointe Country Club** in Ann Arbor.

midlevel event on the PGA Tour, such as the now-defunct Buick Open in Grand Blanc, is \$5 million to \$6 million.

Once a tournament is on the calendar, the challenge is selling corporate sponsorships for things such as hospitality tents and chalets on the

SEE GOLF, PAGE 50

"I definitely think this market is ripe for more professional golf."

Keith Karbo, CEO of Red Arrow Partnerships, originator and tournament director of LPGA Volvik Championship

Analysts: No supplier windfall in trade accord

Trans-Pacific Partnership seen as mild plus

By Dustin Walsh
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Last week, 12 nations reached an agreement on the Trans-Pacific Partnership — the hotly debated trade deal and potential Obama administration swan song — tying the U.S. to the Pacific Rim.

The accord is designed to level the playing field for trade among the nations by opening trade and creating consistent environmental and labor standards. For U.S. exporters, the TPP would make 18,000 tariffs disappear.

But for Southeast Michigan's automotive industry — which dominates the list of the state's largest exports — the headline-grabbing figure is unlikely to move the needle much on trade.

That's partly because the economics of manufacturing have

changed. Over the past two decades, the industry has pushed hard to build parts where the final product is sold — not only to avoid tariffs, but more important, to avoid exchange rate fluctuations during shipment and excessive freight costs.

However, economists and trade experts view the agreement, which needs to be approved by each country, as positive, even if it's not the transformative event the White House hoped.

The TPP would affect trade in as much as 40 percent of the world economy. TPP countries include the U.S., Japan, Canada, Mexico, Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore and Vietnam.

SEE TRADE, PAGE 52

Once all the rage, Japanese classes make culture shift

By Marti Benedetti
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An emphasis on understanding Japanese culture to be successful in business relations — all the rage among Detroit-area companies in the 1980s and into the early 1990s — has evolved over time.

Classes three decades ago might have focused on the proper way to hand over a business card or the etiquette around gift giving. But culture classes now teach how to work with a Japanese company on, say, co-designing a product, said Rochelle Kopp, founder and managing principal of Chicago-based **Japan Intercultural Consulting**, which helps foreign companies work with each other.

"Three or four times a year, we offer a class in the Detroit area called 'Working Effectively with Japanese,'" she said. Her clients are often suppliers whose customers are Japanese auto companies, she said.

On the flip side, clients also are Japanese companies that want to help their U.S.-based Japanese employees understand American culture.

That's a switch from when U.S.-based Japanese

SEE JAPAN, PAGE 52

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LOOKING BACK: In the Oct. 14, 1985, issue, *Crain's* reported that Detroit companies were studying Japanese culture and customs to better conduct business with Japanese automotive companies. That trend has changed considerably.

More at crainsdetroit.com/30

MUST READS OF THE WEEK

It's not all roses in retail

John Wangler, the former UM quarterback, is working through the obstacles of sports apparel sales,

Page 4



Legal M&A heats up

Six acquisition deals involving local law firms have closed so far this year,

Page 50

The scoop on selling

What was the secret ingredient to finding the right buyer for Garden Fresh? Patience. See this week's Second Stage report, Page 41



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These days, Wangler strives for success in the retail game

By Bill Shea
 bshea@crain.com

John Wangler found success — and pain — in a career as a quarterback at the **University of Michigan**.

He won a Rose Bowl during the 1980 season, but a year before he had a knee wrecked when fearsome future NFL Hall of Famer Lawrence Taylor sacked him during a bowl game.

Today, Wangler has found success in business, owning a wholesale apparel and footwear supplier, but he has also discovered a different kind of pain trying to stake out a retail space in Royal Oak.

Wangler and his wife, Lorraine, in April 2014 opened **Co. 512** just north of 11 Mile Road and have been trying to find the right blend of licensed team and athletic merchandise to get the business into the black.

"We're still battling. We're doing better month over month," he said. "We're not there yet. We've got a ways to go. I knew this was not going to be a one-year project to become profitable. We're committed to making this thing work."

Wangler now is pinning his hopes on a new nearby development.

Foot traffic could improve, he said, once a proposed \$48 million mixed-use building with 56 apartments and a 120-room, five-story **Hyatt Place** hotel is built nearby at 400 N. Main. Developers have said it could be open within two years.

Wangler's belief is that the project will fuel new activity north of 11 Mile in Royal Oak.

Co. 512 is the consumer-facing part of his main business, **Top Cat Sales LLC**, which wholesales **Adidas** and **Reebok** apparel and footwear to retailers such as **Dunham's Sports** and **Dick's Sporting Goods Inc.**

Also, a Top Cat division handles uniform and equipment deals for more than 200 high school teams in Michigan and Northeast Ohio, Wangler said.

The overall company, which employs 25 people, did about \$30 million in revenue last year, he said. Top Cat takes an undisclosed commission off that.

It was a couple of years ago that Wangler determined the time was right to open a space.

"Having grown up in Royal Oak and seeing the rebirth and revitalization of Royal Oak over the past 30 years, I always had the interest in doing a retail store," he said. "I thought it would be good to have a storefront since we have a lot of the high school kids and teams coming through."

The 10,000-square-foot building, which has about 1,800 square feet of retail space, takes its name from its address at 512 N. Main. It was previously the old Royal Music building, and Wangler said he spent "seven figures" to buy and renovate it.

He moved Top Cat Sales from



GLENN TRIEST

John Wangler (left) knows something about successful game plans, having led the **University of Michigan** football team to a Rose Bowl victory in 1980 and having built a wholesale apparel and footwear supplier. Now he's learning the X's and O's of retail as the owner of **Co. 512** in Royal Oak (Above).

trucking business and as a manufacturer's representative before getting into the apparel business.

He launched Top Cat in 1999 — its name is derived from previously doing business with German footwear maker **Puma** — and before that he worked for Greensboro, N.C.-based clothing giant **VF Corp.** and its now-defunct **Nutmeg Mills** brand.

A Michigan man (and dad)

Wangler was a quarterback at Royal Oak's **Shrine Catholic High School** and was recruited to Michigan, where he was Rick Leach's backup until earning the full-time starting job in 1979.

He entered Michigan football lore thanks to a game-winning 45-yard touchdown pass to Anthony Carter to beat the **University of Indiana** during the 1979 homecoming game. That play sparked UM radio broadcaster Bob Ufer's memorable call: "Johnny Wangler to Anthony Carter will be heard until another 100 years of Michigan football is played!"

Wangler remains devoted to his alma mater, and not just because he played there: When the Wolverines and Spartans square off Saturday on the football field in Ann Arbor for the 108th time, he'll be in the stands as a season ticket holder to watch two of his sons on the Michigan sideline.

His son Jack is a junior wide receiver this season, and son Jared is a sophomore linebacker. And in the winter, Wangler will watch daughter Halle play for the Wolverines on the women's basketball team.

Oh, and Wangler's mother has hosted a tailgate party at UM football games for 40 years, he added.

"I've always been involved in the program since I left, to whatever degree," he said. ■

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Meals fuel GPJ's appetite to acquire Pulse220

By Marti Benedetti
mbenedetti@crain.com

A business relationship plus many meals, as in traditional relationships, can sometimes end in a marriage.

A series of twice-a-year breakfasts culminated last week in a deal for marketing giant **George P. Johnson Co.** to acquire Ferndale-based events manager **Pulse220**.

"David Drews (executive vice president and CFO of George P. Johnson), a bit of a mentor to me, and I have been having breakfast together for



Craig Erlich: Talks began over breakfast.

several years," said Pulse220 CEO, founder and owner Craig Erlich. "In recent months, we got to talking about GPJ buying us and how that would be a one-plus-one equals three."

Erlich said his relationship with GPJ goes back about 10 years. "We were the scrappy five-six person

agency; they were the 800-pound gorilla," he said. Because of his relationship with GPJ, he further learned the business.

With the sale, Erlich's new title is senior vice president and general manager of GPJ's Auburn Hills and Nashville, Tenn., locations. GPJ has 29 offices and more than 1,300 employees worldwide.

The purchase price was not disclosed.

"We criss-cross the U.S. with offices from Boston to Auburn Hills, Nashville to Los Angeles, Silicon Val-

ley to New York and more," Chris Meyer, CEO of Auburn Hills-based GPJ, said in an email. GPJ also has facilities in London, Stuttgart and Shanghai.

Meyer said in a news release that Pulse220 "fits seamlessly with GPJ's long history of innovation, creativity and flawless delivery."

GPJ was founded in Detroit 101 years ago by George P. Johnson. At the start, it was a flag-making company constructing large flags for the mammoth J.L. Hudson department store on Woodward Avenue down-

town. It grew along with the auto industry and designed one of the earliest auto shows at the Wayne Gardens. It went on to invent the automobile turntable and create mobile marketing tours.

Pulse220 was started in 1987, has 30 employees and expects \$20 million in sales this year.

In the coming months, Pulse220 will close its Ferndale office and move to GPJ's Auburn Hills facility. It will keep its downtown Detroit office.

"I will not only continue to lead my Pulse folks, but will be joining them with 150 or so GPJ employees," Erlich said.

The Auburn Hills and Nashville locales handle fabrication, banners, exhibits and graphics for experiential marketing projects such as auto and trade shows. Pulse220 produced the **Detroit Homecoming** event Sept. 30-Oct. 2.

Erlich, who was a *Crain's* 40 under 40 honoree, said he thinks of his employees first when making business decisions.

"When David brought it (the sale) up, I thought about how it would affect our people and our clients," he said. "In both cases, it exceeded my expectations."

Pulse employees received a new benefits package, but also the opportunity to work for **Project: World-Wide**, a global advertising holding company created in 2010 by GPJ management. It is owned through an employee stock-ownership plan that links it with traditional and digital ad agencies.

Meyer would not disclose sales revenue, but *Crain's* reported that in 2012, sales revenue was \$815.3 million, making it the world's largest event and experiential marketing company by revenue.

Pulse clients include **PepsiCo**, **Ally Bank** and **Quicken Loans Inc.**

Meyer said in an email that industry publications and traditional research show "marketers are shifting their dollars away from traditional marketing and into a more experiential approach. ... Consumers crave experiences, not additional interruption."

Pulse220 will remain the name of the promotional product company within GPJ. The rest of the business will be rolled into GPJ operations. ■

"WHAT'S DTE ENERGY DOING TO MAKE IT EASIER ON BUSINESS?"

The new interactive eBill from DTE Energy makes it easy to analyze energy usage and pay your bill. The new, simple layout shows your usage at a glance, gives you links to energy-saving ideas, and lets you pay your bill in a snap. There are even sections specific to your business that can help you understand and manage what you use, and pay.



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BANKRUPTCIES

The following businesses filed for protection in **U.S. Bankruptcy Court** in Detroit **Oct. 2-8**. Under Chapter 11, a company files for reorganization. Chapter 7 involves total liquidation.

Leisure Time Spas, Billiards & More LLC, 6959 Highland Road, Waterford Township, voluntary Chapter 11. Assets and liabilities not available.

C. Rummel Heating & Cooling Inc., c/o Channing Rummel, 33717 Bayview Drive, Chesterfield Township, voluntary Chapter 7. Assets: \$18,860.54; liabilities: \$15,768.

Natalie Broda

How to ban microbeads? Lawmakers debate merits of new bill

LANSING — Lawmakers want to stop companies from making and selling soaps and facial cleansers with plastic microbeads in Michigan.

However, they haven't yet decided how to do it.

A bill pending in the state House natural resources committee would ban the use of synthetic plastic microbeads, which are not biodegradable, as exfoliants in personal care products such as shower gels, soaps and toothpastes. Environmental groups say the plastic beads are so small that they are sneaking through water treatment facilities and entering the Great Lakes, where they are ingested by fish.

But in testimony last week, some legislators said they don't think House Bill 4345 goes far enough. They want the bill to ban all microbeads, regardless of whether they eventually break down, to prevent companies from tweaking formulas just enough to be called biodegradable even if that process takes years.

The bill's sponsor, Rep. Rick Outman, said he was caught off guard by the concern. He modeled the bill off legislation that was adopted in Illinois. Indiana and Wisconsin have also passed similar laws.

"I really thought this was a no-brainer," said Outman, R-Six Lakes, who lives in Montcalm County. "This



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is the rare instance where environmental groups and industry came together and said we had a problem."

Michigan is joining other states in attempting to ban microbeads. Some proponents are calling for a national standard, in part to avoid a patchwork of regulations between states.

Outman's bill would phase out the use of microbeads starting in December 2017.

The **Michigan Department of Environmental Quality** supports the bill as a "common-sense first step," said Maggie Pallone, deputy director of policy and legislative affairs.

The bill targets major consumer-products companies such as Cincinnati-based **Procter & Gamble Co.** and Ada's **Amway Corp.** The **Personal Care Products Council**, a Washington, D.C.-based industry trade group that represents roughly 600 such corpora-

tions, supports Outman's bill.

Manufacturers already are working on new formulas that do away with the microbeads, the council's Karin Ross testified before the House panel. The cosmetics and personal care industries contribute roughly \$4 billion annually to the state's economy, she said.

Some lawmakers, including Rep. John Kivela, D-Marquette, said they want a stricter standard that bans all microbeads, as well as a firm definition of what it means for a product to be biodegradable.

"I see this as a bill that allows the industry to continue to do exactly what they're doing right now," Kivela said during this week's hearing. "We are the state with the most to lose. I would rather see us do nothing than to see this bill pass."

Environmental groups, including the **Michigan United Conservation Clubs**, suggested banning all plastic microbeads and including a sunset clause on the bill, to be revisited as science and research advances.

Outman said he believes a definition of "biodegradable" is irrelevant to the discussion. A better benchmark, he said, is whether the products harm fish and other aquatic wildlife. He said he plans to talk to the DEQ about whether that standard could be enforced.

Employer bill

A state Senate panel last week approved two bills that would designate a franchise company, not the parent corporation, the sole employer of his or her workers.

The bills, introduced last month by Republican Sens. Jack Brandenburg and John Proos, are in direct response to an August ruling by the **National Labor Relations Board** that says both the corporation and franchisee can be considered "joint employers" that share responsibility for the franchisee's workers.

The approval from the Senate's commerce committee sends the bills to the full chamber, where they await a final vote.

"It just codifies what's been a very long-standing relationship between employees and employers in our current franchised business model here in Michigan," said Brandenburg, of Macomb County's Harrison Township.

Brandenburg's bill, Senate Bill 492, said the franchise owner will be the sole employer of the workers to whom it pays wages and benefits unless otherwise outlined in the agreement with the parent corporation.

A related bill, Senate Bill 493, specifies that employees of a franchise company are not employees

of the larger corporation, or franchisor, unless the two share in deciding the conditions of the workers' employment and direct control of such things as hiring and firing, discipline and supervision. Proos, of St. Joseph, introduced that bill.

Several of Michigan's biggest restaurant franchise operators support the bills. They include Livonia's **Team Schostak Family Restaurants**, which operates **Applebee's**, **MOD Pizza** and **Del Taco** chains, and **Diversified Restaurant Holdings Inc.**, the Southfield-based owner of **Bagger Dave's Burger Tavern** and franchise operator of 60 **Buffalo Wild Wings Grill & Bar** locations in five states.

The NLRB's ruling this summer says the franchise owner and corporation are joint employers even if the parent company isn't directly involved in hiring decisions or supervision. The board lowered the threshold to determine joint-employer status, requiring a parent company simply to have authority to set workers' employment terms, even if they don't exercise it.

The **U.S. Chamber of Commerce** testified to the state Senate that franchise business owners account for more than 260,000 workers in Michigan and have a statewide economic impact topping \$21 billion annually. ■



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OPINION

UAW-FCA misfire: Lesson in listening

What we've got here is a failure to communicate. That memorable line from the movie "Cool Hand Luke" could be the best summary of the United Auto Workers union's misfire in its attempt to persuade its members to approve the initial contract proposal reached with Fiat Chrysler Automobiles.

The stunning defeat earlier this month perhaps shows how out of touch the UAW brass is with its rank and file. Clearly, the two-tier wage system was a major sticking point with many members.

We think it also shows the weakness of the UAW's rigid, top-down hierarchical style. Unhappy members used social media to trump the UAW's own messaging about the virtues of the contract.

The new agreement reached last week to avert a strike at FCA undoubtedly has advantages for both sides. Now the spotlight is on how the UAW will persuade members it has been listening.

Whether the contract is approved or not, this is a good lesson for management and labor: Digital tools allow voices to be heard — and loudly — and decide the terms of the conversation.

Firms find windfall in disasters

Flooding in the Carolinas. Fires in drought-stricken Western states.

Disasters bring opportunities. At least that's the lesson in Sherri Welch's Oct. 5 report on local owners of Troy-based Signal Restoration Services buying a majority share in a Florida-based disaster recovery firm, PuroClean.

Rebuilding after natural disasters is a growing business.

The investment gives Signal Restoration a nationwide presence and international operations in Canada. And the Florida company plans to expand in Europe, converting independent brands to either Signal or PuroClean.

Private equity seems to be knocking at the doors of restoration companies. They're reading long-term weather reports, too. ■



Family biz: Stories of succession, success

Every Tuesday morning, April Diez assembles her senior management team, and they talk through the issues — the good, the bad, the ugly — that the company is facing.

Good communication via this standing meeting (and some hard-fought company culture change) is how the leader of the second-generation company stays up to speed on near-term and longer-term challenges. Diez, chairman of The Diez Group in Detroit and vice chair of Delaco Steel, said that at first, getting senior leaders to speak up about problems at this meeting wasn't easy. But after awhile, it became more comfortable and is now part of the new company DNA.

It's tough for second- or third-generation owners of family businesses, no matter the size. Between technological changes to industries, the need to diversify, management turnover, careful attention to profitability — and the various ways succession planning is structured — running a family business is complicated.

Yet making a sustainable plan for the future, and one that includes more modern management practices (like highly effective communication) is at the top of the priority list. More than 70 percent of global GDP ultimately stems from family businesses, according to Minneapolis-based Family Enterprise USA. So the business world is counting on these "next-gen" leaders to get it right.

I had the pleasure of leading a discussion among next-gen women in family-owned businesses at the Great Lakes Women's Business



JENNETTE SMITH

Editor's Notebook

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Conference on Sept. 29. Their personal stories are encouraging; like Diez, these women ask tough questions.

For example, when Kathleen Dul Aznavorian took the reins of machining manufacturer Clips & Clamps Industries, she discovered some troubling pricing decisions. Some parts were priced too low to justify time spent on stamping, storing, packaging and distribution. So she got "down and dirty," as she describes it, to come up with more appropriate pricing. It helped her to also understand the entire production chain. (Dul Aznavorian also is co-owner and president of Fox Hills Golf & Banquet Center.)

Besides understanding the processes and work flow at a family-owned business, there's also that intangible family pull, which helps drive the second- or third-gen CEO to roll up his or her sleeves and sometimes tackle the most daunting reinventions.

Effective — and "affective," due to the emotional pull — leaders have a strong belief in the company's core values and a burning desire to lead the firm. They want it; they've been working toward their goals from childhood, explains

Joseph Horak, director of the Family-Owned Business Institute at Grand Valley State University.

Or, sometimes it's life's twists and turns, an element of serendipity, that enables the next-gen family member to see a different vision for the family firm.

Take Jami Moore, who left a career in pharmaceutical sales to buy out her father's Clinton Township-based business, JEM Computer Inc. (now JEM Tech Group). Her father, James, started the company in 1979 and specialized in ink ribbons and tape backup for servers.

Moore moved the company into both selling backup media and consulting with customers on ways to cut costs to reducing data center energy use. Business boomed.

But Moore said that in hindsight, she wishes she had had an opportunity to work side by side with her father to more formally learn the business and that the company had a more structured transition.

Business world rules of thumb, and research tracked by GVSU, points to an alarming trend where succession planning often comes off the rails between second gen and third gen, then even more abruptly from third gen to fourth gen. Less than 5 percent of fourth-gen firms survive.

The body of research and writing on the right way to handle succession planning, the right way to forge a strategic vision and the right way to overcome common business stumbling blocks is immense. But reading about it versus actually doing it are two different things. I salute the second-gen leaders who are doing their homework — and getting it right. ■

LETTERS

Robots in workforce need to be on a short cord

Editor:

Is anyone else alarmed that robots are replacing the American labor force at an accelerating rate? (*Robotics has changed, but auto industry's interest hasn't*, Sept. 28).

The human workforce should be alarmed because automobile companies in the not too distant future will not have to worry about UAW strikes, since robots don't strike. According to the article, 50 percent of industrial robots are purchased by the automobile companies. As companies replace human beings with robots — which do not buy homes, groceries, clothing, cars, etc. — our economy, which depends on consumer purchases, will suffer.

It amazes me that manufacturers are boasting of their elimination of their labor force. In the article, Jeff Ignatowski, director of sales and marketing for Prism Plastics LLC, stated that "Robotics and automation is a necessity for the way we run our business. Part of our strategy is to avoid labor as much as possible, allowing us to compete globally with technology by eliminating

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labor cost."

Ignatowski also stated that 99 percent of Prism's precision plastic components are never touched by a human hand.

Robots are replacing blue- and white-collar employees in every sector of business. As Mike Cicco, general manager for Fanuc America Corp., states, "Robots are simply more capable, vastly more intelligent and much smaller than they used to be. This has really opened up the potential for more productivity for manufacturers."

Americans are hopeful that manufacturing is returning to American soil, but in reality, robots will be the focus for staffing the plant, not human labor.

Where is the oversight for balancing human labor and robots? Is government regulatory oversight the only logical solution? Stiff competition will keep businesses from being responsible.

According to Wall Street, if an American business is not growing its revenue, its earnings per share or its productivity, it's dying. That philosophy will ensure that the labor force will never again be a business' top priority. Salary cost is corporate America's largest controllable expense. Therefore, replacing the labor force will become the focus. Because of robots, business CEOs now have unlimited options for staffing.

What was science fiction a few decades ago has now become reality. Robotics and artificial intelligence are advancing much too quickly. We need to step back and think of the ramifications of robots and artificial intelligence on humanity. The cork is out of the bottle.

Phil Mitchell
Detroit

Michigan's job creation rate outpaces U.S. average

Michigan's economy shed jobs in the last U.S. expansion, an unprecedented development that is likely to be studied by future generations of economists. But Michigan's jobs picture has reversed dramatically in the expansion that began six years ago, with the Great Lakes State outpacing the national average.

One subplot is that Michigan is succeeding at creating professional, scientific and technical jobs — a long-standing policy goal — even as manufacturing declines as a percentage of state total nonfarm employment.

Economic expansion is the natural state of the U.S. economy. An expansion occurred between November 2001 and December 2007, and another began in June 2009, according to the National Bureau of Economic Research in Cambridge, Mass. The nonprofit NBER is the arbiter of the U.S. business cycle within the field of economics.

The NBER's Business Cycle Dating Committee does not define a recession as two consecutive quarters of declining gross domestic product: "Rather, a recession is a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real GDP, real income, employment, industrial production, and wholesale-retail sales."

Among those, nonfarm payroll employment is the broadest indicator at the state level.

Payroll employment is reported monthly. In essence, this represents a snapshot in time versus the series of pictures that emerges when the metric is analyzed across an entire business cycle.

How has Michigan's jobs market fared?

U.S. nonfarm payroll employment expanded from 131.2 million to 138.4 million in the 2001-07 expansion, BLS data show. Michigan employment, by contrast, contracted from 4.5 million in November 2001 to 4.25 million in December 2007. It continued to contract in the Great Recession, dropping to 3.84 million in June 2009, when the NBER determined the next expansion started.

Michigan payroll employment has expanded by 442,500 jobs since June 2009, to 4.28 million in August 2015. Michigan's 11.5 percent job creation rate in the current expansion has outpaced the U.S. average, up 8.6 percent in the same period.

Michigan's advance has been broad-based, with all but one private industry supersector adding jobs in the period.

Trade, transportation and utilities, Michigan's largest supersector, expanded from 715,700 in June 2009 to 768,200 in August 2015. Education and health services, the second-largest, grew from 610,600 to 660,200. Professional and business services, the third in size, expanded from 491,600 to 646,700.



OTHER VOICES: Greg Kaza

The writer is executive director of the Arkansas Policy Foundation, a think tank founded in 1995 in Little Rock.

Manufacturing grew from 440,600 to 598,100.

Information, which includes

publishing, broadcasting, movies and telecommunications, was the only private supersector to decline, dropping from 56,300 to 54,600. Government employment also declined from 647,200 to 589,800.

Michigan's professional and business sector has been a standout within these supersectors. The BLS' Monthly Labor Review, in 2009 (November), described the component's employment demand as follows:

"The push to keep businesses competitive and profitable will increase demand for services within

professional and business services. Management, scientific and technical consulting services; computer systems design and related services; and employment services are needed to develop and implement new technologies, ensure compliance with government regulations, provide computer security and develop, improve and maintain computer networks."

Critics note that not all professional and business sector jobs are high-paying. The component includes administrative and support work such as temporary help.

The bigger picture is that professional and business services is now 15 percent of Michigan's total employment, while manufacturing has dropped to 14 percent. Yet both sectors have created jobs at percentage rates greater than the U.S. average in the current expansion.

The factors contributing to the previous expansion's loss of jobs and the current period's growth will be debated by economists. The more important point is that Michigan's economy is creating jobs at a rate greater than the U.S. average. ■

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See Page 17 for details

40
under
40

Abir Ali, 37

Program manager, NEIdeas, New Economy Initiative, Detroit

BIGGEST ACHIEVEMENT: Launched NEIdeas using entrepreneurs and others as ambassadors for the small-business grant program, which has given \$500,000 to small businesses in Detroit.

CURRENT GOAL: Design and execute more creative investments in Detroit, especially in buildings.

Abir Ali's role at the New Economy Initiative's NEIdeas could be considered that of a player-coach; she leads a team that works with small businesses in Detroit, Hamtramck and Highland Park. At the same time, she co-owns a small furniture design shop.

So when developing her team for the small-business engagement and grants program, she chose entrepreneurs "who are young and energetic" and work part time. "There's so many people who make magic happen at NEIdeas," she said.

She supervises a \$1.4 million annual budget and works with a half-dozen people, along with 25 contract "ambassadors" from local organizations.

The results of their outreach were impressive: 600 businesses applied for the first NEIdeas grants, and 30 received \$10,000 grants and two received \$100,000 grants. Many bought equipment that would spur growth.

"I am inspired by small investments with the power to yield big returns," said Ali.

This year, her team drew in nearly 500 business applicants, partly by sharing stories of first-year winners, who showed up at outreach events. Another 32 grantees will be announced in November.

With her husband, Andre Sandifer, Ali runs the furniture design firm **Ali Sandifer Studio**. She's the designer and creative director, and he is the craftsman building credenzas and tables in their 1,000-square-foot Russell Industrial Center workshop.

They live just a few miles away in the Boston-Edison neighborhood with three sons.

Ali grew up in Detroit, the daughter of Lebanese and Pakistani immigrants. After graduate school, she spent six years in Chicago as an architect working on affordable housing and starting her furniture business. Yet she felt drawn back to Detroit and applied to become a Detroit Revitalization Fellow, which brought her to the **Hudson-Webber Foundation**.

That led to NEIdeas, where she took a concept and figured out how to make it work.

Ali's dreams focus on improving Detroit through specific people, buildings and physical places. "I'm still a designer at heart," she said.

— Vickie Elmer

Aaron Belen, 32

President, AFB Hospitality Group LLC and AFB Investments LLC, Berkley

BIGGEST ACHIEVEMENT: Realizing annual revenue of \$3 million in just a year with the success of his restaurant **Bistro 82** and nightclub **Sabrage**.

CURRENT GOALS: Launch more restaurants and venues; acquire commercial real estate in prime downtown areas.

After graduating from college, Aaron Belen expected to work in commercial real estate.

Things didn't go as planned, and he ended up falling back on his party planning experience — something he did in college to earn extra money. After owning restaurants and bars from 2009 to 2012, Belen had the idea of bringing a one-stop dining and nightclub experience to metro Detroit.

He formed AFB Hospitality Group, which runs the Royal Oak modern French restaurant **Bistro 82** and the nightclub upstairs, **Sabrage**.

Belen also owns and manages AFB Investments, a commercial developer that owns 100,000 square feet of real estate.

Belen invested \$5 million in **Bistro 82** and **Sabrage**, which opened in February 2014.

Bistro 82 received the *Detroit Free Press* Readers' Choice Best New Restaurant designation this year. Belen was voted Businessman of the Year for 2015 by the **Royal Oak Chamber of Commerce**.

Revenue for AFB Hospitality last year was \$3.1 million, and this year's total is on track to reach \$3.5 million. His real estate holdings, which total six properties, yielded \$1.5 million in revenue last year.

Belen recently closed on 511 S. Main St. in Royal Oak. Belen's plans for the site include a "cool modern American concept with live rock and country music, and food at a very approachable price point."

— Laura Cassar

Brooke Bowers, 35

Director of continuous improvement for the Americas, Johnson Controls Inc., Plymouth Township

BIGGEST ACHIEVEMENT: Leading a \$500 million program to redesign and supply seats for the Ram truck while meeting all internal and external targets.

CURRENT GOAL: To lead a revamping of the manufacturing processes at North and South American plants and meet a \$50 million cost-savings goal.

When **FCA US LLC** charged supplier **Johnson Controls Inc.** with redesigning its seats for its flagship pickup, the Ram, Brooke Bowers led the program.

As program manager, Bowers was in charge of keeping the 30-member team on track, ensuring the supplier met its goals for the program — the company's largest product launch in 2014.

"Managing the customer relationship and engineering changes is always the greatest challenge in managing a pro-

gram," Bowers said.

Bowers hit the internal goal of "0-0-100-100-30," or zero injuries at plants, zero quality issues, 100 percent on-time delivery and 100 percent on-budget in the first 30 days after a launch.

The success propelled Bowers into a new role at JCI. Since November 2014, she's served as the director of continuous improvement for the Americas. Her new job is to revamp manufacturing systems at JCI's North and South American plants to produce \$50 million in costs savings.

Bower also serves as president of JCI's Women's Resource Network. In the past two years, the initiative has raised \$30,000 for the **University of Michigan Comprehensive Cancer Center** for breast cancer research through an annual golf outing.

— Dustin Walsh

40
under
40

Larry Brinker Jr.,

36

President, L.S. Brinker Co.,
Detroit



BIGGEST ACHIEVEMENT: Increased profits by 20 percent during his first year as president after taking over the family business.

CURRENT GOAL: Expand the company's national market share by 2017 to increase annual revenue by 20 percent.

Larry Brinker Jr. has been around the construction industry for most of his life. His father, Larry Brinker Sr., started **Brinker Team Construction** in 1989 and eventually formed **Brinker Group**, five contracting firms based in Detroit.

Brinker Jr. now leads one of those firms, L.S. Brinker Co., formed by his father in 1993.

He took over the role of president in 2014. During his first year, he increased profits by 20 percent. Last year, L.S. Brinker generated \$40 million in revenue. It has 25 employees.

Brinker cut costs and increased productivity

by training employees to take on multiple roles. Project managers received convertible tablet computers so they could access blueprints electronically.

"I have essentially worked in just about every position in our company," Brinker said. "So I can relate to specific issues and have real-world experience."

Recent projects included a 16,000-square-foot headquarters addition for the **Kresge Foundation** and a \$140 million critical care tower addition for **DMC Children's Hospital of Michigan**.

Brinker is chairman of the **Construction Association of Michigan** and serves on the boards of the **Wayne County Sheriff Youth and Education Fund**, **Michigan Black Chamber of Commerce**, **Greg K. Monroe Foundation** and **Ferris State University's** construction technology and management program.

— Rachelle Damico

Brian Burke, 36

Vice president, Gecom Corp., Novi



BIGGEST ACHIEVEMENT:

Brought \$80 million in new contracts to Gecom since joining the company in 2013.

CURRENT GOAL:

Foster a company culture that is appealing to a new generation entering the auto industry.

Brian Burke has a knack for winning contracts.

He took his current job in 2013 and since then has brought in more than \$80 million in new business. At his previous employer, **Brembo North America Inc.**, he grew original equipment sales from \$4 million to \$120 million annually.

This year, he received the highest honor given by Gecom's parent company, **Mitsui Kinzoku ACT**.

He said the key to his success is "treating each customer like human beings and allowing customers to be heard," Burke said.

His former boss at Brembo said Burke develops outstanding relationships with clients, which translates into sales. "Brian was instrumental in establishing the Brembo brand (that was new to the U.S.) with U.S. OEMs," said Dan Sandberg, Brembo CEO and president.

Burke also is a retired professional

race car driver who raced in the Cooper Tires F2000 pro series and won multiple Formula 2000 national championships.

He also owns half a dozen properties.

Burke holds patents for brake caliper design, a chip off the old block since his grandfather holds patents for gear design, some still used today.

— Marti Benedetti

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**40
under
40**

Jason Drake, 36

Partner, International Services, Plante Moran, Auburn Hills

BIGGEST ACHIEVEMENT: Helping Plante Moran increase international revenue by 400 percent.

CURRENT GOAL: Increase Plante Moran's international business to over \$70 million in the next two years.

It's easy to send an email. What's not so easy? Traveling around the globe to build relationships face-to-face.

Jason Drake of Plante Moran PLLC knows that firsthand. Since an internship in 1999, Drake has spent his career at Plante Moran, an accounting and business consulting firm based in Southfield. Since then, he's logged enough miles to get around the world 52 times.

He's always the one to raise his

hand when an international trip needs to be made.

That's meant big business for Plante Moran. In the time Drake has been with the firm, international business has grown more than 400 percent to over \$60 million in annual revenue.

Plante Moran's international presence includes offices in China, India and Mexico. Drake led the formation of the office in India in 2009 and watched it grow from two to 16 employees. That office now generates \$1.5 million in revenue.

Drake said businesses must go global to succeed, and it has to be done face-to-face.

"Part of what makes Plante Moran special is our culture. It's hard to create that culture over the phone," Drake said.

— Michelle Wilson

Michael Forbes, 31

Product designer and licensing associate, The Henry Ford Innovation Institute, Detroit

BIGGEST ACHIEVEMENT: Lead industrial designer for Henry Ford's "Model G" patient hospital gown.

CURRENT GOAL: To influence designs on other medical technologies and devices. Ongoing project is to integrate 3-D printing with health care procedures.

Michael Forbes moved ahead of the class in 2011 when The Henry Ford Innovation Institute recognized his talent and hired him out of Detroit's **College for Creative Studies** as an intern designer.

"He was all set to go to **Hasbro** to design toys," said CEO Scott Dulchavsky, who talked Forbes into working at the institute.

Soon afterward, Forbes was coaching students from the institute to analyze medical products and come up with better ideas. They soon came up with a prototype for a redesign of the hospital gown.

"The design wasn't ready, but my job was to take it to the mainstream," Forbes said.

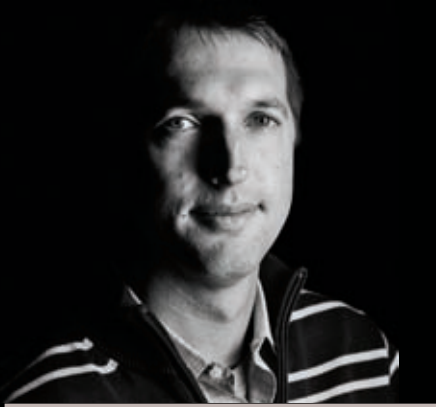
That involved more changes, tests with patients, securing a patent and preparing for mass production.

"He ran the whole thing," Dulchavsky said.

Forbes got **Carhartt** to make the first test run of 35,000 gowns, which were delivered in April for use in **Henry Ford Health System**.

The Model G (named with a nod toward Henry Ford's Model T) is closed in the back by a fold-over panel, giving patients better privacy while still allowing doctors to conduct tests. It is made of thicker material, which keeps patients warmer.

— Jay Greene



Adrian Fortino, 38
Partner, Mercury Fund,
Ann Arbor

BIGGEST ACHIEVEMENT: Leading investments in 25 early stage companies in Southeast Michigan through successive roles in the area's venture capital industry.

CURRENT GOAL: Building Mercury Fund into the preeminent venture capital fund in the Midwest in the next five years.

Adrian Fortino has been making a splash in Michigan's venture capital world.

In the past three years, Fortino has invested in 27 local early stage companies, first in his role as vice president of **Invest Detroit**, where he managed the **Detroit Innovate** and **First Step** funds, and now as a partner with Houston-based Mercury Fund, which put him in charge of a new Ann Arbor office in November 2014.

Fortino's first investment, in 2012 at Invest Detroit, was in **Seello Inc.**, a maker of career preparation technology. Eighteen months later, he helped sell it to Lenexa, Kan.-based **Keypath Education**. What started as a social network for college students had morphed into software used by universities' career services departments.

"It was organic," Fortino said. "We were responsive to what the market was saying, and that's what all good entrepreneurs do."

The investments Fortino led have supported nearly 800 jobs, he estimates.

Fortino is co-founder of two start-ups, Ann Arbor-based **FlockTag Inc.**, which manages customer reward programs and has raised about \$2 million, and San Francisco-based **Sidecar Technologies Inc.**, a ride-share company that has raised about \$40 million, including an investment by Richard Branson, the **Virgin Group** founder.

Fortino is excited to see more people staying in Michigan after school and, perhaps better, to see Michigan natives returning.

"I am always asked about what would take this region to the next level," Fortino said. "In my opinion, it's a \$500 million acquisition. The spinout from that would have a huge impact."

— Laura Cassar

Deirdre Groves, 33

Co-founding executive director, Challenge Detroit, Detroit

BIGGEST ACHIEVEMENT: Recruited 60 companies to provide jobs for Challenge Detroit participants.

CURRENT GOAL: Challenge Detroit is looking at how it should evolve to meet the changing needs of an improving city.

As Detroit emerged from the worst years of the recession, Deirdre Groves saw a need for talent and ideas.

A gifted networker, she and her mentor, Doyle Moshier, started Challenge Detroit to bring professionals here.

The nonprofit matches jobs with professionals from Detroit and throughout the country under a yearlong fellowship program. It also brings the fellows

together every week to work on community service projects.

Since its launch in 2012, nearly 3,000 people have applied to the program, and more than 100 have participated. Ninety percent have stayed in Detroit. Ten have started businesses and nonprofits, and about \$3 million has been generated in economic impact.

The **Michigan Economic Development Corp.** provided startup funding. A variety of local companies small and large, including **DTE Energy Co.** and **General Motors Co.**, employ fellows.

"Despite the personal sacrifice (she and her husband had to move into her parents' home), mountains of objections and the struggling economy, I knew Challenge Detroit was a game changer," she said.

— Marti Benedetti



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40 under 40

Elizabeth Hammond, 35

President, Contract
Direct LLC, Southfield



BIGGEST ACHIEVEMENT: Increasing Contract Direct's revenue from \$100,000 to \$23 million in 13 years.

CURRENT GOAL: Raise revenue by 20 percent in two years.

Elizabeth Hammond had been working in the facility service industry for three years when she saw the potential to form her own company.

In 2002, Hammond and Omni Facility Services President and CEO Ahmed Boomrod formed Contract Direct, Hammond being the primary owner.

Hammond and Boomrod met when Hammond was hired to manage operations and client relations at Omni. Boomrod eventually sold his share, leaving Hammond majority owner.

Under Hammond's direction,

the company has grown to employ about 100 people.

The company started off cleaning aircraft interiors for Delta Air Lines and Spirit Airlines at Detroit Metropolitan Airport.

In the early years, Hammond would clean the planes herself if staff members missed work. That included midnight shifts, while juggling multiple jobs and raising three children with her husband.

"I did what needed to be done to ensure that my company would be successful," she said.

Contract Direct grew by adding services, retaining customers and branching out to new businesses.

Aviation cleaning still makes up about half the company's profits, but it found another niche in food sanitation. One of its biggest customers is Kellogg Co.

— Rachel Damico

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Laura Hughes, 35

Vice president, communications and community,
Strategic Staffing Solutions, Detroit

BIGGEST ACHIEVEMENT: Playing a direct role in establishing and growing sales in Strategic Staffing Solutions' overseas markets.

CURRENT GOAL: Build out global marketing and communications plan in Lithuania and Britain.

When Laura Hughes was hired as vice president of communications and community last year at Detroit-based Strategic Staffing Solutions, she was tasked with examining how the company talks about itself internally and to clients.

She spent three months analyzing communication's role at the \$275 million staffing firm, and then began to deploy improvements. She also analyzed emerging markets for S3.

"We've already seen immediate wins from that, but we've only just begun to scratch the surface," she said.

Her greatest impact has come overseas: Hughes streamlined S3's services in Europe, giving them the ability to cross-sell for the first time. That's resulted in a 32 percent profit boost for the company's international unit.

S3's management credits her work for landing a Danish bank as a client, opening up that nation as a new market for the first time.

She's also critical to identifying new markets for S3 and is credited with gaining a foothold for the firm in Latin and South America.

She also was tasked with reviewing and improving S3's community engagement, and added high school student and choir exchange programs. Her job includes managing S3's \$2 million annual philanthropic budget.

Hughes has been with S3 only since 2014, after having spent two years with the Detroit-based Skillman Foundation as a program officer.

Before that, she was executive director of the Detroit-based Ruth Ellis Center, which provides residential and support services for at-risk young people, including runaways, the homeless and LGBT.

— Bill Shea



40
under
40



Anika Jackson, 31
President, Jackson Land Holding Co. LLC,
St. Clair Shores

BIGGEST ACHIEVEMENT: Undertaking a \$12 million renovation of the historic **Lafayette Towers** as part of growing her family's property management company.

CURRENT GOAL: Expanding the property portfolio and increasing the Detroit footprint.

When Anika Jackson returned home to the Detroit area in October 2014, she hoped her new job as president of Jackson Land Holding would help improve the city she loves.

Her father, Gregory Jackson, is chairman and CEO of local automotive dealership **Premier Automotive Group**.

He also is head of Jackson Land Holding, and for years he'd been asking his daughter to come back, saying he could do so much more if he had help.

Jackson said she realized it was time to stop just doing a job in Chicago, where she was a product marketing manager for **AT&T**.

Now she is responsible for a

portfolio of commercial and residential real estate totaling more than \$25 million. These include **Prestige Automotive** properties, the Midtown Business Center and Lafayette Towers.

Projects like the renovation of Lafayette Towers — the Mies van der Rohe-designed apartment buildings in Lafayette Park — have helped Jackson realize her ambition to make a difference in her hometown.

"I found a new passion, one I didn't know I had," Jackson said.

The renovations include adding a 2-acre rooftop community space to the parking structure. This roof has grass and trees, a swimming pool, community lounge and bathhouse.

She also is leading Prestige's construction of an \$8 million Cadillac dealership on Van Dyke Avenue in Warren, across from the **General Motors Technical Center**.

"I'm very proud of our transition from automotive to a diverse business," Jackson said.

— Laura Cassar

Meet the 2015 honorees

Every year, *Crain's* 40 under 40 award program honors high achievers who have made an impact as executives, managers, entrepreneurs and community leaders.

This year's honorees will be recognized at a special event taking place **Nov. 19** at the **Marriott Renaissance Center** in Detroit.

The honorees come from diverse industries, professions and backgrounds. This year's winners launched successful companies, grew established firms, took on high-pressure projects and gave a hand to those in the community.

Honigman Miller Schwartz and Cohn LLP is this year's title sponsor, and **Northwestern Mutual** is the premier sponsor.

Individual tickets for the event, scheduled from 5 to 9 p.m., cost \$80. Tickets for groups of 10 or more are \$75 each. For past 40 under 40 winners, the cost is \$40 per ticket. A strolling dinner and drinks are included.

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40
under
40**Jennifer Jonika, 36**

Director, maternal and early childhood clinical services, Starfish Family Services, Inkster

BIGGEST ACHIEVEMENT: Increasing maternal and early childhood clinical services revenue at Starfish to \$3.6 million in 2014 from \$1.6 million four years earlier, advancing its behavioral health services for children and families.

CURRENT GOAL: To lead the opening of a freestanding maternal and early childhood wellness center for Starfish in Inkster.

Jennifer Jonika joined Starfish Family Services in 2003 as an outpatient psychotherapist, doing play therapy with children and their families.

Seeing so many older children and teens who'd been abused and neglected led her to contemplate becoming a police officer, like her father. But she remained a therapist and focused on prevention for infants and their caregivers.

"There were so many victims of trauma, I had to figure out how to help things before they got that bad," Jonika said.

Jonika has held a series of leadership roles over the past nine years, rising from psychotherapist to infant mental health supervisor in 2006, where she oversaw a staff of four that grew to 12.

In 2010, she became a program manager in maternal and early childhood services with responsibility for increasing revenue, staff and services.

She's increased the number of psychotherapists from 12 to 37, all of them focused on clinical work with mothers and infants.

She led her department's collaboration with the **University of Michigan** and **Oakwood Hospital** on mental health programs for mothers.

She helped launch behavioral health screenings at local day cares and preschools and an autism evaluation and treatment program. She also was behind a drop-in family resource center at the agency's main Inkster site, which offers a play room for low-income families with young children who may need assessment and treatment but haven't yet been diagnosed.

Once new programs show results, they can be taken to the state for approval as programs that can be billed to Medicaid, Jonika said. "What brought our (new) grants in was new programming that hasn't been done before," she said.

— Sherri Welch

Benjamin Kennedy, 38Deputy director, Detroit program;
director, American Cities Practice,
Kresge Foundation, Troy

BIGGEST ACHIEVEMENT: Helping revitalize the Woodward Corridor over the past five years through new programs and supportive grant funding.

CURRENT GOAL: To take best practices from the foundation's work in the Woodward Corridor, along with new resources, to other Detroit neighborhoods, beginning with the Livernois Avenue and McNichols Road corridor.

Benjamin "Benjy" Kennedy joined the Kresge Foundation in 2009 right out of **Harvard University's** business school.

What was supposed to be a one-year fellowship has turned into half a decade of helping with major Detroit efforts including the "Live Midtown" initiative to attract people to Detroit's Midtown neighborhood.

He also is the foundation's point person on the **M-1 Rail** project. To spur investment along the light rail line, he attracted Virginia-based **Capital Impact Partners** to Detroit and worked with it to create the \$30 million **Woodward Corridor Investment Fund**.

In six years, Kennedy has moved from fellow, to program officer, to senior program officer, to deputy director of the foundation's Detroit program, as well as director of the foundation's American Cities Practice, which is taking lessons learned in Detroit to cities like New Orleans and Memphis, Tenn. He directs Detroit grant resources of about \$13 million and more than \$7 million in the American Cities Practice.

"This practice is about taking what we've learned in Detroit and exporting that knowledge," Kennedy said.

Kennedy also developed the Detroit Revitalization Fellows program. To date, the effort, now managed by **Wayne State University**, has brought roughly 80 mid-career professionals to the city to work in Detroit's nonprofit and public sectors.

— Sherri Welch

{Globe trotter.}

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Charlie Knoll, 31

President, Ducati Detroit, Birmingham

BIGGEST ACHIEVEMENT: Opening an exclusive Ducati dealership and becoming the eighth-most successful dealer of the Italian motorcycle brand in the nation.

CURRENT GOAL: Open another motorcycle dealership focused on exotic brands.

Charlie Knoll is no stranger to the motorcycle industry. His family owns the **Heartland Harley-Davidson** dealership in Burlington, Iowa. He's ridden motorbikes since he was 5 years old. And as a teenager, he held a minority interest in an Illinois power sports business that sold in 2002.

It followed that when he saw an opportunity to bring exotic European bikes to Southeast Michigan, he jumped on it.

In 2013, after two years of negotiations and research, Knoll opened Ducati Detroit — a dealership selling bikes made by the famed Italian manufacturer.

And despite a local weekend-warrior culture more geared toward American bikes like **Harley-Davidson**, Ducati Detroit has found success in the creases.

In 18 months, Knoll pushed his dealership to become the eighth-largest Ducati by sales volume in the U.S., out of 121 in the country.

"Considering how short our riding season is here, being in the top 10 really says something about this dealership," Knoll said.

Ducati Detroit is tracking to sell more than 300 bikes in 2015, up 42 percent from last year, which would mean revenue of \$6.5 million, up from \$5.4 million.

Knoll said accessibility is key. Ducati Detroit is open seven days a week and its mobile service center performs maintenance and fixes on bikes across the state.

The success has led Knoll to seek other opportunities.

Through his investment arm **CK Investments LLC**, Knoll has signed a deal to open a dealership to sell another Italian motorcycle maker, **MV Agusta**.

Knoll also wants to open a car dealership someday.

"I'm Michigan born and raised, so we're open to opening a Ford or Chevy dealer," Knoll said.

— Dustin Walsh



Michelle Kotas, 37

CFO and senior vice president of corporate services, YMCA of Metropolitan Detroit, Detroit

BIGGEST ACHIEVEMENT: Leading an urgent refinancing of \$28 million in bond debt, achieving better terms that led to \$200,000 to \$250,000 in annual savings.

CURRENT GOAL: Strengthening the organization's financial sustainability through program growth.

In fall 2013, the YMCA of Metropolitan Detroit got unexpected news.

A consortium of banks was not going to renew a letter of credit supporting \$28 million in bond debt issued years earlier by the YMCA, as part of funding for facilities built in downtown Detroit, Milford and Auburn Hills.

A new financing structure was needed. Kotas, who was on maternity leave, got started on the project assisted by Scott Landry, then executive vice president of strategic development and now president and CEO, and a task force of board members and staff.

It was the biggest project Kotas had dealt with in her decade at the YMCA. There was "a lot riding on getting to a successful place," Kotas said.

The outcome: A new and more favorable arrangement through **Huntington National Bank** and **PNC Bank**. The banks hold the bonds under a seven-year private placement, longer than the previous two-year letter of credit, and at a lower interest rate.

Kotas said the process has influenced how she approaches other challenges.

"So when other big projects or questions or issues come up, that's my first thought: Who do I want to talk to ... (to) formulate a well-rounded plan?"

— Amy Lane

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40
under
40**Alison Laesser-Keck, 36**

Owner and creative director, VLD Events LLC, Ann Arbor

BIGGEST ACHIEVEMENT: Launching and growing a high-end wedding planning business.**CURRENT GOAL:** Continue to showcase Michigan through one-of-a-kind weddings.

Alison Laesser-Keck started her events planning company after hundreds of interviews failed to produce a job in Seattle.

"What do I have to lose?" she thought.

It was 2008, just as the U.S. economy headed into its steepest recession in generations. Within months, the California native and her then-boyfriend (and future business partner and husband), Bryan Keck, headed to Michigan, where they both have roots.

At first, she worked in Ann Arbor restaurants and spent nights with her mobile phone by the bed, hoping for calls for event planning.

These days, VLD is booked 18 to 24 months in advance — often with weddings for New York or California executives and lawyers with connections to Michigan. Luxury Detroit weddings are in demand, she said.

She and Keck orchestrate 15 to 30 events a year, mainly for out-of-state brides and grooms. Revenues were \$2 million in 2014 and this year, and are expected to hit \$3 million in 2016.

Clients want weddings that showcase Detroit and Michigan in general, and spend \$50,000 to \$100,000 to stage them. VLD plans weddings at the **Detroit Institute of Arts**, the **Ford Piquette Avenue Plant** and the **Fox Theatre**.

One recent wedding was that of a member of the Ford family at the **Edsel & Eleanor Ford House**, complete with **Detroit Lions** cakes.

"We'll do anything to pull off an experience that people go crazy for," she said.

Alison and Bryan exchanged vows themselves, in June, at a wedding in their backyard featuring lawn games and Motown music.

— Vickie Elmer

Kelly LaPierre, 30

Managing director, Desai Accelerator, University of Michigan, Ann Arbor

BIGGEST ACHIEVEMENT: Launching the Desai Accelerator in June at the University of Michigan. It is a joint venture between the **Zell Lurie Institute of Entrepreneurial Studies** at the **Ross School of Business** and the university's College of Engineering.

CURRENT GOAL: Attract out-of-state companies to join the second cohort of companies that will go through the accelerator next summer.

Kelly LaPierre is emblematic of the kind of talent that used to grow up here, go to school here, then leave for other states to build a career.

The Farmington Hills native got her bachelor's degree from UM, then from 2007-2011 worked at **Target Corp.**, where she did business and marketing analysis.

Then it was off to the **Harvard Business School**, followed by a stint as an associate for business accelerator **Techstars**. In the summer of 2012, though, LaPierre returned to Michigan briefly to be an intern at **Bizdom**, the Dan Gilbert-associated organization that helps launch startups.

"That's what made me so excited to

come back to Michigan, seeing all the energy," she said.

In 2013, LaPierre returned to Detroit as director of marketing and operations for **Grand Circus**, a **Detroit Venture Partners** company that provides computer coding and Internet-related courses. And in August 2014, LaPierre became the first managing director of the new Desai Accelerator. In June, the accelerator launched its first cohort of five startups in a 13-week program. Each got \$25,000 and office space.

— Tom Henderson

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Carrie Lewand-Monroe, 38

Deputy director, Detroit Land Bank Authority, Detroit

BIGGEST ACHIEVEMENT: Took over the failing \$52.3 million Hardest Hit Fund, a U.S. Treasury-funded demolition program in Detroit, and transformed it into a nationally recognized program.

CURRENT GOAL: Increase residential property sales to stabilize the Detroit housing market.

Even before Carrie Lewand-Monroe was in law school, she had her mind set on helping with the housing situation in Detroit.

"I've been very passionate about neighborhood stabilization from early on in my career," she said.

She worked for the **Wayne County Land Bank** after law school and was executive director of the **Michigan Land Bank** during Gov. Jennifer Granholm's tenure. Mayor Mike Duggan asked her to take the senior policy adviser position with the Detroit Land Bank Authority in 2014. She has managed multiple demolition programs, demolishing more than 7,250 blighted houses, while helping the land bank

earn honors from the **U.S. Environmental Protection Agency**. Lewand-Monroe recently was promoted to deputy director. She is credited with spearheading new land bank initiatives, such as a side lot program, which allows property owners to buy the vacant lot next to them at a reduced price online. Lewand-Monroe works with her father, F. Thomas Lewand Sr., group executive for jobs and economic growth, in the mayor's office.

— Marti Benedetti



Anthony Majewski, 39

Owner, Read With Max LLC, Sterling Heights

BIGGEST ACHIEVEMENT: Creating a line of books to help children overcome social and emotional issues.

CURRENT GOAL: Launch an animated series and develop a foundation to help autistic children with learning and reading.

As a child and a teenager, Anthony Majewski moved 11 times, first due to his father's work requirements, and later, for college. After hearing his family joke repeatedly about him writing a book about moving around, he decided to do just that.

That book, *Dogs Move Too*, has sparked a small children's media company that's broadened into an animated television series, toys and albums. Majewski has self-published four titles and sold about 3,000 copies. Early this year, he signed a deal with **Simon & Schuster** to distribute audio books.

The books feature Maximus, a yellow English Labrador who shares his life experiences, including topics like bullying, to help children relate. He's joined by basset hound Wrigley. Both dogs are drawn by Majewski's wife, Julie, who also handles social media and other tasks.

Majewski expects revenue to reach \$1 million next year. Revenue should get further momentum from licensing and royalties from an animated TV series called "Max and Wrigley." Pilot episodes are being created. Majewski's day job is at advertising agency **Publicis Groupe SA**, and the marketing experience has come in handy.

Some company sales proceeds go to fund research in early education, autism and special needs education.

— Vickie Elmer



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40
under
40**Paula Nelson, 37**

President and CEO, Sacred Heart Rehabilitation Center Inc., Richmond

BIGGEST ACHIEVEMENT: Nelson rose through the ranks to take the CEO job this year and has expanded the nonprofit's services.

CURRENT GOALS: To make Sacred Heart a leader in addiction recovery and behavioral health services, including more services and supportive housing.

Paula Nelson started working in Sacred Heart's records department a month after graduating from high school in 1996 while taking com-

munity college classes.

She rose through the organization, the only place she's worked in her professional career. She worked as a quality improvement coordinator in 2003, then as vice president of that division in 2006, followed by COO and vice president of client services in 2009.

She was named president and CEO in April, and has a goal of expanding statewide. Part of her interest in Sacred Heart is personal: She said there is a history of addiction in her family.

Last year, the organization served 10,000 people on 10 campuses. In recent years, Sacred Heart has opened recovery centers in Madison Heights and Flint; and opened a treatment center in Berrien County.

Also, a program in Richmond allows women to bring their children them while receiving inpatient detoxification treatment.

Said Nelson, who has a bachelor's degree from **Walsh College**: "It's one less barrier."

— Lindsay Vanhulle

Royce Neubauer, 39

Founder, president and CEO, Service First Logistics Inc., Auburn Hills

BIGGEST ACHIEVEMENT: Growing his startup to \$27 million in just four years.

CURRENT GOAL: Increase annual sales to \$1 billion.

Just four years ago, Royce Neubauer was working on his startup from his bedroom in Kentucky, struggling for weeks during his first quarter as a business owner.

After working in logistics for nine years, Neubauer poured \$250,000 in savings into forming Service First Logistics, a freight brokerage firm that works with smaller trucking companies. His company matches grocery chains, manufacturers and farmers with trucking companies, and negotiates shipping rates.

Service First grew through word-of-mouth, industry contacts and the many hours Neubauer put in promoting the company through social media, cold calls, mass emails and trade publications.

Neubauer moved the company to Michigan in 2013 to be closer to the family of his wife, Sara Neubauer, who is also a company partner. He opened his headquarters in Rochester and last year added a second branch in Cincinnati.

This year, Service First moved to Auburn Hills to make room for the company's growing staff. The current staff count of 53 employees is anticipated to grow to 60 by the year's end. Revenue reached \$27 million last year and is expected to exceed \$45 million by the end of this year.

The company has more than 600 customers, mostly in produce.

Neubauer credits success to investments in employee training. Employees are educated in the produce market and trained to watch the commodity industry closely. "My mindset was to create a company where people were proud and excited to go into work every day," he said.

— Rachelle Damico



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Van Nguyen, 31

Executive director, Asian Pacific American Chamber of Commerce, Troy

BIGGEST ACHIEVEMENT: Reaching and exceeding the chamber's annual fundraising goals while also growing membership.

CURRENT GOAL: Expand membership to other Midwest states in three years.

In its 14-year history, the Asian Pacific American Chamber of Commerce in Troy had never been able to reach its fundraising goals.

That changed when Van Nguyen became executive director in 2013.

She reached the chamber's \$285,000 annual gala fundraising goal within the first five months. This year, she exceeded the gala's \$290,000 goal by \$27,000.

Nguyen, who has over 10 years of experience in social marketing, used digital marketing and social media to revamp the chamber's brand and image.

Since Nguyen took on the role, membership has grown from 150 to 270 members.

The nonprofit connects businesses based in the U.S. and Asia. In addition, APACC offers services such as business consulting workshops and networking events.

The chamber gets the majority of its revenue from fundraisers, membership fees and corporate sponsors such as **General Motors Co.**, **DTE Energy Co.**, **Olympia Entertainment** and **The Kroger Co.**

"Corporations see the value that the Asian community has," said Nguyen.

Nguyen also is vice president of the Novi Oaks Chapter of the local **American Business Women's Association**. She serves as a board member for **Gleaners Community Food Bank**, **Madonna University's** School of Business and several other groups.

— Rachelle Damico

Bunia Parker, 35

Principal, Summit Commercial LLC, Detroit

BIGGEST ACHIEVEMENT: Representing buyers or sellers in high-profile Detroit real estate deals.

CURRENT GOAL: Continued growth at Summit Commercial, including an expansion into development.

Don't even think about asking Bunia Parker about Carlos Slim Helú, who last year bought a vacant Detroit office building.

That's because Parker, 35, is under a confidentiality agreement and can't say a word about the deal that brought Slim, one of the three richest men in the world, to the Detroit market.

But it was Parker, principal of Detroit-based real estate brokerage firm Summit Commercial LLC, who brokered the sale of the 164,000-square-foot Marquette Building on West Congress Street at Washington Boulevard for \$5.8 million to Slim.

"There are buyers not only all over the country, but all over the world, and we are seeing an influx coming into this market who are very interested," said Parker, a 2002 **Duke University** graduate in economics and African studies.

In addition to the Marquette Building deal, Summit last year also represented New York City-based **Ash NYC Inc.**, which bought the former Wurlitzer Co. building on Broadway Street and plans a \$20 million conversion into a 97-room boutique hotel. He also worked on the deal that brought to Detroit a pair of Austin, Texas-based investors who plan multi-family conversions of several New Center area buildings. The total value of Summit's deals since 2009 is \$75 million.

— Kirk Pinho



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Ryan Plecha, 34**Partner, Lippitt O'Keefe Gornbein PLLC, Birmingham**

BIGGEST ACHIEVEMENT: Representing retired Detroit city employees in successful mediation talks during the city's Chapter 9 reorganization.

CURRENT GOAL: Growing into the role of partner in a business generation role, and mentoring younger attorneys.

As Ryan Plecha can attest, there's more than one way to get noticed and advance at a law firm, outside of the standard career track.

On Jan. 1, Plecha became the youngest lawyer ever to make partner at Lippitt O'Keefe Gornbein PLLC in Birmingham, after representing the **Detroit Retired City Employees Association** and the **Retired Detroit Police and Firefighters Association** last year in mediation lead-

ing up to the "grand bargain" in Detroit's Chapter 9 federal bankruptcy.

The RDPFFA, whose 6,500 members include more than 80 percent of police and fire pensioners, was previously a law firm client, and the DRCEA specifically retained the firm for the bankruptcy.

The police-fire association reached an agreement to support Detroit's plan of adjustment out of mediation in April 2014 — one that avoided benefit cuts but reduced cost-of-living increases for pensioners going forward. Other employees and the boards of Detroit's two employee pension funds later got on board with the city's plan as well.

"That (support) was kind of a watershed moment," Plecha said.

A 2008 graduate of **Thomas M. Cooley**

Law School's Auburn Hills campus, Plecha was once a judicial intern for Chief U.S. District Judge Gerald Rosen in Detroit, then found work as a contract attorney for the former Hyman Lippitt PC, a predecessor firm of Lippitt O'Keefe, then became an associate at the firm.

"Becoming partner in such a short time is something I'm proud of," he said.

Rosen said it was a great source of pride to see Plecha grow into the attorney who represented the retirees in mediation before attorney Eugene Driker.

"He (Plecha) was absolutely critical in resolving what, in my view, was the most important part of the 'grand bargain,' which was getting retirees on board," Rosen said.

— Chad Halcom

Congrats to Joe Saad for being selected
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Jim Richards, 39

CEO, Total Security Solutions Inc., Fowlerville

BIGGEST ACHIEVEMENT:

Bought out three of his four partners in the company, giving him a 75 percent stake, while growing the company.

CURRENT GOAL: Hit \$20 million in revenue within a few years.

Jim Richards likes to be the first one to show up in the morning at his company, Total Security Solutions. He often arrives at 5:30 a.m., turns on the lights and starts the coffee pots brewing.

His company makes custom bulletproof barriers for judges' chambers, electric companies and other sensitive settings. They are high-security materials that customers often want delivered in just a few days or weeks. Customer service and quick turnarounds are key.

So while his team hustles new orders and finishes custom jobs, Richards focuses some of his time on creating a culture that appreciates staff, with weekly deliveries of organic fruit and regular doughnut days. At the company barbecue in August, Richards did the cooking of ribs and pulled pork himself.

On birthdays, staff members receive a \$100 gift card, and there are meals and other tokens of appreciation in the mix to show respect and care.

"I'd like to retain A-level talent as best as I can," Richards said.

The company's growth has been strong, with 2012 revenue of about \$8 million jumping to \$16.5 million in 2014. It's on track to hit \$18 million this year.

Attention to workforce helps, but sales really took off when Total Security Solutions started working with a coaching firm, **Whole Brain Group LLC** in Ann Arbor, which got Richards to try a new sales angle. He guided his company to act as a consultant to its customers, guiding architects and designers on ways to use the bulletproof barriers, rather than be a simple distributor of materials.

"As the business has grown, I've probably grown just as much," he said. He feels his skills managing people and expectations have improved.

He and his father, John Richards, founded Total Security Solutions in 2004 after selling a related business to **General Electric Co.**

Richards took over as CEO from his father in 2011, and bought out three of their partners in the last two years. His retired father maintains a 25 percent stake and is the sole remaining partner to Richards.

— Vickie Elmer



Gabe Rubin, 36

Founder-CEO, Gamersaloon.com, Royal Oak

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BIGGEST ACHIEVEMENT: Founding and growing skill-based gaming prize and tournament service Gamersaloon.

CURRENT GOAL: Launching a redesigned version of Gamersaloon's website by early November, and adding multiplayer online battle arena gaming service before year's end.

It's come a long way from founder Gabe Rubin's basement in Huntington Woods in 2006, but Rubin still sees new directions for Royal Oak-based Gamersaloon to go.

Now at nine employees including eight at its Royal Oak headquarters, Gamersaloon is on track to clear \$13 million in total online wagers or prizes in matches among its users, Rubin said.

Last year's revenue was \$7.2 million; Rubin said this year's sales are on track to hit \$12 million.

Rubin estimates 860,000 people have registered and at least 150,000 have played at least one match online since inception.

About 8,000 users are regulars, who play one match or more per month.

About 80 percent of revenue for **Beyond Gaming LLC**, doing business as Gamersaloon, comes from the 14 percent service fee that each player deposits in a head-to-head match or wager on game plays, Rubin said.

The rest comes from a mix of withdrawal fees, premium memberships and other services.

A new version of Gamersaloon.com is expected to launch before the end of the year, as is a

new feature for multiplayer online battle arenas, a type of war strategy game that's rapidly gaining popularity.

"I'm most proud of being able to take an idea I had 10 years ago while just playing a game against my brother and turning it into a successful company," Rubin said. "We've overcome many challenges since then."

— Chad Halcom



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Joe Saad, 38

Managing partner, Diag Partners, Rochester Hills

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BIGGEST ACHIEVEMENT: Founding Diag Partners four years ago and expanding the company to five cities.

CURRENT GOAL: Continue growing the company.

While Joe Saad ran a regional recruiting and staffing firm for 11 years, he was figuring out how he would create his own recruiting firm that would take a different approach.

"Our process is more matching the personality of our candidate to the culture of our clients," Saad said.

So far, this approach is working for Diag Partners. Revenue last year hit \$11 million and is projected to be \$18 million this year.

"In the first meeting, they did not care what we were recruiting for. They focused on learning our culture, people, environment and chemistry," said Jason Baranowski, president of ES3 in Rochester Hills and a Diag client.

Saad attributes the success of Diag Partners to its employees, saying the company has retained 100 percent of its internal employees since its inception in 2011. Plans call for hiring five to six internal and 60 to 80 external employees next year.

Diag Partners has 200 external and 30 internal employees, and has offices in Pittsburgh, Cleveland, Chicago, Los Angeles and Charlotte, N.C.

Saad is a member of the **Young Presidents' Organization** and sits on several boards.

— Marti Benedetti

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Kyle Anne Sasena, 34

Vice president, Level One Bank,
Farmington Hills

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BIGGEST ACHIEVEMENT: Launching a new export lending program that earned recognition from the **U.S. Small Business Administration**.

CURRENT GOAL: To advance into a higher leadership role.

Every year, the Michigan district office of the **U.S. Small Business Administration** gives out an Export Lender of the Year award.

Larger banks that heavily market to small businesses, like **Huntington Bank** or **Comerica**, are the seemingly natural fit for winning an award like this.

That's why it turned heads in Southeast Michigan's banking community when small newcomer **Level One Bank** snapped up the award in 2013.

The person behind that achievement was Kyle Anne Sasena, a vice president of the bank. She has been with Level One since it opened in 2007, when it was formed from scratch (as opposed to what would soon become the common practice of buying the distressed assets of a failed bank).

The award to Level One caused "other banks to sit up and take notice, because the competition is great," said John O'Gara, the Detroit-based regional manager of international trade for the SBA.

Sasena saw opportunity after helping one small, local manufacturer get financing to support new business from foreign purchase orders, by arranging an SBA-backed loan through the SBA's Export Working Capital Program. As local manufacturers stepped up their overseas business in line with the improving economy, more would need similar help, she figured.

She was right and as a result, Level One earned the Export Lender of the Year award again in 2014. Level One also puts customers in touch with specialist accountants for further foreign business help, and works with the **U.S. Department of Commerce's** Gold Key program that matches U.S. companies with potential overseas customers.

It's a fitting accolade for Sasena, who as a small child dreamed of becoming a banker, and played "office."

Sasena also serves on the advisory council for **Henry Ford Health System's** Sandcastles grief support program for children, a program she has been volunteering with since 2002. She reads to a Detroit public school student every week through the Read to a Child program.

— Gary Anglebrandt



Heart & Vascular Center of Excellence

Shukri David, MD, FACC

has been named System Chair of the Heart and Vascular Center of Excellence for St. John Providence.

Dr. David has been a member of the medical staff for over 25 years, including his role as Section Chief of Cardiology for Providence-Providence Park Hospital in Southfield and Novi, Michigan. Under his leadership Providence-Providence Park Hospital has been named a "50 Top Cardiovascular Hospital" by Truven Health Analytics, (in the teaching hospital category), more than any other hospital in the US.

In this new role, Dr. David extends his leadership responsibilities to the strategic planning and program development of cardiovascular services across the health system.



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Tony Saunders, 29

CFO and chief restructuring officer, Wayne County

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BIGGEST ACHIEVEMENT: A Wayne County position in charge of a critical mission for the county before the age of 30.

CURRENT GOAL: To help restore the financial health of Wayne County and to “put a dent in the universe.”

Tony Saunders kept asking himself why he was attracted to solving complex municipal finance issues, layered with politics, entrenched interests and legal hurdles.

It turns out, the 29-year-old Detroit native tasked with overseeing Wayne County's financial restructuring had a very specific thing to point to: ADHD, a condition with which he was recently diagnosed.

“We (in the county) have double the amount of strategic initiatives than anybody could actually imagine or manage at once,” said Saunders, the county's chief restructuring officer and CFO.

A **University of Michigan** graduate, Saunders was a 2011 *Crain's* 20 in their 20s honoree when he was chief of staff for former **Detroit City Council** member and President Saunteel Jenkins. Now, his fingerprints are all over the county's restructuring of its \$52 million structural deficit.

As of Oct. 2, the county had nearly eliminated it.

That's been done through things like changes to retiree health benefits, employee pay cuts, and reconfiguring county departments.

And that's just 10 months into his boss Warren Evans' four-year term as county executive.

Saunders was formerly a director at Birmingham-based turnaround firm **Conway MacKenzie Inc.**, which helped steer Detroit through its historic bankruptcy.

Just 26 when he became emergency manager of Benton Harbor, Saunders picked up experience that he says got him where he is today.

“I was 26, and I had no idea what the hell I was

doing,” he said. “I miss that city a lot, actually, and by far, that was the most important experience in my life.”

— Kirk Pinho

Candice Simons, 31

Owner, Brooklyn Outdoor LLC, Detroit

BIGGEST ACHIEVEMENT: Starting an outdoor advertising firm that scored an early, big victory by landing management of the new digital signs on **Cobo Center**.

CURRENT GOALS: Continue growing her company while expanding her second business, **J'adore Detroit**, which helps nonprofits raise sponsor money for events.

Candice Simons spied a big opportunity when the new digital sign went up at Cobo Center last year.

She knew her clients would love to see their messages lit up during the **North American International Auto Show**.

So she presented the idea of ads to NAIAS and Cobo management, suggesting she could bring in revenue and showcase the sign's capabilities during the show. They liked the idea and gave her the green light in May.

She subsequently sold the idea for her to do the same work during the Detroit Bike City Expo. Then Cobo management asked her to bid on the exclusive contract to sell ads for the digital billboard throughout the year.

“I'm very good at creating opportunities when opportunities don't exist,” said Simons.

Her company's first-year sales in 2013 were \$600,000 and last year hit \$2.4 million. This year, boosted by Cobo and other sign deals, revenue is likely to approach \$6 million.

Yet Brooklyn Outdoor has only a handful of signs in the city. While it leases signs in Los Angeles, Boston, Seattle and elsewhere, about half its inventory is in Brooklyn, N.Y.

That is part of the reason this self-funded Michigan billboard company came to be called Brooklyn Outdoor. Another part: Simons, raised in Northville, spent time during her childhood at a cottage in Brooklyn, Mich., where her grandmother still lives.

— Vickie Elmer



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Megan Spanitz, 38

Vice president, resource development and marketing,
Detroit Regional Chamber, Detroit

BIGGEST ACHIEVEMENT: Doubling sponsorship dollars for the Mackinac Policy Conference after taking over sponsorship management in 2008.

CURRENT GOAL: Create a central team that more efficiently serves members and sponsors.

Megan Spanitz faced dark days when she took over sponsorships for the Mackinac Policy Conference in 2008.

The economic collapse and the loss of a golf tournament had put a big dent in sponsorship revenue for the Detroit Regional Chamber's premier event.

The event is critical to the chamber's functioning. In 2013, for example, it was responsible for bringing in \$3.5 million of the nonprofit's total \$7.5 million in revenue. By comparison, membership dues, the second-largest revenue category, brought in \$2.2 million.

By this year's conference, Spanitz had more than doubled sponsorship dollars, the result of her trying new ideas for the event.

Spanitz greatly improved the conference in organization and flow, and in attracting brand-name speakers and C-suite attendees, said Sandy Baruah, chamber president and CEO.

Another idea from Spanitz: Media Row, where news reporters can interview speakers before they hit the stage. It's also a centralized location that gives attendees the chance to connect with speakers and get insight into the sessions for the day.

In 2011, right in the middle of her efforts, Spanitz faced a big personal challenge. In July of that year, her husband passed away. Her world was turned upside down, but the culture at the chamber is what allowed her to take the time she needed, she said.

When she returned to work, she had meaningful work to dive into; 2011 also was when the chamber shifted the conference focus to more statewide issues, rather than Detroit-specific. Spanitz said that provided a boost in interest as it attracted a greater variety of speakers and sponsors.

"We've made the conference better," she said. "And sponsorship has allowed us to do that."

— Michelle Wilson



Lilly Epstein Stotland, 37

Co-owner, general manager of business development,
Vesco Oil Corp., Southfield

BIGGEST ACHIEVEMENT: Expanding the company's geographical reach and revenue through acquisitions.

CURRENT GOAL: Expand through more acquisitions in the Midwest.

Lilly Epstein Stotland had been planning to come home and work for her family's company, Vesco Oil, eventually. The turning point came Sept. 11, 2001.

Stotland was working as an investment banker at Goldman Sachs Group, just blocks away from the World Trade Center attack. At one point, she became trapped in her office, covered in dust.

"It was really the push that I needed to start doing what was important to me," Stotland said. "Looking back at my work in New York, I was missing that meaning, connection and history."

Vesco Oil is on its third generation of family ownership. Stotland's late grandfather, Eugene Epstein, started the company in 1947. Stotland joined the company in 2004 with her sister, Lena Epstein.

The Southfield-based company distributes automotive and industrial lubricants, sourcing products from ExxonMobil, Valvoline, Castrol, CAM2 and Motorcraft. Stotland for the past 10 years has spearheaded a strategy to grow through acquisitions and by expanding distribution rights with the company's key suppliers.

As a result, Vesco has opened loca-

tions in Cleveland, Columbus and Pittsburgh. Over the past two years, Vesco's revenue grew from \$130 million to \$155 million. The company employs over 200.

This year, Vesco acquired Ohio-based fuels and chemical distributor Britsch Inc. Stotland said the acquisitions are a defensive maneuver to fend off private equity firms eyeing Vesco's market.

"We are very committed as a family to keep Vesco as a family-owned business."

— Rachelle Damico



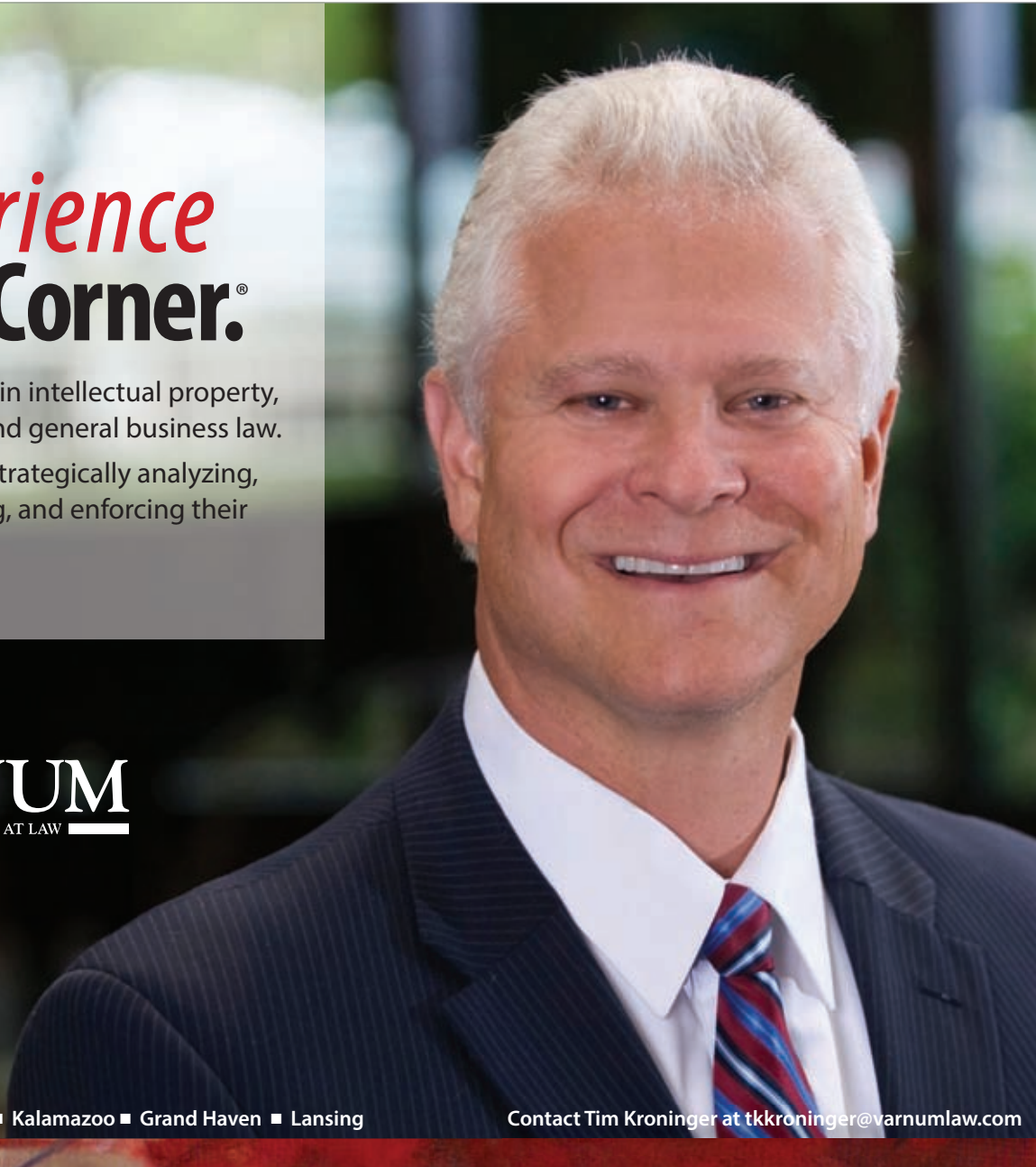
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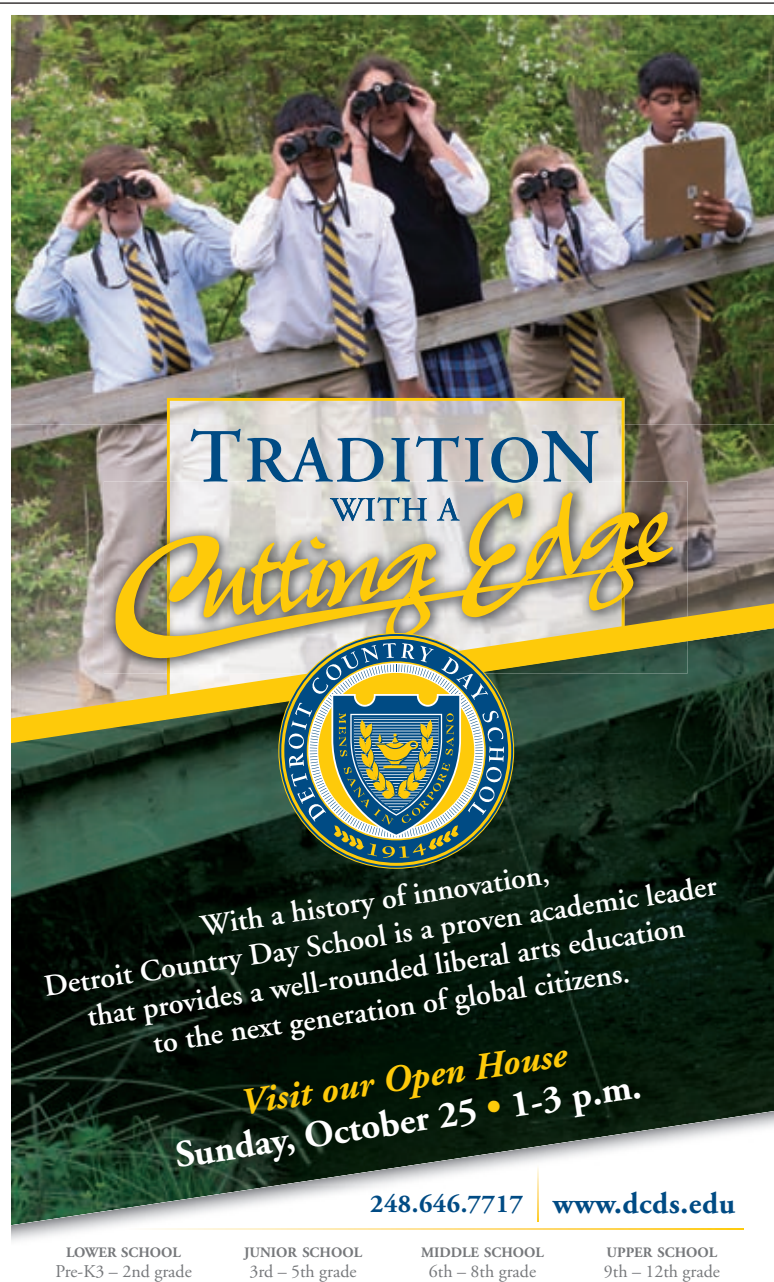
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Guy Suter, 36

Co-founder and CEO, Notion AI Inc.; co-founder and chairman of the board, Nutshell Inc., Ann Arbor

BIGGEST ACHIEVEMENT: Co-founding a data-storage business that was sold to **Barracuda Networks Inc.**, then running it as it became Barracuda's biggest business unit leading up to its 2013 IPO.

CURRENT GOAL: Creating a technology accelerator in Ann Arbor to serve as a hub for the city's tech community and help put Ann Arbor on the national map as a major technology center.

In 2005, Guy Suter and Lindsay Snider founded a Carlisle, Pa.-based company called **BitLeap**, which did data backup and recovery. In 2008, they sold it to Campbell, Calif.-based Barracuda Networks Inc. and moved to Ann Arbor, where Barracuda had an office.

Snider was director of engineering for the office, while Suter ran his former company, now rechristened Barracuda Backup.

By Barracuda's IPO, Backup was its biggest revenue producer. Suter and Snider left Barracuda just before the IPO to devote more time to two other ventures, Nutshell and Notion AI. Suter is chairman of Nutshell but spends most of his time on Notion.

Notion employs 12 and has raised what Suter said

is several million dollars in funding from West Coast venture capitalists and has an app in beta testing that uses artificial intelligence to organize email, which he hopes to have in **Apple's** App Store in November.

"People are swamped in email, but any time people tried to bring automation to email, it was done in a draconian fashion," he said. "Notion learns from you and predicts what you want to do with email when it comes in, and then gives you the choice."

In September, Nutshell, which makes customer relationship management software, announced it had raised a funding round of several million dollars, which followed on two rounds totaling \$2.5 million.

Plans are to hire 10 to 12 people to beef up engineering and sales. It employs 24 and expects to double revenue this year to more than \$2 million.

Through **Cahoots Holdings LLC**, Suter, Nutshell CEO Joe Malcoun and Ian Berry, a co-founder and chief technology officer at Notion, recently bought three buildings in downtown Ann Arbor.

Suter said the plan is to serve as a social hub for Ann Arbor's growing tech community and house startups that can't afford Ann Arbor rents.

"This is a passion for me," said Suter.

— Tom Henderson

Michael Taylor, 33

Director, Group Sales, Palace Sports and Entertainment/Detroit Pistons, Auburn Hills

BIGGEST ACHIEVEMENT: Building a team that was able to increase group ticket sales 125 percent over the last two years.

CURRENT GOAL: Increase group ticket sales further and become the No. 1 ticket sales team in professional sports.

Michael Taylor leads a team he's proud of at the Palace of Auburn Hills, and it's not the one on the basketball court.

Taylor got his start in the **National Basketball Association** as an intern for the **Chicago Bulls** in 2008. In 2011, he joined Palace Sports and Entertainment, a management arm for Detroit Pistons owner Tom Gores, in Auburn Hills.

By January 2013, Taylor was promoted to director of group sales. Since then, group sales have gone up 125 percent. That's taken the team from last in group sales among teams to ninth.

In one Pistons game against the Chicago Bulls on March 21 this year, Palace Sports sold the most group tickets in NBA history, at a count of about 9,000. Taylor called it a "perfect storm."

Success starts with training the group sales team to not just try to sell tickets, but to sell an experience, Taylor said. They can offer features like time on the court and food packages to make

each package work for the group, or offer to help a school with a fundraiser.

"In everything we do, we rarely talk about purchasing tickets. We talk about how the tickets can benefit that person," Taylor said. "People want to know how you can help them."

That approach helped Taylor wrap up the 2014-2015 season having sold more group tickets and generated more revenue than the Pistons had in any of the last seven years.

"When you look at your night, it's not just that you came to a sporting event, but that you've had a grand experience from the time you walked in the door," he said.

— Michelle Wilson

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Tiffany Taylor, 32

Executive director, Teach for America-Detroit, Detroit

BIGGEST ACHIEVEMENT: Leading the Detroit chapter of Teach for America in her hometown where she attended school, including increasing diversity within the program.

CURRENT GOAL: Working with teachers and other supporters toward a goal that at least 95 percent of Detroit schoolchildren graduate from high school ready for college and work.

Tiffany Taylor joined Teach for America in 2004, teaching sixth-grade special education in Philadelphia. She was attracted to education because of inspiring teachers and a desire to return the favor in her community. "As someone who grew up in this city and attended its public schools, I've seen firsthand the potential of our young people to be successful and contribute in really positive ways to our region," said Taylor.

"We have a motto here that we call our North Star that guides our work," she added. "We want our students to go to college, through college and then come

back to Detroit to make the community even stronger."

Taylor said she was called back to Detroit to do just that, when she received a call to help start the Teach for America chapter here in 2010.

She served with the teacher leadership development team and as vice president for regional operations before becoming executive director in January 2014.

The organization has stepped up efforts to recruit a more diverse corps in recent years, including launching campaigns to encourage more applicants among black men and young adults with federal Deferred Action for Childhood Arrivals status, designated for people who entered the country illegally as children.

Taylor said the Detroit corps has grown among people of color from roughly a quarter in 2010 to 55 percent incoming this year.

The percentage of teachers who are native to Michigan also has grown from nearly 15 percent in 2010 to half this year.

— Lindsay VanHulle

Parker Tracey, 38

Manager of multi-state government affairs, DTE Energy Co., Detroit

BIGGEST ACHIEVEMENT: Managing the government lobbying side of a historic shift underway at DTE.

CURRENT GOAL: Support growth of the nonutility sides of DTE's business so the company can build a strong portfolio from which to fund investments in emerging energy technologies.

DTE Energy is in the early stages of a long-term infrastructure upgrade that its CEO Gerry Anderson estimated will cost the company \$8 billion.

The effort relies heavily on replacing coal with cleaner natural gas. To do that, DTE needs to get lots of natural gas to its plants — via pipelines.

That's where Parker Tracey comes in.

Tracey's weeks consist of meeting with officials from the smallest hamlets to the nation's capital as DTE seeks to cross municipal and state boundaries with pipes full of flammable material.

DTE is investing \$1 billion to build 250 miles of natural gas pipeline to bring gas to Michigan. The utility overall expects to invest at least \$2 billion in its gas storage and pipelines division in the next five years.

Tracey has worked with dozens of governments on this project alone. Her other work has put her before hundreds of governments across the country. Tracey oversees government lobbying in 23 states in all.

The utility sector is undergoing a regulatory overhaul, too. "It's been static for so long and now it's entering a dynamic space," Tracey said. "What's fascinating to me is being at that nexus between government and industry."

— Gary Anglebrandt



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Edgar Vann III, 34

Director, government relations, Wayne County Community College District, Detroit

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BIGGEST ACHIEVEMENT: Helped put in place a system that targets students at risk of dropping out and enables early intervention, increasing student success and retention rates.

CURRENT GOAL: To secure more state funds to build the college's workforce development programs and skilled-trades training.

Over the last several years, Wayne County Community College District has seen more of its students that were at risk

of dropping out, staying in. That's partly because of an "early alert system" that Edgar Vann III took the lead in rolling out.

In 2008, the college joined Achieving the Dream, a national initiative aimed at helping community college students succeed. As part of those efforts, Vann and other officials observed that students ages 18-23 who were the first in their immediate family to attend college were at particularly high risk of dropping out.

"Knowing that we had this problem

with first-generational students, we tried to come up with a way to really get them involved," Vann said.

Faculty assessed students on factors ranging from attendance to quiz results. Teams of staff were formed to phone students at risk of failing and determine their problems and needs — like transportation or child care. Then, Vann said, "we began connecting them to resources."

Retention rates for students the system has touched have risen from around 21 percent to about 32 percent, Vann said.

— Amy Lane



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40**Tommey Walker, 29**

Founder and owner, Detroit vs. Everybody LLC, Detroit

BIGGEST ACHIEVEMENT: Seeing his brand in the national spotlight, including on "American Idol" and "The Colbert Report."

CURRENT GOAL: Expanding the brand and getting more products into the line.

In 2012, Tommey Walker took a trip to California. When he got to his hotel and turned on the television, Kwame Kilpatrick was on the screen. And the news wasn't good.

Seeing the face of Detroit's former mayor on a television in California made him think about how much the culture of this Midwestern city impacts society. Lately, the dialogue had been all about Detroit's downfalls. He felt Detroit didn't get the credit for all the good it had imparted to the country. That's when he came up with the phrase that would catapult his new business: Detroit vs. Everybody.

"I always say not to complain but to contribute," Walker said. "This is our contribution to the restoration of Detroit."

In late 2012, he launched his company, Detroit vs. Everybody LLC. Now in its third year, the clothing brand has an online store, a flagship store in Greektown, with a kids' store at-

tached, and a location in Eastern Market that opened this past summer.

From 2013 to 2014, the brand increased sales by 75 percent, to 26,000 units sold. Walker is especially proud of the fact that he's been able to create 15 jobs in the city.

Now Walker is the one in the national spotlight. In July 2013, *Detroit Free Press* editor Stephen Henderson presented TV host Stephen Colbert with a Detroit vs. Everybody hoodie on the air. Keith Urban also wore a T-shirt bearing the slogan while appearing on "American Idol."

The brand even lends its name to Eminem's 2015 song "Detroit vs. Everybody," with the gear itself featured in the music video.

Beyond the original slogan, there's also gear in the online store to represent everyone's struggle against societal problems, such as "Everybody vs. Cancer," "Everybody vs. Poverty" and "Everybody vs. Hatred."

Walker said the spirit of "vs. Everybody" is not strictly for Detroiters. It can be expanded to anyone who feels like it's them against the world.

"I envisioned a brand that would have a place in everybody's closet," Walker said. "That sentiment, it touches everybody. ... You're going to feel this way in every part of your life."

— Michelle Wilson

**Michael Yessian, 36**

Partner and head of production, Yessian Music Inc., Farmington Hills

BIGGEST ACHIEVEMENT: Expanding the company's footprint nationally and overseas while growing revenue.

CURRENT GOAL: Diversify the client base and grow revenue by moving more into gaming and film.

Up to 4 million visitors this year will hear music wafting inside the One World Observatory that opened in May atop One World Trade Center.

The sounds are the work of Farmington Hills-based Yessian Music Inc.

Michael Yessian, head of production at the company his father founded in 1971, oversaw production and creative direction for the music and sound design at the \$100 million observatory, which crowns the 104-story New York skyscraper.

"It was a massive one-and-a-half year undertaking that was one of the most fulfilling experiences of my life," said Yessian.

Last year, Yessian Music paid about \$2.5 million for 3,500 square feet of space — an entire floor bought in a co-op building — on New York's Fifth Avenue after eight years leasing an office elsewhere in the city.

The company also has offices in Los Angeles and Hamburg, Germany,

and employs 32. The company now has staff composers and uses more than 100 freelancers. In 2014, revenue hit \$6 million.

Yessian composes scores for television, movies, advertisements and video games, and does licensing work. It also does music for TV networks, such as the music openings for ESPN's college football games.

— Bill Shea



WHAT CAN MICHIGAN DO TO ATTRACT NEW BUSINESS AND CREATE GOOD JOBS?

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Tony Vernaci, Vice President, Business Attraction, Michigan Economic Development Corporation

Alex Violassi, Director, Automation Alley Technology Center

Moderated by Dr. Brian Patrick Green, Czarnecki Collegiate Professor, University of Michigan-Dearborn

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COLLEGE OF BUSINESS
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Smart Strategies for Securing Top Talent

How an effective workforce can be a key factor in driving growth



James Carpenter
Market Manager
Bank of America
Merrill Lynch



Matthew Elliott
Michigan State President
Bank of America
Merrill Lynch

Companies in the U.S. are implementing new, effective ways to generate growth and move forward in a fast-paced business environment. According to a recent Bank of America Merrill Lynch survey, U.S. economic ratings are up significantly since the beginning of 2015 and the outlook for revenue growth is strong—72 percent of CFOs report earnings are on target or have exceeded plan.

To capture growth for the long term, acquiring and retaining talent is key to seizing opportunities for expansion. In many cases, hiring and developing the right talent is more important than finding financing for a facility or plant expansion. Before taking on new business initiatives, CFOs are paying more attention to whether they can

staff—rather than finance—a new project. But profound challenges remain, including a workforce nearing retirement age (especially in manufacturing), intergenerational differences between millennials and baby boomers, and identifying qualified, work-ready candidates.

CFOs are being held accountable to help solve the talent-growth equation, requiring them to expand beyond their core responsibilities. Here, a team of BofAML executives that includes James Carpenter, market manager, and Matthew Elliott, Michigan state president, reveal best practices related to finding highly skilled workers.

ATTRACTING THE STRONGEST WORKFORCE

When talent is a scarce resource, CFOs will engage in talent development. This can take the form of managing the HR function, optimizing wages and benefits, and developing competitive compensation structures that fit the company's financial plan. In many cases, CFOs, knowing the financial capacity the firm has, need to take the lead with creative ideas and methods to attract talent from competitors (or retain their best people), be prepared to increase salaries or to invest in training employees to fill gaps.

With a shallow talent pool for skilled workers, companies need to start early in their recruitment, partnering with colleges, universities and technical schools to create curriculum and degree programs that produce work-ready graduates. When possible, companies are inviting students to tour their operations and learn about career opportunities before they enroll in training programs.

TRANSFERRING "TRIBAL" KNOWLEDGE

According to the Pew Research Center, an estimated 10,000 baby boomers turn 65 every day. As this broad trend becomes a reality for many companies, CFOs need to partner with HR and benefits departments to develop hiring strategies to replace and educate those workers. For companies with aging workforces, managing the transfer of firm-specific, or "tribal," knowledge to the younger generations is critical.

Mid-size companies may be able to overcome smaller recruiting budgets by emphasizing that younger workers can stand out, be recognized for their contributions and

advance faster in their professions. Alternatively, larger companies must act more current and hip with their offerings in order to compete with smaller businesses with more creative and nimble benefits.

Since millennials—who will comprise 75 percent of the global workforce by 2025—seek rapid growth in their careers, employers are required to closely match expectations where possible. In addition to offering benefits such as competitive 401(k), financial literacy training can reduce young workers' anxieties about money and lead to more satisfied, loyal and engaged employees. In fact, financial wellness programs are becoming the new normal in workplace benefits, and include discussions around debt management, budgeting, college savings and personal savings habits. In short, employers are improving the personal lives of their employees, not just boosting financial acumen. Not surprisingly, in the Bank of America Merrill Lynch 2015 *Workplace Benefits Report*, 81 percent of mid-size companies said financial wellness will be a standard benefit program 10 years from now.

RECOGNIZING GENERATIONAL DIFFERENCES

Understanding what motivates the new workforce and its needs will help employers maintain a competitive edge in attracting talent. Millennials are seeking meaningful work from an employer committed to societal issues. In the

course of managing the new, younger workforce, there is an opportunity to adjust the corporate culture. To this generation, these criteria can be more important than pay.

As a result, a clear statement of purpose and community engagement are important parts of a successful culture that can build brand favorability. Consequently, companies are incorporating community events into client interaction and employees' schedules, such as paid time off for volunteerism.

More flexible hours, family-friendly schedules, and extended leave to care for aging parents are also critical components in packages for all workers.

For long-term, experienced staff, achieving work-life balance is top of mind. Offering consulting opportunities that allow them to travel and spend time with their grandchildren is an important benefit.


Going forward, CFOs have to bridge the gap between HR and finance, developing competitive compensation structures that not only bring in and retain the best talent but support company culture.

For more on how your Detroit local business can attract and retain the strongest workforce for future growth, contact james.carpenter@baml.com or matthew.b.elliott@baml.com.

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MARY KRAMER
Publisher
mkramer@crain.com

Schools' goal: Work together

Michigan's 15 public universities, for the most part, share the same issues.

State aid took a big hit in 2011 and is slowly recovering, but public pressure is on to keep tuition low while costs are going up. The number of high school graduates is going down, so most schools compete for the same "customers."

And online-degree competition — whether it's for-profit schools or a recognized brand such as **Arizona State University** — is fierce.

So last week's gathering of university presidents and elected and appointed trustees at **Grand Valley State University's** Grand Rapids campus was timely. Gov. Rick Snyder used his power to convene, and more than 100 administrators and trustees accepted. (As a Grand Valley trustee, I was among them.)

The governor's goal? Trying to get the universities to find ways to collaborate versus compete.

College presidents get together often; trustees, not so much. So there was much to talk about among some accomplished volunteers who love their institutions.

The trustee names included: Tricia Keith, **Blue Cross Blue Shield of Michigan** (**Central Michigan**); Rupesh Srivastana, CEO of **Youngsoft Inc.** (**Ferris State**); John Kennedy, CEO of **Autocam Medical**; Kate Pew Wolters, chair of the **Steelcase Foundation** (**GVSU**); Joel Ferguson, real estate developer (**Michigan State**); and Julie Fream, CEO, auto supplier trade group **OESA** (**Michigan Tech**).

Ideas were bouncing around every breakout room. A couple are worth noting.

First, Michigan's reputation for higher education is (as Donald Trump might say) HUGE. So as the traditional college-age customer declines, why not promote as a state to prospective students outside Michigan? Those non-Michigan students also might stick around to fill some of the thousands of open jobs in Michigan.

Second, studies have shown Michigan has a significant number of residents who have "stopped out," not dropped out. If universities collaborated regionally with programs and support, some may be lured back to complete a degree.

Those ideas are, well, just ideas. But kudos to a governor who stayed the day to listen to people who were either elected or appointed to help guide one of the state's biggest investments: higher education.

SPECIAL REPORT: MICHIGAN BUSINESS

Vineyard VIEWS

Rule change uncorks chance to linger longer over wine, scenery

By Jacob Wheeler
Special to Crain's Detroit Business

At **Bonobo Winery**, on Traverse City's Old Mission Peninsula, two young couples sit on comfortable couches next to a fireplace. They rock dozing infants, sip Chardonnay and gaze out the windows at West Grand Traverse Bay as the receding sun bathes the Leelanau Peninsula in a majestic orange.

No pourer hurries them to empty their glasses and taste the next ounce. No tour bus in the parking lot beckons them toward the next vineyard. Bonobo's guests have swapped the frenetic wine tour of old for this leisurely lounge experience. Here they can order a glass, or share a bottle, and nibble from a menu created by celebrity chef Mario Batali, who splits his time between New York City and Northport.

In the "library" at the north end of the winery, a millennial works from his laptop, while sipping. Books, binoculars, an antique scale,

an old-school typewriter and board games fill the room's shelves. At the south end, a gallery showcases the work of painter Stephanie Schlatter from her series "On the Michigan Wine Trail."

On busy weekends, Bonobo sometimes opens extra tasting bars in these rooms. The 3,000-square-foot space has a capacity of 400 people, which means that the winery never feels crowded.

Bonobo, which opened last December, takes advantage of a change five years ago to Michigan's liquor law, which allows wineries to charge for wine tasting and sell glasses of wine on site.

Prior to the rule change, Michigan wineries could offer only free tastes of up to five one-ounce pours. To recoup costs, they typically sold the customer a branded tasting glass for \$3 or \$5. As a result, the wine experience often resembled a dash through the turnstiles, where wine tourists were given just enough vino to encourage them to buy a bottle, after

Todd Oosterhouse, who co-owns **Bonobo Winery** with his brother, HGTV star **Carter Oosterhouse**, said August tasting fees and by-the-glass sales accounted for 40 percent of revenue.

which they rushed out the door and on to the next winery.

Proponents of the rule change say that charging \$5 per tasting allows customers more time to enjoy their wine, linger longer and absorb the gorgeous glacial vistas, order food from the menu, and ultimately develop a relationship with the winery. Some also sell wine by the glass — \$7-\$10 in the case of Bonobo. All this means more money.

"We wanted to do something different," said Todd Oosterhouse, who owns Bonobo with his brother, HGTV host Carter Oosterhouse. "This is a lounge where you can hang out and not feel rushed. Grab a glass of wine and enjoy yourself."

SEE WINERIES, PAGE 36



Bonobo Winery designed its tasting room on the Old Mission Peninsula to provide spaces for customers to linger with a glass of wine and small plates.

PHOTOS BY JOHN RUSSELL

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In his Old Mission Peninsula tasting room, **Bonobo Winery** owner **Todd Oosterhouse** (left) helps visitors **Chuck Millbrook**, **Kim Millbrook**, **Janee Penfield** and **Dave Penfield**, all from Grand Ledge.

WINERIES

FROM PAGE 35

Bonobo stays open until 9 p.m. six nights a week, and until 6 p.m. on Sunday.

Oosterhouse estimates that for the month of August, bottle sales represented 40 percent of revenues, glass sales accounted for 20 percent, tastings were 20 percent, and food and gift shop sales rounded out the total. On a recent Saturday in August, Bonobo welcomed 800 people through its doors, and more than a quarter of them left with a bottle in hand.

The winery expects revenue of \$1.2 million in its first year, Oosterhouse said.

Up the road at **Brys Estate**, visitors can linger in the tasting room or ascend the stairs to the winery's outdoor deck, which overlooks 48 acres of grapevines and East Grand Traverse Bay in the distance. Brys' deck is known for its bridge over the vines, which has become a destination for everything from cellphone selfies to marriage proposals.

"People immediately put us on social media," said owner Walter Brys. "The bridge is the only one we know of in Michigan. What a great marketing tool."

Brys is celebrating its 10th anniversary in 2015, but it didn't expand the deck and offer more outdoor seating until the law change allowed the winery to capitalize on guests that linger.

"You can sit at our outdoor deck and experience the vineyard," said Brys. "That's been a boon to visitation. If people like the wine, they'll come back, but if they just get a tasting, they might go elsewhere."

Brys estimated that the winery received 650 paid tasters on a recent Saturday in August. On Saturdays, they get to take home a glass adorned with a Brys Estate logo on it — what he called, "a taste of the Pure Michigan experience." And if they buy three bottles, their \$5 tasting fee is returned. About 20 percent of revenues on a busy summer weekend with good weather, he said, come from guests sitting on

the deck, ordering glasses of wine or small plates.

"It's worth the extra cost for the view and the experience. The light is incredible here when the sun first comes up, giving the winery a whole different look. And we sometimes see a bald eagle flying by."

"Over the last 4-5 years, any new winery being built will offer somewhere to sit and have a glass of wine — to experience more than just the tasting."

Contrast that with the days of free tastings — which, Brys said, were a drain on the winery's costs and caused other problems.

"The free tastes got to be a large component of our expenses, so we cut down on the size of the pour."

You'd limit the number of tastes you gave people, which worked against them having a comfortable experience. Plus, when you gave away free tastings, it wasn't uncommon for people to go from one winery to the next, and get drunk. If you give people something for free, they'll abuse it."

Like Brys, **Round Barn** near Three Oaks also recoups the \$5 tasting fee if you buy three bottles. Winemaker Matt Moersch believes that Round Barn was one of the first in southwest Michigan to charge for tasting.

"We basically went from giving away product to having a service that pays for the overhead," said Moersch, who estimates that 70 percent of Round Barn's sales are retail.

A big advantage of selling directly to customers on site is that it allows wineries — especially new wineries — to build a relationship with their clientele, said Linda Jones of the Lansing-based **Michigan Grape and Wine Industry Council**.

"Wineries can interact directly with consumers to learn what they like," Jones said. "That interaction is valuable when you start a business. When you sell directly to the consumer you can retain the biggest share of the price."

The direct-to-consumer (DTC) route, where consumers can buy at the tasting room or through a wine

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SPECIAL REPORT: MICHIGAN BUSINESS

FROM PREVIOUS PAGE

club, has exploded nationwide, thanks to the Internet. In California, for example, an estimated 40 percent of premium wine sales are made directly from the winery to the consumer.

DTC wine sales out of the tasting room represent 75-80 percent of sales at **Forty-Five North**, said Channing Sutton, tasting room manager. Furthermore, keeping visitors on the premises makes their experience more enjoyable and safe.

"With so many wineries now, people can become intoxicated very quickly jumping around doing tastings, essentially a glass of wine per stop," said Sutton. "If we can have a person get a glass of wine and sit on the patio for an hour with a cheese plate, it allows guests to not feel rushed and to enjoy the experience and the beauty of wine with a more in-depth understanding."

The quality of the glass matters, too. Wine-tasting rooms that opened after 2010, such as **Verterra** in Leland, pour into crystal glasses that, according to owner Paul Hamelin, enhance the aromatic factors of the wine. Verterra has a dishwasher to clean its glasses because it doesn't give away cheap glasses as souvenirs.

"It gives the customer a better experience. Today we serve different types of wine in different crystal glasses and sparkling wine in a champagne flute," Hamelin said.

Linda Jones of the wine council has also observed that more and more wine consumers want a leisurely experience when they can pick one winery to sit and chat with friends, instead of hitting five different locations for tasting flights.

"This way they spend more money at, and are more loyal to, a particular winery," she said. "That's the model Bonobo was created around."

Most wineries develop their brand through the tasting room, said Jones. Then they might graduate to an online buyers club, with occasional on-site events and parties. Some keep the direct-to-consumer model. Others move to a distributor or sell directly to restaurants.

Leelanau Cellars is one winery that does have a distributor, and tasting room sales are not as crucial. Ac-

cording to owner Bob Jacobson, the tasting room represents just 12 percent of revenues and 7 percent of volume. Distribution makes up 88 percent of its sales. Leelanau Cellars still offers free wine tastings.

"We're not a tasting room-dependent winery," said Jacobson. "It's how you introduce people to your product. But there's a physical limit to what any winery can do out of the tasting room. Then you have to decide whether to get into distribution."

Whether they have distribution or not, many northwest Michigan wineries have expanded their on-site accommodations. In the past 10 years, **Black Star Farms**, near Suttons Bay, has become an agricultural destination with weddings, wood-fired pizzas and Norwegian-style fish boils. **Chateau Chantal**, which doubles as a winery and a bed and breakfast, offers jazz sunsets on Thursday nights and a tapas tour wine and food pairing.

In southwest Michigan, **Dablon Vineyards** and **Vineyard 2121** recently opened and also cater to what Jones called the "linger longer" strategy. In Benton Harbor, Vineyard 2121 emulates the strategy of many breweries by having a food truck visit on Saturdays.

"What you're seeing now is wineries expanding their outdoor facilities," said Hamelin of Verterra, which opened its tasting room in downtown Leland in 2011. Next summer Verterra will sell wine and food in its vineyard, eight miles north of town. "We'll be giving visitors the chance to sit out underneath a tree, amidst our vines."

The Michigan wine industry, which started in earnest just 15 years ago, now has 120 wineries and tasting rooms and generates \$300 million in economic impact. Just as important, it's the perfect vehicle for showcasing the state's rural beauty.

"Wine tourism is a very important part of the Pure Michigan tourism experience," said Jones, who contrasts wine marketing with the state's surging beer industry, which manifests itself through an urban, often nocturnal experience.

"When you visit wineries in rural areas, you feel engaged with our scenic beauty and agriculture. People welcome that educational aspect." ■



JOHN RUSSELL

Pinot Noir grapes in the **Bonobo Winery** vineyard.

Heart & Vascular Center of Excellence



Frank Poma has accepted the role of Vice President, Heart and Vascular Center of Excellence for St. John Providence.

Frank is a respected administrator and leader at St. John Providence, having been with the health system for over 40 years. Mr. Poma will also continue in his current role as president of St. John River District Hospital in East China, Michigan.



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CRAIN'S LIST: LARGEST MICHIGAN MANUFACTURERS

Ranked by 2014 revenue

	Company Address Phone; website	Top executive(s)	Revenue (\$000,000) 2014/2013	Revenue % change	Employees Jan. 2015 Michigan/ Worldwide	Number of plants in Michigan	Michigan plant locations	Clients/industries served
1	General Motors Co. 300 Renaissance Center, Detroit 48265 (313) 556-5000; www.gm.com	Mary Barra CEO	\$155,929.0 \$155,427.0	0.3%	45,424 215,900	13	Bay City, Detroit/Hamtramck, Grand Rapids, Lansing, Livonia, Milford, Orion, Pontiac, Romulus, Saginaw, Swartz Creek, Warren, Ypsilanti	Automotive
2	Ford Motor Co. 1 American Road, Dearborn 48126 (313) 322-3000; www.ford.com	Mark Fields president and CEO	144,077.0 146,917.0	-1.9	44,000 ^① 187,000	8	Dearborn, Flat Rock, Wayne, Woodhaven, Romeo, Sterling Heights, Livonia, Ypsilanti	Automotive
3	FCA US LLC 1000 Chrysler Drive, Auburn Hills 48326-2766 (248) 576-5741; www.fcanorthamerica.com	Sergio Marchionne chairman and CEO	83,057.0 72,144.0	15.1	35,000 77,800	12	Detroit (5), Sterling Heights (2), Trenton (2), Warren (2), Dundee	Automotive
4	The Dow Chemical Co. 2030 Dow Center, Midland 48674 (989) 636-1000; www.dow.com	Andrew Liveris president, chairman and CEO	58,167.0 57,080.0	1.9	5,974 53,000	3	Michigan Operations, Midland Harbor Beach Hillsdale	High-growth sectors such as packaging, electronics, water, coatings and agriculture
5	Johnson Controls - Automotive Experience 49200 Halyard Drive, Plymouth 48170 (734) 254-5000; www.johnsoncontrols.com	Beda Bolzenius vice chairman, Johnson Controls; president, Automotive Experience	22,032.0 21,781.0	1.2	NA 130,000	5	Detroit, Holland, Lansing, Warren, Auburn Hills	Automotive
6	Whirlpool Corp. 2000 North M-63, Benton Harbor 49022 (269) 923-5000; whirlpool.com	Jeff Fettig chairman and CEO	19,872.0 18,769.0	5.9	NA 100,000	NA	None	Household appliances
7	Lear Corp. 21557 Telegraph Road, Southfield 48033 (248) 447-1500; www.lear.com	Matthew Simoncini president and CEO	17,727.3 16,234.0	9.2	3,723 125,200	11	Traverse City, Roscommon, Farwell, Mason, Rochester Hills, Detroit (4), Taylor, Southfield (HQ)	Ford, GM, BMW, VW/Audi/Porsche, FCA
8	ZF TRW Active & Passive Safety Technology ^② 12001 Tech Center Drive, Livonia 48150 (734) 855-2600; www.trwauto.com	Franz Kleiner CEO	17,539.0 17,435.0	0.6	2,850 66,100	4	Fenton, Fowlerville, Livonia, Portland	Automotive
9	Delphi Automotive plc 5725 Delphi Drive, Troy 48098 (248) 813-2000; www.delphi.com	Kevin Clark CEO and president	17,023.0 16,463.0	3.4	NA NA	0	None	Automotive
10	Kellogg Co. 1 Kellogg Square, Battle Creek 49016 (269) 961-2000; www.kelloggcompany.com	John Bryant CEO	14,600.0 14,800.0	-1.4	3,437 33,000	3	Battle Creek, Grand Rapids, Wyoming	Food products
11	Robert Bosch LLC 38000 Hills Tech Drive, Farmington Hills 48331 (248) 876-1000; www.boschusa.com	Mike Mansueti president	11,300.0 10,400.0	8.7	NA NA	4	St. Joseph, Kentwood, Bridgeport, Buchanan	Automotive, industrial
12	Amway 7575 Fulton St. E., Ada 49355-0001 (616) 787-1000; www.globalnews.amway.com	Steve Van Andel chairman and Doug DeVos president	10,800.0 11,800.0	-8.5	5,000 20,000	11	Ada	Consumer products, agribusiness, logistics supply chain.
13	Stryker Corp. 2825 Airview Blvd., Kalamazoo 49002 (269) 385-2600; www.stryker.com	Kevin Lobo chairman and CEO	9,675.0 9,021.0	7.2	3,100 26,000	2	Kalamazoo, Portage	Health care
14	Continental Automotive Systems U.S. Inc. 1 Continental Drive, Auburn Hills 48326 (248) 393-5300; www.conti-online.com	Samir Salman CEO, NAFTA Region	9,281.8 ^③ 8,845.1 ^③	4.9	1,765 NA	5	Auburn Hills, Brimley, Dearborn, Rochester Hills, Troy	Automotive OEM
15	Masco Corp. 21001 Van Born Road, Taylor 48180 (313) 274-7400; www.masco.com	Keith Allman president and CEO	8,521.0 8,173.0	4.3	NA NA	6	Ann Arbor, Adrian, Novi, Brownstown, Lapeer, Taylor	Home improvement, construction
16	BorgWarner Inc. 3850 Hamlin Road, Auburn Hills 48326 (248) 754-9200; www.borgwarner.com	James Verrier president and CEO	8,305.1 7,436.6	11.7	NA NA	3	Cadillac, Livonia, Marshall	Automotive tier-one supplier
17	Denso International America Inc. 24777 Denso Drive, Southfield 48033 (248) 350-7500; www.densocorp-na.com	Sadahiro "Sam" Usui CEO	8,000.0 7,900.0	1.3	3,758 140,000	1	Battle Creek	Automotive
18	Visteon Corp. 1 Village Center Drive, Van Buren Township 48111 (734) 710-5000; www.visteon.com	Sachin Lawande CEO	7,509.0 7,439.0	0.9	NA NA	0	None	Automotive
19	Federal-Mogul Holdings Corp. 27300 W. 11 Mile Road, Tower 300, Southfield 48034 (248) 354-7700; www.federalmogul.com	Rainer Jueckstock co-CEO, co-chairman and CEO, Powertrain and Daniel Ninivaggi co-CEO, co-chairman and CEO, Motorparts	7,317.0 6,786.0	7.8	1,522 50,000	2	Greenville, Sparta	Automotive, commercial, aerospace, marine, rail and off-road vehicles; and industrial, agricultural and power-generation equipment
20	Dow Corning Corp. 2200 W. Salzburg Road, Midland 48686 (989) 496-4000; www.dowcorning.com	Robert Hansen chairman, CEO and president	6,220.0 5,710.0	8.9	4,000 11,000	6	Auburn, Bay City, Thomas Twp. (2), Midland (2)	Construction, personal care, automotive, electronics, healthcare and packaging industries.
21	Faurecia North America 2800 High Meadow Circle, Auburn Hills 48326 (248) 724-5100; na.faurecia.com	Mark Stidham president, Faurecia N.A.	6,200.0 6,250.0	-0.8	4,800 100,000	7	Fraser (2), Lansing, Saline, Sterling Heights (2), Taylor	Automotive
22	International Automotive Components 28333 Telegraph Road, Southfield 48034 (248) 455-7000; www.iacgroup.com	Robert Miller president and CEO	5,900.0 5,200.0	13.5	2,800 32,000	5	Alma, Mendon, Port Huron, St. Clair, Warren	Automotive Industry
23	Aisin World Corp. of America 15300 Centennial Drive, Northville 48168 (734) 453-5551; www.aisinworld.com	John Clark executive vice president, Sales and Marketing	4,856.0 4,501.0	7.9	736 93,471	1	Northville, Fowlerville, Ann Arbor, Plymouth	Automotive
24	Perrigo Co. plc 515 Eastern Ave., Allegan 49010 (269) 673-8451; www.perrigo.com	Joseph Papa chairman, president and CEO	4,061.0 3,539.8	14.7	3,800 12,500	2	Allegan, Holland	Pharmaceutical
25	Yazaki North America Inc. 6801 Haggerty Road, Canton Township 48187 (734) 983-1000; www.yazaki-na.com	Nigel Thompson president and CEO	3,815.0 ^④ 3,713.0 ^④	2.7	NA NA	NA	Canton Township	Automotive

This list of manufacturing companies is an approximate compilation of the largest such companies in Michigan. It is not a complete listing but the most comprehensive available. Guardian Industries Corp., No. 22 on last year's list, which *Crain's* believes would make the list, was unable to provide figures, and a reliable estimate could not be made. *Crain's* estimates are based on industry analyses and benchmarks, news reports and a wide range of other sources. Unless otherwise noted, information was provided by the companies. Companies with headquarters elsewhere are listed with the address and top executive of their main Michigan office. Actual revenue figures may vary. NA = not available.

① Company estimate.

② TRW Automotive Holdings Corp. merged into ZF Friedrichshafen AG May 15, 2015.

③ U.S. revenue not available. Figures represent NAFTA sales of Continental AG, converted from euros to U.S. dollars based on a Dec. 31, 2014, euro to dollars rate of 1.2101.

④ From *Automotive News*.

WORLD WATCH

WHERE MICHIGAN DOES BUSINESS



Bissell Homecare Inc.

Based: Walker
Operations: International trading company located in Amsterdam
Employees: 17
Products/Services: Homecare products including the Vac&Steam, Lift-Off Steam Mop, Powerfresh Steam Mop, Steam Mop Select, the Steam Shot and Steam Accessories.
Top executive: Bart De Vos, managing director
Clients: Retailers including Bol.com, Coolblue, Kijkshop and Vivolanda
More information: The Amsterdam office manages all the international countries outside the U.S., Australia and Canada.

Cooper-Standard Automotive Inc.

Based: Novi
Operations: One administrative office handling tax, treasury, accounting and engineering in Amsterdam
Employees: 5
Products/Services: Tax, treasury, accounting and engineering
Top executive: Maartan Van Den Berg Sr., director of treasury and tax for Europe

Domino's Pizza Inc.

Based: Ann Arbor
Operations: 160 pizza stores throughout the country and one office and a supply chain in Rotterdam
Employees: 3,200
Products/Services: Pizza, pasta, chicken, salads, desserts, soft drinks



THE NETHERLANDS

With a 2014 GDP of \$866.4 billion, The Netherlands has the 28th-largest economy in the world, according to the *CIA World Factbook*, and the sixth-largest in the European Union. The Netherlands acts as a transportation hub in Europe, and some of its largest industries include food processing, chemicals and electrical machinery. In 2014, the country saw a GDP growth of 0.8 percent. The Netherlands' largest imports are machinery and transportation equipment, foodstuffs, clothing and chemicals. Its biggest import partners are Germany (14.5 percent), China (13 percent), Belgium (8.4 percent) and the United States (6.5 percent). The country's largest exports are chemicals, fuels, foodstuffs, and machinery and equipment. Its biggest export partners are Germany (25.3 percent), Belgium (12.9 percent), the United Kingdom (8.9 percent) and France (8.6 percent).

Crain's World Watch report showcases companies that are leaders in global markets and those that are expanding. Each World Watch features a different country. If you know of a Michigan company that exports, manufactures abroad or has facilities abroad, email Gary Platek, senior editor, at gplatek@crain.com.

Coming up

November: China December: Iraq

Top executive: Andrew Rennie, president of Domino's Pizza Enter-

prises for Europe
Clients: Retail pizza customers



MSX INTERNATIONAL

MSX International has a headquarters in Nijkerk.

FCA U.S.

Operations: One location in Lijnden, which handles brands, marketing, sales, after-sales, public relations, human resources and technical support
Employees: 140
Products/Services: FCA Netherlands is 100 percent owned by Fiat Chrysler Automobiles; the dealers sell products and offer services. Some products include Fiat, Abarth, Alfa Romeo, Fiat Professional, Jeep and Lancia.
Top executive: Alejandro Noriega, managing director

General Motors Co.

Operations: Marketing and after-sales office in Breda
Employees: 130
Products/Services: Sales and marketing for the Opel brand and after-sales for Opel and Chevrolet

Top executive: Johan Claassen, managing director
Clients: Private customers, fleet and lease customers

International Automotive Components Group

Based: Southfield
Operations: One manufacturing facility in Born
Employees: 450
Products/Services: Door panels, instrument panels, pillars and center consoles
Top executive: Damian Carter, senior vice president of hard trim operations

Inteva Products LLC

Based: Troy
Operations: One support center in Amsterdam
Employees: 15
Products/Services: Central procurement, IT support and data center operations
Top executive: Frank Adriaanse, director of supply chain management

MSX International

Based: Detroit
Operations: Headquarters in Nijkerk, which also is the headquarters for MSXI's Benelux business unit; a branch in Belgium.
Employees: 90
Products: MSXI's Retail Network Solutions provides parts and accessories sales programs, dealer standards and process improvements, training, technical support services and warranty solutions to vehicle manufacturers.
Top executives: Stéphane Micheau, operations director, Benelux and Central and Eastern Europe; Johan Kloosterboer, sales and operations manager
Clients: BMW, Fiat, Ford Motor Co., General Motors Co., Hyundai, Jaguar Land Rover, Mercedes, PSA Peugeot Citroën, Renault-Nissan Alliance, Toyota, Volkswagen Group and Volvo.

Natalie Broda



GENERAL MOTORS CO.

General Motors Co. has a marketing and after-sales office in Breda. It employs 130 workers.

SPECIAL REPORT:

SECOND STAGE

WHEN IS
the recipe
RIGHT FOR SELLING?

For entrepreneurs to sell their companies is no light matter. Like watching a teenager head off to college, letting go of a company built from scratch is an experience filled with mixed emotions and concerns.

This is an experience many owners are doubtless feeling pressure to engage in. That's because valuations are high right now — really high.

"In my 16 years of doing M&A, valuations are as high as I've seen them," said Peter Roth, transactions attorney and partner at **Varnum LLP**.

"You have a lot of private equity money chasing deals, and banks are being loose in lending money. Businesses are trading or selling at high single-digit multiples. ... If selling the business is something that is in your future, now is about the best time to do it."

Aggressive lending is allowing entrepreneurs to get "more favorable terms, creative financing and financing based on cash flow rather than hard assets," said Rajesh Kothari, founder and managing director at **Cascade Partners LLC** in Southfield.

Middle-market deals increased 16 percent in the first half of this year compared with the first half of last year, according to a market update from Birmingham-based **Quarton Partners**. Financial and strategic buyers both have surpluses of capital to spend, making the middle market "highly attractive for sellers," the report said.

That's especially true for compa-

nies with a secret sauce. Those with a proprietary, differentiated product or service "are garnering record valuations in today's marketplace," according to the report.

That would fit the description of this month's featured company, **Garden Fresh Gourmet**, the maker of Garden Fresh Salsa.

While business owners might understandably feel tempted to surrender their cherished companies to this frothy market, they should resist the urge to rush the process for fear the market will change.

Because, as Garden Fresh co-founder Jack Aronson and others explained, time was the factor that mattered most in making them feel good about having sold their companies. They spent the time to find the right buyer that served not just their financial needs — but also those of the company and its employees whom they worked so hard to develop.

And for those concerned they might miss the boat, Roth said that while high valuations won't last forever, he does believe they will remain high into early 2016.

"If you're thinking about selling, start the process now to maximize your value. It's not an overnight process. It could take four to eight months," he said.

At any rate, premature sales are never a good idea.

"If you're not ready, you shouldn't sell your business just because valuations are high," Roth said. ■

Path to the Garden Fresh deal

Founders took a decade to pick right buyer for Ferndale company

By **Rachelle Damico**
Special to Crain's Detroit Business

The sale of **Garden Fresh Gourmet** will surely go down as one of the biggest deals in Southeast Michigan this year.

But it didn't happen overnight. By the time the sale came, Jack and Annette Aronson had spent 10 years giving an ear to interested parties, including some of the biggest food companies in the country.

The slow, contemplative approach was in keeping with a business the Aronsons had worked so hard to nurture and grow from the ground up — they weren't going to let it go to just anyone. They'd started making salsa in five-gallon buckets at their Ferndale restaurant, **Clubhouse Bar-B-Q**, in 1997. That same year, they founded Garden Fresh.

Garden Fresh makes refrigerated salsa, hummus and dips. The Ferndale-based company also sells tortilla chips.

The couple, who live and grew up in Ferndale, didn't always plan on selling the family company they enjoyed running for more than 17 years.

"This community has helped us along our whole journey," Jack Aronson said. "We wouldn't walk away from that."

However, Garden Fresh grew so fast that, at times, revenue was al-

most doubling every year. More space was needed for employees, facilities and equipment, including another high-pressure processing machine, which keeps the salsa fresh without needing to freeze it or add preservatives.

"Keeping up with the infrastructure was challenging," Aronson said. "I started worrying about not having enough protection for our workforce if there was some kind of financial emergency."

The company has about 450 employees. Last year, revenue was \$110 million.

Garden Fresh also had signifi-

cant debt, and although that was getting paid off, the company was shipping and producing more than a million units per week.

"I didn't feel like I had enough reserved cash if there was a catastrophe of some sort, like a recall, to stay in business," Aronson said. "My biggest fear was to have to lay someone off."

In 2005, the couple began considering offers to sell.

One interested buyer from a top food company wanted to merge with Garden Fresh. Jack and An-

SEE SALSA, PAGE 42



LARRY PEPLIN

Jack Aronson shopped around before finding a buyer for his fresh salsa business, **Garden Fresh Gourmet**.

Inside

A case study on the value of vetting suitors, **Page 43**

Tips for selling a business, **Page 44**

SALSA

FROM PAGE 41

nette flew to California and a full day was planned for the couple. However, Jack's mood was soured when he saw a CEO talking down to an employee in the hallway.

"Within 10 minutes of this meeting, I knew we'd never do business with these people," Aronson said. "I wouldn't want anybody on our team treating anyone like that."

Aronson also said the company wanted Jack and Annette to continue to run Garden Fresh, but only with a minority ownership in the company.

"I'd have a boss," Aronson said. "We didn't want that."

At another meeting with a major food company on the East Coast, Aronson pulled out of a closing because the buyer wanted to move the Garden Fresh plant after a year.

"We didn't want the company and the jobs leaving Michigan," said Aronson.

Situations like those, and the fact that many top food companies would not guarantee that Garden



"When you get to a certain size, to continue to compete and grow you need the resources of a Fortune 500 company."

Dave Zilko, Garden Fresh vice chairman

Fresh would remain in Ferndale, kept the Aronsons from considering more offers.

"After that, we said this is distracting and not good for morale," Aronson said.

The turning point came in 2014 when a **Campbell Soup Co.** executive reached out to Garden Fresh partner and Vice Chairman Dave Zilko through email. Zilko did not respond until five months later.

"We were not for sale," said Zilko.

Zilko had flown out to Santa Monica, Calif., for a separate meeting and planned to stop by **Bolthouse Farms** for what he thought was a five-minute meet-and-greet. Instead, it turned into a two-hour meeting with CEO and President Jeffery Dunn of Bolthouse Farms, which Campbell had acquired in

2012. Dunn expressed an interest in Garden Fresh joining Campbell's Fresh division, which sells natural and organic foods.

"When you get to a certain size, to continue to compete and grow you need the resources of a Fortune 500 company," Zilko said.

Zilko became convinced that Garden Fresh should become a part of Bolthouse Farms. He approached Jack and Annette about selling. Zilko had liked what he'd seen, which was a company that had the same values as Garden Fresh. Jack listened — but took his time on the decision.

"It's important to get to know the people you're selling to," Aronson said. "Being in a hurry doesn't give you enough time for the proper due diligence."

Jack and Annette flew out to tour the Bolthouse Farms facilities in Bakersfield, Calif., early this year.

"It was the perfect fit and culture for us," Aronson said. "They had the same values, interest and qualities that we did."

In May of this year, Campbell CEO Denise Morrison flew to Ferndale to visit the Garden Fresh plant. She was upfront that Campbell would invest in Ferndale, retain the workforce and not change one recipe without the Aronsons' approval.

"I'm really impressed with Denise Morrison, because she's the first big food CEO that has stepped out of that big food box and said, 'We are going to do things differently,'" said Aronson. "I've been in the business long enough to know when I'm really comfortable with someone."

This is no easy accomplishment. Selling to a much larger company comes with its own complications, said Rajesh Kothari, managing director at **Cascade Partners LLC** in Southfield.

"Larger corporations have an identity, operating style, strategy and way of doing business — that's how they got to be as large and as big and, in many cases, as successful as they are. Sometimes that can be harder for the company being acquired to assimilate or fit within that culture," he said.

Market-wise, Garden Fresh couldn't have chosen a better time to sell. M&A lawyers and advisers say valuations are the highest they've seen since before the Great Recession.

Aronson knew that the value of all-natural and organic companies are at an all-time high. Last year, **General Mills Inc.** agreed to buy organic snack and pasta company **Annie's Inc.** for \$820 million. **Hormel Food Corp.**, the maker of Spam, agreed to buy natural-meat producer **Applegate Farm LLC** this year for \$775 million.

"If we were going to entertain that offer to sell, there wasn't a better time than right now," said Aronson.

A closing meeting was arranged in Ferndale. On Aronson's team was Zilko, their accountant, attorney and company partners. All were connections of Jack and Annette's that they knew they could trust.

"I would not have done one thing differently," said Aronson. "If they triple or quadruple this company, I would be extremely proud."

After agreeing on a number Aronson thought was fair to both sides, Garden Fresh agreed to sell for \$231 million. The all-cash deal was closed June 9.

"We wouldn't have sold for \$180 million or \$150 million," Aronson said. "At the end of the day, they promised us a lot, and they overdelivered on their promises."

For example, Campbell gave Garden Fresh employees a 2 percent raise and beefed up their 401(k) plans.

"We had already given out raises," Aronson said. "They didn't have to do that."

If Aronson had the market winds at his back to aid him, he also had an attitude conducive to getting a good deal.

"Many successful entrepreneurs don't have to sell their business. Those are usually the folks that get the biggest dollars, the ones that don't have to sell," Kothari said. "This creates such an attractive asset that they get really incredible dollars. The seller can dictate the terms and the buyers that are interested in those terms can OK it."

Jack, 62, said he and Annette now have the time to start a foundation and fund more charity work. Garden Fresh funded charities such as the **Boys & Girls Clubs**, **The Salvation Army** and **Forgotten Harvest**.

"If I was 30, maybe I wouldn't have sold," said Aronson, who has been in the restaurant business for over 40 years. "I wanted a little bit more freedom at this point in my life."

Jack and Annette don't plan to sit at home. This month, they plan to launch **Clean Planet Proteins**, a producer of natural, ready-to-eat protein-rich foods that can be delivered to homes or school gymnasiums. Meat stays fresh for up to 60 days using the same high-pressure processing technology used to make Garden Fresh salsa.

"It's exciting to be a small part of something that I think is going to be very big in this country," said Jack Aronson about the demand for organic and natural foods.

The couple also sells a line of microwaveable, ready-to-eat stuffed chicken burgers with **Great Fresh Foods LLC**, a Clinton Township company established in 2012.

"I have time now to give it the attention it needs," Aronson said.

Aronson said he has no seller's remorse.

"I will never look back and say I should've kept Garden Fresh because I could've gotten more," he said. "It was the right time, it was the right price, and it was the right people for us." ■



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LARRY PEPLIN

Besides salsa, **Garden Fresh Gourmet** also sells hummus, dips and tortilla chips.

SPECIAL REPORT: SECOND STAGE

Oak Park company took time to vet before selling

By **Rachelle Damico**
Special to Crain's Detroit Business

Before selling to a private equity firm, **Mopec Inc.** co-owner Rick Bell made sure he did his homework first.

"There are so many private equity groups out there, you have to be careful that they're well-funded and are who they say they are," said Bell.

Mopec is an Oak Park-based maker of pathology and mortuary equipment. The company provides items such as body trays, autopsy saws and bone-cutting instruments. Bell and fellow co-owner George Hallman founded it in 1992.

As the company grew, it became harder to manage and support.

Bell and Hallman began thinking about selling, but they didn't want to do it carelessly.

"The business grew beyond our capabilities, and we weren't willing to grow and invest in new technologies," said Bell.

"It was time to pass the company on to somebody who had grander visions and can run a larger corporation."

At the time of the sale, Mopec had about 80 employees and a network of over 40 different independent representatives to whom the company delivered equipment and supplies.

"It was a tremendous responsibility," said Bell. "The reps were



Rick Bell, co-owner, Mopec Inc.

"A business broker will give you realistic numbers and offer suggestions on how to get the maximum value for your business. Everyone thinks their business is worth more than it actually is."

counting on us all the time to perform at a high level."

Bell also said managing many employees was difficult, especially when it came to demoting or firing.

"I didn't want to be the person that affects somebody's life like that," said Bell. "In order to run a larger corporation, you have to be able to make tough decisions and not let your personal emotions stop you."

Through the help of Mopec's CPA, Bell and Hallman hired **Nu-Vescor Group LLC**, a Grand Rapids-based brokerage firm, to help vet buyers.

"A business broker will give you realistic numbers and offer suggestions on how to get the maximum value for your business," said Bell. "Everyone thinks their business is worth more than it actually is."

Although Mopec was getting a lot of offers, Bell wanted to find a

Michigan-based company that wouldn't move the plant.

He also investigated how private equity firms treated employees by calling and interviewing companies bought by private equity groups.

After about a year, they found Grand Rapids-based **Blackford Capital LLC**. Bell and Hallman chose the firm because of its Michigan Prosperity Fund, which promotes its aims to protect and create Michigan jobs.

"Blackford seemed to be committed to growing the company," said Bell. "They had some experience in the medical industry and had a large portfolio."

In 2013, Mopec sold to Blackford. The sale price wasn't disclosed but was under \$20 million. It took about six months of negotiations to finalize the all-cash deal.

"I strongly recommend having very clear, concise contracts with people you're selling to," said Bell.

Initially, Bell and Hallman were to stay at Mopec and manage the company. They later decided to have Blackford bring in their managers and fully acquire the company.

"We would have been employees at Blackford," said Bell. "I'm happy the way it worked out, instead of having to work for somebody else when you worked for yourself all these years."

Bell said Blackford spent a lot of time investigating Mopec as well. The process went more smoothly for both parties because Mopec was up-front about its finances and had no debt or other surprises for Blackford.

"If I did it again, I'd be more prepared for an emotional roller coaster," said Bell.

"Your company is your creation. It's very difficult to let go." ■

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Bonding class helps firms grow

By **Marti Benedetti**
mbenedetti@crain.com

Tiffany Hart knew from the start that getting her Detroit-based road construction company bonded was important to winning more business, but it also was difficult.

"It is a lot like applying for a line of credit," said Hart, CEO and president of **Hart & Associates Construction LLC**.

She didn't know where to start until four years ago, when she heard about a **U.S. Department of Transportation** program. The program not only clearly explained how to get bonded but also taught small companies how to gain access to capital.

A year later, in 2012, USDOT partnered with the **Michigan Department of Transportation** to offer the Bonding Education Program at the MDOT office in Detroit. Hart was one of its first students.

Her company's annual revenue went from about \$200,000 that year to \$269,000 in 2013 to projected sales this year of \$380,000 to \$400,000.

What changed? Hart & Associates became bonded.

Bonding is used by investors in construction projects to protect them from events such as a contractor's failure to complete a project because of insolvency or failure

to meet contract specifications.

In the bond are three parties: the project investors or owners, the contractor hired to do the work and the surety company that backs the bond.

The bond functions like an insurance policy. When a contractor fails on a bonded project, the surety company fulfills the contract for the project owner or, in a government project, the taxpayers. Once bonded, a company can bid on construction projects from MDOT and others.

The free education program is registering its fourth class of local business owners. Registration runs until Oct. 20 at <http://tinyurl.com/BEPMI2015>. So far, 10 companies have registered. The program is funded by USDOT in partnership with MDOT, the **Surety & Fidelity Association of America** and the **Southwest Detroit Business Association**.

The class meets four times between Oct. 21 and Dec. 2.

A class is designed for small and disadvantaged businesses and offers them the tools and resources to compete for multimillion-dollar federal and municipal contracts.

To qualify, a business needs to be at least two years old, have annual revenue of \$250,000 or more, good credit and prior transportation-infrastructure work experience. ■

HEALTH CARE BENEFIT UPDATE

Presented by: **Blue Cross Blue Shield Blue Care Network of Michigan**

Knowing the numbers

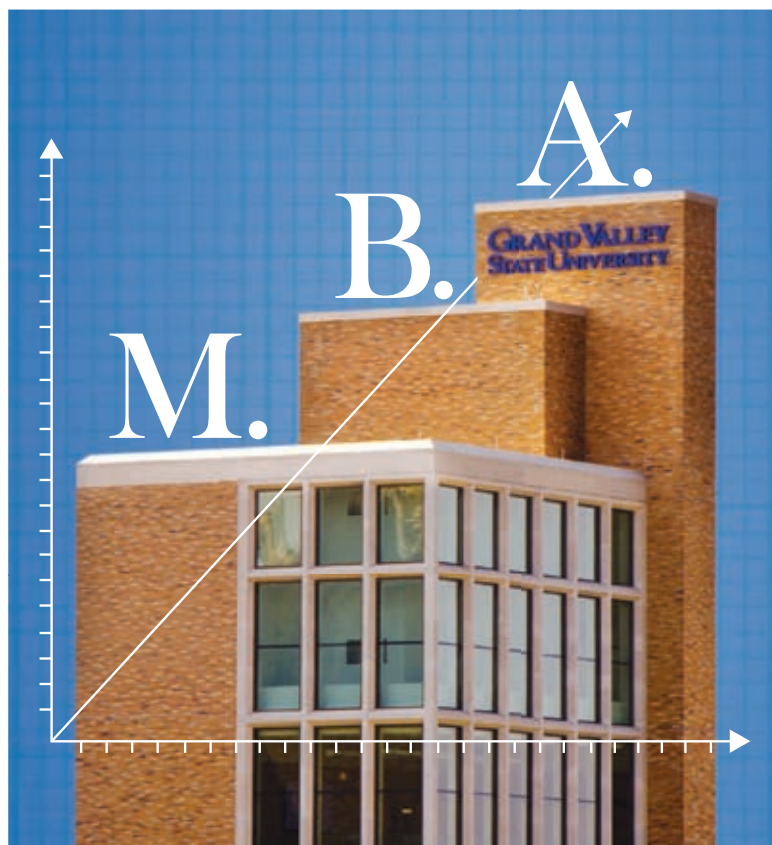
How access to pricing data can help save employers money

As costs rise, employers have a greater demand for solutions. Consumers are taking more responsibility for the cost of their health care. It's becoming more critical for employers to have access to the resources and tools to help their employees make more informed health care decisions.

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SPECIAL REPORT: SECOND STAGE

Advice to would-be sellers: Do homework to make best deal

Peter Roth is a partner at Grand Rapids-based law firm **Varnum LLP** who works out of the firm's Novi and Detroit offices. As a merger and acquisitions attorney of over 16 years, he has facilitated many private equity transactions.



Roth

He offered a few words of advice to would-be sellers in this interview with writer **Rachelle Damico**.

What are the first steps business owners should take to prepare selling their business?

Do a good internal scrubbing of the business. Find out where the problems and skeletons are in the closet. Those things will come out in a sale process, and if you identify them, many times they can be fixed and they don't become issues. If they aren't completely fixable, you can identify them with a potential solution to a buyer early in the competitive process. That way, you don't end up reducing the value you get for the business. If you're uninformed and dive into the process, and the buyer finds the problem halfway through, you're going to take a whack on your purchase price and get less value for your business.

How should a business owner vet potential private equity firms and other buyers to make sure they treat their company and employees well?

There's a wide range of private equity firms, from really great and

upstanding partners, to some that are less than that. Tap your professional advisers for some information on the reputation of private equity funds. Be direct with the private equity fund and ask to talk to people they've partnered with. Good quality funds will give you a list of 10 or 20 CEOs or business owners that they've done deals with. You can call the last five people that have sold to a particular private equity fund to see how their employees were treated. If a fund has a hard time giving you good references, that's going to tell you a lot about who they are.

For strategic buyers, it's better to get a sense of how (those buyers) run their current business and what their reputation is in the industry.

How can you guarantee the business and product will retain its original character?

You can't, but you can do some things to increase the chances. Vet the private equity fund or buyer to see if it has a history of retaining the culture or radically changing it. It's especially important if you're an entrepreneur or family-owned business to talk to similar types of sellers who have sold to a particular fund and see how respectful or disrespectful they were of the character and tradition.

It's important for sellers to realize it will be a change. It won't be their business anymore. Lots of funds and buyers are very respectful and continue on the culture, but it's going to change in some respect and you can't guarantee it in a legal document.

What are some tactics to get better terms?

Run a competitive process. If you're dealing with just one group, they're likely not going to give you the best terms. I have a client that was approached with only one offer. We decided to hire an investment banker and to get other people at the table auctioning the business. That often maximizes value.

What are some mistakes a business owner should avoid?

A lot of people hear others have sold their business for a large multiple, so they think their business is worth the same amount. Get a realistic value of your business. Figure out how much at the end of the day you will net out of it, taking into account taxes and paying off debt.

Then, figure out what amount you're going to get and if you can live your lifestyle on that. Understand what your financial outlook is going to be after a deal. Talk to good accountants and financial planners on how that's going to work for your life.

If you're going to partner with private equity and you were an entrepreneur, now you're going to be working for a boss. That's a big life change; be sure you're ready for that. I've seen entrepreneurs who partner with private equity, or maintain some ownership in a minority stake, and really have a hard time with having to report to somebody who's in charge.

Also, you've got to treat the business like it's your own until the very day that you close. Sometimes, deals fall apart. Some people check out and think they sold the business. Keep your eye on the ball. ■

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ISSUE DATE: Dec. 28, 2015 | CLOSE DATE: Oct. 30, 2015

DEALS & DETAILS

ACQUISITIONS & MERGERS

Rehmann, Troy, has merged with **Roeglers Goldin Chappel Nail & Associates PA**, Stuart, Fla. RGCN will operate as Rehmann effective Nov. 1, and all 20 RGCN associates will join Rehmann. Websites: rehmann.com, rgcnpcpa.com.

CONTRACTS

Altair Engineering Inc., Troy, has reached an agreement with **Airbus Group SE** that provides designers and engineers of **Airbus**, **Airbus Helicopters** and **Airbus Defence & Space** divisions, as well as any other company to which the Airbus Group holds more than 50 percent of voting rights, access to Altair's entire software portfolio. Website: altair.com.

Plumbing Professors, Canton Township, a plumbing, sewer repair and epoxy pipe lining company, was awarded a contract by **Althoff Industries Inc.**, Crystal Lake, Ill. The contract included video inspection, high pressure water jet of the sanitary sewer line and installation of 60 feet of epoxy pipe lining at the **University of Chicago's** Swift Hall. Website: plumbingprofessors.com.

Trinity Health, Livonia, announced that **Saint Francis Care**, Hartford, Conn., and **Saint Mary's Health System**, Waterbury, Conn., have signed agreements to be members of Trinity Health's emerging New England region. Saint Francis Hospital and Medical Center, Mount Sinai Rehabilitation Hospital and other Saint Francis entities will provide care under the umbrella of the new Trinity Health region in New England, as will the **Sisters of Providence Health System**, Springfield, Mass., and its subsidiaries. Websites: stfranciscare.com, stmh.org, trinity-health.org.

Art Van Furniture Inc., Warren, has signed a franchising agreement with **Ingrassia Interior Elements**, Rockford, Ill. The store will officially close and reopen Nov. 7 as Art Van Furniture of Rockford. Website: artvan.com.

EXPANSIONS

Potbelly Sandwich Works LLC, Chicago, Ill., has opened a **Potbelly Sandwich Shop** at 30207 Mound Road, Warren. Telephone: (586) 353-0323. Website: potbelly.com.

H&M Hennes & Mauritz AB, Stockholm, Sweden, has opened an H & M store at Laurel Park Place, 37700 Six Mile Road, Livonia. Website: hm.com.

Ascent Integration-US Operations, Macomb Township, part of **AIP Aerospace Holdings LLC**, Santa Ana, Calif., has added 42,000 square feet of office and manufacturing space, dedicated to designing and managing the production of turnkey assembly lines for aerostructures.

Manufacturing space will be shared with an adjacent Ascent facility, **Global Tooling Systems**, for a combined 200,000 square feet. A 40,000-square-foot high bay space will be dedicated to support the manufacture and testing of large automated assembly lines. Website: aipaerospace.com.

Ziebart International Corp., Troy, a provider of vehicle appearance and protection services, announced the opening of its newest location in

Batavia, N.Y. Tony Mattiaccio is the franchise license owner. Website: ziebart.com.

IRON Laboratories LLC, Walled Lake, a medical cannabis testing lab, has expanded operations with a new testing facility opening in Eugene, Ore. Website: ironlaboratories.com.

Domino's Pizza Inc., Ann Arbor, has opened its first store in Milan, Italy. **ePizza SpA**, doing business as **Domino's Pizza Italia**, holds the

master franchise rights to operate the Domino's brand in Italy. The franchise led by Alessandro Lazzaroni, plans to open three stores in Milan before year's end. Websites: dominositalia.it, dominos.com.

STARTUPS

Mabel Gray, a restaurant established by celebrity chef James Rigato and business partner Ed Mamou, opened at 23825 John R Road, Hazel Park. Telephone: (248) 398-4300. Website: mabelgraykitchen.com.

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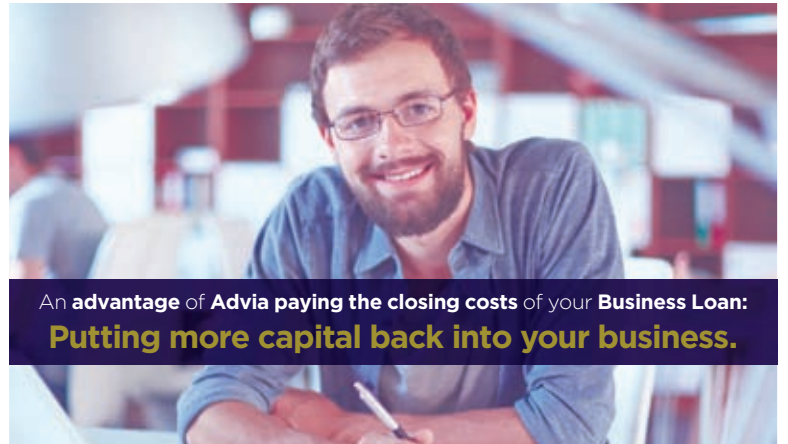
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CALENDAR

THURSDAY

OCT. 15

Chaldean American Chamber of Commerce 10th Annual Business Luncheon. 11 a.m.-1 p.m. Chaldean American Chamber of Commerce. Featured guests **Tom Wilson**, president and CEO of **Olympia Entertainment**, and **Steve Marquardt**, vice

president of **Olympia Development of Michigan**, will be moderated by **WJBK-TV2** News Legal Analyst **Charlie Langton**. Shenandoah Country Club, West Bloomfield. \$50 for Chaldean Chamber members, \$60 for nonmembers. Contact: Lisa Kalou, (248) 996-8340; email: lkalou@chaldeanchamber.com.

FRIDAY

OCT. 16

India-U.S. Partnership: New Vision & Dynamism. 11:30 a.m.-1:30 p.m. Detroit Economic Club. **Arun Kumar Singh**, Indian ambassador to the U.S., talks about new opportunities in infrastructure, renewable energy and automobile sectors for the two countries to collaborate. The Townsend Hotel, Birmingham. \$45 DEC members, \$55 guests of DEC members, \$75 nonmembers. Phone: (313) 963-8547; email: infor@econclub.org.

UPCOMING EVENTS

Shock the World Urban Entrepreneurship Symposium. 8:30 a.m.-4:30 p.m. **Oct. 23.** Urban Entrepreneurship Initiative. Second annual event brings together business innovators, academics, students and community and government leaders to inspire for-profit business ideas to urban challenges. College for Creative Studies, Detroit. \$50; \$75 after **Oct. 16.** Contact: David Tarver, (313) 457-

2050; email: info@urbaneai.org; website: urbaneai.org.

Growing the Manufacturing Pipeline. 7:30 a.m.-2:30 p.m. **Oct. 20.** Automation Alley. Featuring a keynote presentation by **Karen McPhee**, senior education policy adviser for Gov. Rick Snyder, the summit is intended to facilitate the formation of partnerships between the manufacturing business community and area K-12 schools. TechShop Detroit, Allen Park. \$40 members; \$55 nonmembers. Contact: Karol Friedman, (248) 457-3232; email: friedmank@automationalley.com.

goREDTALKS. 6:30-9:00 p.m. **Oct. 20.** American Heart Association, AHA PULSE Young Professionals Board. Event includes conversations about the Heart of Detroit. Speakers include **Ed Welburn**, head of global design for **GM**; **Kirk Mayes**, CEO of **Forgotten Harvest**; **Michelle Lutz**, **Recovery Parks Farm** manager; **Jason Hall**, founder of **Slow Roll**; and **Bob Frank**, chief medical officer for **Meridian Health**. Gem Theater, Detroit. \$50. Contact: Mindy Lopus, (248) 936-5825; email: mindy.lopus@heart.org

Association for Women in Communications fall meeting. 5:30 -8 p.m. **Oct. 22.** AWC, Detroit Chapter. "Communication Is Ageless," a panel discussion with local young communicators who will offer insights on innovation, future trends, and using the latest social media to communicate to their audiences. Participants include **Tatiana Grant**, president and CEO of **Infused PR & Events**; **Anna Leigh Clark**, author and *Detroit Free Press* contributor; and **Oona Goodin-Smith**, an **Oakland University** senior who will share her experience as a correspondent for *USA Today* during her junior year. Motor City Java House, Detroit. \$25 members, \$35 nonmembers, \$15 students. Contact: (248) 643-6590; email: info@womcomdetroit.org; website: womcomdetroit.org.

SUMIT 2015. 9 a.m.-4:30 p.m. **Oct. 22.** University of Michigan. Annual symposium to raise awareness and educate the community on cybersecurity. Nationally recognized experts discuss the latest cybersecurity trends and threats. Rackham Auditorium, University of Michigan, Ann Arbor. Free, but registration is required. Contact: Joel Iverson, (734) 764-8187; email: iversj@umich.edu; website: safecomputing.umich.edu/events/sumit15/

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More Calendar items can be found at crainsdetroit.com/events.

FROM PREVIOUS PAGE

Today's Workplace ...Tomorrow's Profit. 7:30 a.m.-noon, **Oct. 23.** Waterford, Orion Area, Auburn Hills and Clarkston Area chambers of commerce. **Secret Wardle** Executive Partner **Caroline A. Grech-Clapper** presents "Know Your Rights-Employer and Employee." Other speakers include Oakland County Executive **L. Brooks Patterson**; **Sue Novak**, managing partner, **Plante Moran**; and **James Goebel**, founding partner, **Menlo Innovations**. Oakland Schools, Waterford. \$40 members, \$55 nonmembers, \$20 students, \$225 table of eight. Website: waterfordchamber.org.

2015 North American International Cyber Summit. **Oct. 26.** Engineering Society of Detroit. Hosted by Gov. **Rick Snyder**, the event brings together experts to address cybersecurity issues impacting business, education, information technology, economic development, law enforcement and personal use. Cobo Center, Detroit. \$79; \$59 for students or members of Information Systems Security Association and other groups. (See list online.) Contact: Leslie Smith, (248) 353-0735, ext. 152; e-mail: cybersummit@esd.org.

Fall 2015 Leadership Luncheon. 11:30 a.m.-2 p.m. **Oct. 28.** Greater West Bloomfield Chamber of Commerce. **Jacques Parls**, president of **Shinola**, is guest speaker. **WDIV-Channel 4** anchor **Devin Scillian** will be the master of ceremonies. Andiamo, Bloomfield Hills. \$45 West Bloomfield Chamber members, \$55 nonmembers. Phone: (248) 626-3636; website: westbloomfieldchamber.com.

Crain's 2015 Health Care Leadership Summit

Join *Crain's* for this annual event that provides opportunities to learn about the ever-changing landscape of the health care industry, plus make the professional contacts to help navigate these changes.

Held at the **Marriott Renaissance Center** from 7:30 a.m.-1 p.m. **Oct. 28**, the Health Care Leadership Summit includes keynote speaker **Leah Binder**, CEO of **The Leapfrog Group**; roundtable discussions; and the Health Care Heroes awards.

Can Michigan provide consumers and employers the data needed to make smart decisions in health care? A growing number of Michigan's health insurers, hospitals and consulting firms are already doing it.

Also, network with local business leaders and health care providers and discuss the latest in innovative health care strategies for 2015 and beyond.

Individual tickets are \$125; reserved table of 10 is \$1,300. Preregistration closes **Oct. 23** at 9 a.m. If available, walk-in registration will be \$140 per person. **For more information**, contact Kacey Anderson, (313) 446-0300, or email cdbevents@crain.com.



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PEOPLE ON THE MOVE

Crain's has moved its complete list of appointments and promotions to www.crainsdetroit.com/peopleonthemove. Brief online listings for management-level positions are available at no cost, at editor's discretion.

Guaranteed print placement in this promotional feature can be purchased at the website above.

LAW



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Cardelli Lanfear, P.C., proudly announces that Robert A. Kaatz and Paul M. Kittinger have become partners and shareholders in the firm.

Robert Kaatz graduated with high honors from Michigan State University with a Bachelor of Arts in Economics and graduated magna cum laude from Wayne State University in 2002. Prior to law school, he was an active duty tank officer in the United States Army for four years. While in law school, Mr. Kaatz worked full time as a court clerk at Oakland County Circuit Court. Mr. Kaatz has successfully litigated a wide variety of litigation, including the Michigan No Fault Act, commercial litigation, and product liability. He is admitted to practice law in the State of Michigan, the U.S. Eastern District of Michigan, the U.S. Western District of Michigan, and the U.S. Court of Appeals for the Sixth Circuit, and he has been admitted pro hac vice in several states. Mr. Kaatz can be reached at 248-544-1145 x2072 or via email at rkaatz@cardellilaw.com.

Paul Kittinger received his Juris Doctor from Wayne State University Law School in 2008 where he was the Symposium Editor on The Journal of Law and Society and served on the Moot Court. He was awarded the David Adamany Endowed Constitutional Law Scholar Award and was a Bronze Key Award recipient for academic excellence. He graduated with a Bachelor of Arts (Philosophy/Sociology) degree from the University of Michigan (Ann Arbor) in 2008, where he was selected as the Waldron Scholar in 2005 and received University Honors for five consecutive semesters. Mr. Kittinger is admitted to practice in Michigan and Illinois, along with the U.S. District Courts for the Eastern and Western Districts of Michigan. Mr. Kittinger joined the firm in 2009. Mr. Kittinger specializes in commercial litigation, construction law, product liability and personal injury cases. He has obtained summary disposition/judgment and voluntary dismissals without payment in scores of cases. He has tried one jury trial to verdict. Mr. Kittinger can be reached at 248-544-1145 x2051 or via email at pkittinger@cardellilaw.com.

AUTOMOTIVE



Kathleen Johnson
Chief Information Officer
and Vice President,
Information Technology
(IT)

Federal-Mogul Motorparts

Federal-Mogul Motorparts, a division of Federal-Mogul Holdings Corporation (NASDAQ: FDML), today announced the appointment of Kathleen (Kathy) Johnson to Chief Information Officer and Vice President, Information Technology (IT).

Johnson has been with Federal-Mogul for over 26 years. She has previously held various positions within IT, including Vice President, IT Services; Director, Aftermarket Business Relationship and Application Delivery; and others.

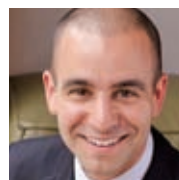
INSURANCE



Bob Crisan
Executive Director of East
Sales and Client Services,
Priority Health

Bob Crisan will focus on increasing awareness of Priority Health's offerings for consumers in Southeastern Michigan and working directly with mid- to large-employer groups. Crisan previously was the vice president of growth strategy for Kapnick Insurance Group.

NONPROFIT



David Kurzmann
Executive Director,
Jewish Community
Relations Council of
Metropolitan Detroit

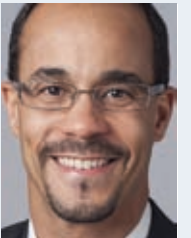
David Kurzmann will lead JCRC's community relations, Israel advocacy, media relations and fundraising activities. He succeeds Robert Cohen, who is retiring after serving as the agency's executive director for the past ten years. Asst. Regional Dir. - Anti-Defamation League (ADL) Chicago Office. Coordinated ADL's "Confronting Anti-Semitism" & "Words to Action" programs, campus outreach and law enforcement initiatives. Program Assistant - Illinois Holocaust Center.

PEOPLE: SPOTLIGHT

Here are some of last week's executive appointments reported by *Crain's*.

Bridgewater Interiors names Ron Hall Jr. CEO

Bridgewater Interiors LLC has appointed **Ron Hall Jr.** president and CEO of the joint venture between **John-son Controls Inc.** and **Epsilon Technologies LLC**. He succeeds his father, **Ron Hall Sr.**



Hall

The elder Hall, 72, becomes chairman of the Detroit-based company he founded in 1998.

Most recently, the younger Hall, 46, was the auto supplier's vice president and general counsel. Before joining Bridgewater in 2007, he was an in-house attorney and program manager for JCI. He also was an associate attorney for the Detroit-based law firm **Dykema Gossett PLLC**.

Ron Hall Jr. earned a bachelor's degree from the **U.S. Military Academy at West Point** and a law degree from the **University of Michigan**. He also served in the Persian Gulf as an officer in the **U.S. Army**.

Additionally, Bridgewater appointed **Cassandra Alston-Childs**, 50, as its COO. She replaces Barima Opong-Owusu, who is retiring at the end of the year.

Alston-Childs has served in various management roles at JCI since joining the Milwaukee-based company in 2002, most recently as vice president of strategy, communications, government and environmental affairs in JCI's power solutions business unit.

Bridgewater is a minority-owned enterprise that manufactures automotive seating components.

Tom Oehmler named president, Comerica Trust

Comerica Bank has named **Tom Oehmler** president of **Comerica Trust**. He succeeds Marc Scheuer, who retired after more than 36 years at the bank.

Oehmler, who will be based in Detroit, will oversee all aspects of the trust department, including regulatory compliance and product development.

The veteran of more than 20 years in wealth management previously was personal trust manager for Columbus, Ohio-based **Huntington National Bank**, overseeing a staff of 135.

Oehmler has a master's degree in theology from **Pontifical College Josephinum** in Columbus.

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Crain's summit to address cost, quality of health care

By Daniel Duggan
dduggan@crain.com

The end goal is simple: Providing a means for consumers to compare the true price and quality of their health care services.

But making that happen is a whole other story.

Experts will address that overall challenge — transparency in the cost and quality of health care — during the *Crain's* Health Care Summit on Oct. 28 from 7:30 a.m. to 1 p.m.

The event will have a portion of the day focused on the transparency topic from the perspective of employers.

Among the speakers will be **Jessi-**



Jessica Gubing: Panelist discussing transparency.



Chris Duke: Altarum exec will moderate discussion.



David Mazurkiewicz: Will offer insurer's perspective.



Leah Binder: Will deliver summit's keynote address.

ca Gubing, director of North American health, welfare and wellness programs for Detroit-based **General Motors Co.**

She will be on a panel featuring human resources executives from

companies of various sizes, talking about how they view the topic of transparency.

Moderator of the panel will be Jerry Konal, principal and employee health and benefits office business

leader for **Mercer's** Detroit-area operations.

Another panel will show how employers, hospitals and insurance companies view transparency. **Chris Duke**, director of the center for consumer choice and health care at Ann Arbor-based **Altarum Institute**, will moderate that discussion.

Also speaking will be **Brian Connolly**, the former CEO of **Oakwood Healthcare** (which is now part of **Beaumont Health**). Additionally: **Jay Levine**, chief medical officer for Grand Rapids-based **Priority Health**.

A session focused on the challenges facing insurance companies and health providers will be moder-

ated by **Rick Murdock**, executive director of the **Michigan Association of Health Plans**. On that panel will be **Scott Eathorne**, CEO of Detroit-based **Together Health Network**, and **David Mazurkiewicz**, CFO of Flint-based **McLaren Health Care**.

Keynote speaker for the event will be **Leah Binder**, CEO of **The Leapfrog Group**, a national nonprofit based in Washington, D.C., representing employers and other purchasers of health care calling for improved safety and quality in hospitals.

To register, go to www.crain.com/detroit.com/events. ■

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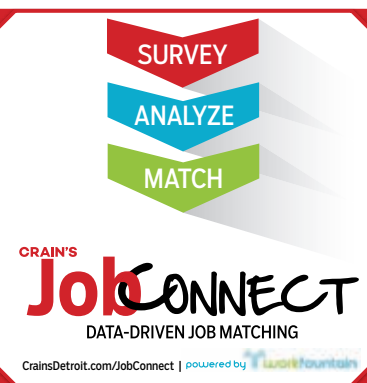
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Law firm mergers more common practice this year

By Chad Halcom
chalcom@crain.com

The metro Detroit legal business is heating up, at least when it comes to mergers.

Six acquisition deals involving Southeast Michigan law firms have closed so far in 2015, affecting 167 lawyers, compared with just one deal affecting six attorneys in all of 2014, according to transaction data reported to *Crain's*.

The deals partly reflect a national trend. Legal management consulting firm **Altman Weil Inc.** of Pennsylvania reports more than 70 M&A transactions nationwide affecting more than 5,000 lawyers this year, compared with 63 deals involving fewer than 2,000 lawyers the first three quarters of 2014 (a January merger of **Dentons** in New York and **Dacheng Law Offices** in China is 10 times larger than any other U.S. deal, skewing the 2015 head count).

Still, at the current pace, 2015 could overtake 2013 as the busiest year of legal M&A deals since Altman Weil began compiling such data nine years ago. And Detroit has caught some outside attention as two of the largest national firms opened their first local offices — **Jones Day** moved into 150 W. Jefferson in July and Cincinnati-based



“Many areas of law meet with waning and waxing demand.”

Justin Klimko, president-CEO, Butzel Long PC

Dinsmore & Shohl LLP acquired Troy-based **Gifford, Krass, Sprinkle, Anderson & Citkowski PC**, which employs 17 attorneys, last month.

“We already have a national practice in the IP space, and adding more in Detroit and Ann Arbor ... gives us some added depth,” said George Vincent, managing partner at Dinsmore in Cincinnati, who grew up in Dearborn. “We’re fond of the folks we now have there, and I don’t know that we’re targeting that region versus anywhere else to grow. But it (Detroit) is a great market, and a heck of a great city.”

After adding Gifford Krass, an intellectual property boutique, Dinsmore now claims more than 75 IP lawyers out of more than 570 attorneys nationwide.

Vincent, who attended both the **University of Michigan** and its law school and holds season tickets for Wolverines football, said litigation is the firm’s largest practice group,

with 240 attorneys across 20 cities. But intellectual property is a rapidly emerging specialty for the firm, along with public finance and labor and employment law.

The firm also had some IP clients in common with Gifford Krass and handled several matters alongside the firm prior to the acquisition.

Adding a client, or expanding service for one, is an increasingly common motive for acquisitions, along with increased competition and flat or falling revenue, said Pamela Woldow, principal and general counsel at **Edge International Inc.**, a global consultant on law firm business development and mergers and affiliation agreements.

“A (large number) of top firms are dealing with declining revenue and have to do something. A common reaction is to join up with another firm,” she said.

Woldow and Justin Klimko, president-CEO of Detroit-based **Butzel**

Long PC, both said some mergers can be born out of a desire to grow with clients into new markets or states, while some are to add services or cultivate new practices in high-demand legal specialties.

Four of the six Detroit deals this year were outbound transactions where locally based firms expanded outside the state. **Dykema Gossett PLLC** added 118 attorneys of San Antonio-based **Cox Smith Matthews** May 1. **Honigman Miller Schwartz and Cohn LLP** added 14 attorneys from **Schopf & Weiss LLP**, and **Miller Canfield Paddock and Stone PLC** added 10 attorneys of the former **Kubasiak Fylstra, Thorpe & Rotunno PC**, both in Chicago. And **Clark Hill PLC** added the three attorneys of **Rayndon Law Group** in Arizona.

Dickinson Wright PLLC picked up a total of 15 attorneys in 2015 from the former **Lionel Sawyer & Collins** in Las Vegas and **Roylance Abrams Berdo & Goodman LLP** in Washington, D.C., both of which were winding down operations. Neither of those deals is counted in Altman Weil’s acquisition data.

Hot specialty practices for law firms to add via acquisition lately are cybersecurity and privacy litigation, class-action defense and federal anti-corruption law, she said. Alt-

man Weil reports IP law has been an acquisition focus, but Woldow said that would have to be mostly outside of IP litigation, which has abated in federal courts under recent changes to the law.

Geographic expansion also has its place for law firms, she said, but should be done selectively.

“Geographic span is sometimes more important in the minds of managing partners than it actually is for revenue,” she said.

“It will matter, if you have clients that very much need you in particular places, like battling litigation in certain jurisdictions where they have specific operations. But that’s about it.”

Klimko said Butzel added five attorneys from the former **Stevenson Keppelman Associates** in Ann Arbor to expand its pension and employee benefits law practice.

“Many areas of law meet with waning and waxing demand. IP is a very important area, and it’s going to continue to grow, while 20 or 25 years ago there was a bigger focus on environmental law than more recently,” he said. “Finding those growth practices is a degree of science and art.” ■

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GOLF

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golf course and tables in the clubhouse.

“How many corporate tents can you sell? That’s what really drives the entire event,” Richards said.

Hospitality packages for the 2008 PGA Championship at Oakland Hills began at \$37,500 for a 10-person table and increased to \$500,000 for larger, more sophisticated offerings.

More recently, the 75-person suites along the 12th green at **East Lake Golf Club** in Atlanta were selling for \$95,000 for the Tour Championship last month.

Richards estimated that a PGA Tour event is eight to 10 times the cost of an LPGA Tour stop, but Michigan’s improving economy means more companies are gradually becoming interested again in such spending.

“I think we’re in a better climate now, but we’re coming back a lot slower than we crashed,” he said. “In the old days, we sold out corporate tents as fast as anyone in the country.”

Buyers usually were car companies, their suppliers, and banks, he said.

“A lot of the golf industry in this state was mostly dependent on the auto industry. When it crashed in the late 2000s, it affected a lot of the industry in the state,” said Kevin Frisch, CEO of Gaylord-based **Fusion Media Strategies**, a golf and travel marketing firm. “Since 2010, I’ve seen the golf industry improving, in rounds played and travel.”

Frisch predicted that the men’s tour will return within five to 10 years because Michigan companies are increasingly willing to spend marketing dollars on events such as golf tournaments.

“I think there’s going to be money to bring back a tournament,” Frisch said. “People are looking to getting back into spending money on golf.”

If and when the PGA Tour returns, the Detroit area is the natural landing spot, he said.

“For Detroit to not have (a PGA Tour stop) is still shocking to me. The quality of golf courses in Detroit is certainly capable of hosting a PGA Tour event or a major golf championship,” Frisch said.

A message seeking comment about the men’s tour’s potential interest in returning to Michigan was left for Ty Votaw, the PGA Tour’s executive vice president and chief global communications officer.

Detroit certainly has potential PGA Tour event sponsors: **Quicken Loans Inc.** Chairman Dan Gilbert has invested in golf, such as being the title sponsor of the annual Quicken Loans National tournament in Virginia, and of 2015 Players Championship winner Rickie Fowler.

“Quicken Loans and our family of companies are constantly looking to attract exciting events to Detroit to help fuel and promote the city’s revitalization,” Aaron Emerson, Quicken Loans vice president of communications, said via email.

Quicken also is the tour’s official mortgage sponsor, while Kalamazoo-based **Stryker Corp.** is the PGA Tour’s official joint replacement sponsor.

General Motors Co., which dropped



“For Detroit to not have (a PGA Tour stop) is still shocking to me.”

Kevin Frisch, CEO, Fusion Media Strategies

sponsorship of the Buick Open, in 2010, signed a six-year deal to be the title sponsor of the one of the four World Golf Championship events, known as the WGC-Cadillac Championship, beginning in 2011.

Economic effects

Richards cautioned that the new LPGA event isn’t likely to stimulate a wave of new golfers in the region, but instead should have a different positive effect: Creating an uptick in people traveling to Michigan to play golf.

“We’re a golf tourism state,” he said.

Michigan ranks fourth nationally in total number of links, with more than 865 golf courses and 86 country clubs that fuel a \$4.2 billion statewide golf industry, according to the most recent (2006) **World Golf Foundation** data. Experts say that picture hasn’t changed much.

The LPGA Volvik Championship’s organizers predict the weeklong event will pump \$12 million in new economic activity into the region.

Who loves Michigan? The LPGA

The women’s tour doesn’t command marketing or TV dollars on the same enormous scale as the PGA Tour, but that means the barrier to entry for sponsors is lower.

The LPGA has found success in Michigan: The \$2 million Meijer LPGA Classic played at **Blythe-field Country Club** near Grand Rapids began a

year ago, and the LPGA’s developmental tour, the **Symetra Tour**, had three Michigan stops in 2015.

Additionally, the Marathon Classic (formerly played under different titles using actor Jamie Farr’s name) has been held near Toledo since 1984.

“This is the heartland for golf,” LPGA Commissioner Michael Whan said.

The LPGA’s new Ann Arbor tournament was born out of an idea Karbo had two years ago. He took the notion of organizing an event to a friend at the LPGA and talks about how to make it happen commenced, he said.

Getting local financial backing and connections was a first step, so Karbo turned to KC Crain, executive vice president/director of corporate operations for Detroit-based **Crain Communications Inc.** (which owns *Crain’s Detroit Business*), whom he knew from the metro Detroit business community.

Crain introduced him to his wife, Ashley Crain, who was captain of the golf team at **Old Dominion University**. She also has written for *Golf-week* and was a competitor on the **Golf Channel** show “Highway 18.”

“Ashley is tournament chairperson. She helps guide big-picture planning,” Karbo said. “She’s well-respected and known throughout

the community. She had an extreme passion for golf. She was ecstatic about the opportunity to bring the LPGA here to create a community event that’s an inspiration to girls and women.”

Crain said she didn’t hesitate to take on the role.

“It was a very easy thing for me because I’ve been involved with golf my whole life,” she said. “It’s nice to bring something like this to the community. Our role is basically opening doors and raising sponsorship dollars and being where we’re needed.”

In most cases, a tournament organizer has to have a title sponsor ready to write checks before a pro tour will agree to an event, but in Karbo’s case the LPGA itself had a sponsor already waiting for an opportunity: Volvik, which wants to boost its share of the U.S. golf ball market and is willing to spend on marketing to do so.

The company inked a three-year deal to become the inaugural title sponsor of the LPGA Volvik Championship. The 72-hole tourney will have a \$1.3 million purse, and will require 750 volunteers to aid handling the 144-player field and expected 40,000 fans during the week, Karbo said.

Planned are skyboxes on the 16th and 18th greens, a corporate tent village, and champions club within the clubhouse, according to Karbo.

Tournament, sponsorship and ticket details, many of which still are being worked out, will be at volviklpga.com. ■

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ENERGY

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maker **Whirlpool Corp.** — say Senate bills that would eliminate Michigan's renewable energy standard and a companion mandate requiring programs to reduce energy use would cause the utilities to scale back their efforts in pursuit of higher profits.

"Investor-owned energy companies have little incentive to sell less energy and reap less profit," the Sierra Club's Michigan chapter said in recent Senate testimony, "but as regulated monopolies they can and should be required to help their customers reduce energy waste."

Gov. Rick Snyder also has advocated for upping Michigan's renewable targets — as much as 24 percent of a utility's electric portfolio by 2025, he said in March. And, he added, Michigan should aim for a combined renewable and efficiency target of 30 percent to 40 percent within a decade, based on costs.

But the governor has stopped short of saying that should be mandated.

The Senate's **Energy and Technology Committee** has held hearings this summer and fall on a two-bill package that would update the 2008 law. Included in the bills is a provision to repeal a mandate that utilities generate a portion of their electricity from renewable sources.

Utilities were required to produce 10 percent of their electricity from renewable sources by 2015. DTE and Consumers both say they have met that target.

Revisions to the Senate bills, sponsored by Republican Sens. Mike Nofs, of Battle Creek, and John Proos, of St. Joseph, could be introduced next month based on testimony gathered at the hearings, said Greg Moore, Nofs' legislative director and energy policy adviser.

The legislation as drafted would replace the mandates with a process known as integrated resource planning, which would be used to set rates. DTE and Consumers say the IRP process is more flexible and transparent and allows utilities to consider all energy sources to find the best value for customers, rather than building their electric portfolios around renewable targets.

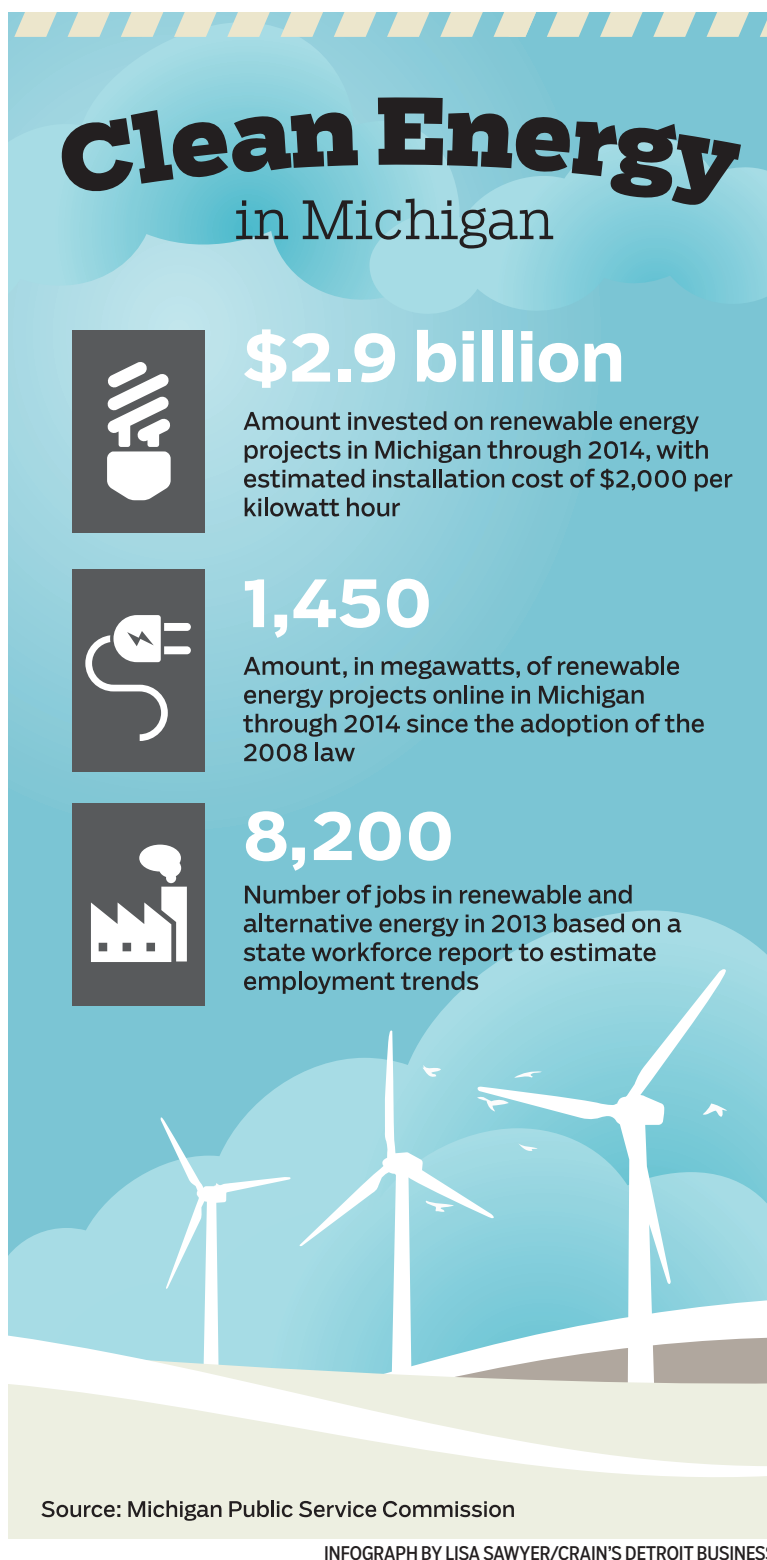
This scenario is playing out in states across the country, where lawmakers are attempting to roll back, if not repeal, renewable standards. Mandates have been targeted in states from Colorado to Kansas to Ohio.

Proponents of eliminating the standards say they were necessary when the renewable industry was in infancy, but the solar and wind markets now are large enough that they don't need incentives.

"It's time for that industry to sink or swim on its own," Moore said. "What is the most cost-effective resource for our ratepayers? Not having the Legislature pick winners or losers based on the hot technology of the day."

Less costly

The emphasis on renewables has had noticeable effects on the industry, particularly on price. The cost of



installation has fallen as the market has gained traction across the state.

In a February report, the **Michigan Public Service Commission**, the state's energy regulatory agency, said the most recent wind contracts it approved cost in the range of \$50 per megawatt hour to build. That was about 10 percent lower than the cheapest contracts approved in 2011 and half as expensive as those from 2009 and 2010.

The standard also spurred nearly \$3 billion in investment in renewable energy through 2014, based on an assumption that installation cost \$2,000 per kilowatt hour, the MPSC said. It also is estimated to support roughly 8,200 jobs.

"The renewable energy standard is resulting in the development of new renewable capacity and can be credited with over 1,450 megawatt hours of new renewable energy projects becoming commercially operational since the (2008 law) took effect," according to the MPSC's report.

The utilities themselves offered similar data: Dimitry said the company's first wind project cost \$115 per megawatt hour, while the price of its most recent had dropped to \$50.

Lower prices for installation are one reason why proponents of repeal say it's time to abolish mandates.

Another reason is aging coal. Consumers plans to retire seven coal-generation units by next year; DTE another two. Valerie Brader, whom Snyder appointed to lead the new **Michigan Agency for Energy**, testified recently before the Senate energy committee that a total of 25 coal-fired units are expected to come offline by 2020.

"When we think about the pending EPA regulations, the Clean Power Plan, that will put even more pressure on Midwestern coal plants and will drive even more transformation," said Dan Bishop, a Consumers spokesman. "In our mind, there is little question that inevitably there's going to be more investment in renewable energy and energy efficiency."

Duplicating efforts

Utilities say they view the Clean Power Plan as a federal mandate they'll have to meet, so continuing Michigan's standards would be duplicative. They want flexibility to consider all electricity generation sources, including renewables and

natural gas, and say there are no plans to uproot the wind turbines or solar panels they already have installed.

DTE says it has more wind and solar projects in the works. It recently received bids for a solar project that would generate 5 to 50 megawatt hours of electricity, Dimitry said.

Consumers recently announced plans to buy electricity from a new 100-megawatt wind farm in Huron County.

"We're buying wind power from seven different facilities. We own two wind parks ourselves," Bishop said. "There's been a tremendous amount of work done in this space, and we just see that continuing."

Since there's evidence the mandate has worked, "some have said, 'Why don't you just keep it in the books?'" said Moore, Nofs' energy policy adviser. "We don't want mandates. We don't believe they are necessary."

The issue isn't limited to the large players.

The **Michigan Municipal Electric Association**, which represents 40 municipally owned electric utilities, said decisions about pursuing energy efficiency and renewable sources are best left to local leaders.

"It would be our preference to be allowed to do so without the burden of rigid state mandates," Jim Weeks, the association's executive director, wrote in submitted testimony. "History tells us that a one-size-fits-all approach to energy policy cannot compete with a process that leaves these important decisions in the hands of our local governing bodies."

Preserve standards

Yet Michigan is among more than two dozen states and Washington, D.C., that have adopted renewable standards, according to a March 2014 report from the **Union of Concerned Scientists**, a Cambridge, Mass.-based organization that performs science-based analysis of policy issues such as clean energy, global warming and agriculture.

Of those states, 17 require at least 20 percent of a utility's electric portfolio come from renewable sources, according to the UCS report. Still more, including California and New York, require at least 30 percent.

Michigan could support boosting its standard to 32.5 percent by 2030, UCS analysts estimated. The group modeled various scenarios, including assuming no changes to Michigan's current standard.

If the renewable requirement was increased to 32.5 percent, retail prices for customers would rise by about 3.5 percent by 2020 before leveling off by 2030, the group predicted, and investment could reach \$9.5 billion. UCS analysts also said it's the best option to diversify utilities' power portfolios and lessen the reliance on fossil fuels.

Environmental groups also say a shift toward more renewable resources will mean improved health benefits to Michigan residents.

"When the evidence is so clear that renewables and efficiency carry with them significant benefits to the people of Michigan, I believe it is

Renewable programs

DTE Energy

Owens or contracts with:

- 860 megawatts from 13 wind parks in Gratiot, Huron, Missaukee, Sanilac, Tuscola, Bay and Saginaw counties
- 23 solar projects generating 11 megawatts in Huron, Livingston, Macomb, Monroe, Oakland, St. Clair, Tuscola, Washtenaw and Wayne counties as part of its SolarCurrents pilot program, which installs 100-kilowatt to 1.1-megawatt solar arrays on properties throughout Southeast Michigan — for a total of 15 megawatts
- 2 landfill projects generating 6.4 megawatts in Oakland and St. Clair counties
- 1 biomass project generating 17 megawatts in Baraga County, southeast of the Keweenaw Peninsula
- Operates the voluntary GreenCurrents program for residential customers, who can opt to purchase electricity from renewable energy sources

Consumers Energy

Owens or contracts with:

- 9 wind projects that generate 1.2 million megawatt hours. That includes two wind farms it owns — Lake Winds in Mason County on Lake Michigan, which generates a capacity of 100.6 megawatts; and Cross Winds in Tuscola County in the Thumb, which generates a capacity of 111 megawatts
- Various solar projects that generate nearly 3,000 megawatt hours through its Experimental Advanced Renewable Program
- 7 biomass projects that generate more than 888,000 megawatt hours
- 16 landfill gas projects that generate more than 332,000 megawatt hours
- 3 anaerobic digestion projects that generate nearly 22,000 megawatt hours
- 27 hydroelectric projects across the state that generate more than 541,000 megawatt hours
- Operates Green Generation program that allows residential and business customers to buy electricity supplied from renewable energy
- Announced a contract in September with **Geronimo Energy** to buy electricity from a 100-megawatt wind farm to be built in the Thumb's Huron County

Sources: DTE Energy Co., Consumers Energy

critical to preserve these standards rather than replace them with a less-robust and more-complex mechanism," Sam Gomberg, UCS' lead Midwest energy analyst, testified before the Senate committee.

"We know we want to continue developing these resources, so let's maintain the standards and make sure that happens." ■

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TRADE

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The TPP is expected to boost the world economy by \$223 billion per year, or about 0.3 percent of last year's global GDP, by 2025, according to the **Peterson Institute for International Economics**, a Washington, D.C., think tank. However, U.S. companies aren't expected to feel the greatest economic impact, according to the study.

"It will make an important difference in certain sectors, but overall its economic effects will be modest, largely because we already have nearly free trade," said Charles Ballard, professor of economics at **Michigan State University**.

The U.S. has free trade agreements with 20 countries, including Mexico, Canada, Chile and Australia. While these agreements will still exist, the TPP will largely replace many of their provisions.

While the accord sets rules and guidelines on a variety of industries, the automotive industry was designed to see the greatest impact. TPP countries account for more than 27 million vehicles of the more than 70 million manufactured annually.

As part of the deal, North American Free Trade Agreement countries — the U.S., Canada and Mexico — and Japan agreed to rules governing how much content of the final product, a car, must be sourced within the TPP region. The "Rules of Origin" provision lowers the threshold of how much of a vehicle must be manufactured locally. Final details haven't been released yet, but experts believe the content requirement will drop to 45 percent or 55 percent from NAFTA's 62.5 percent.

While the local content provision is lower than NAFTA, it's higher than Japan's reported demand of 40 percent or less. Ann Wilson, senior vice president of government affairs at the Washington D.C.-based **Motor & Equipment Manufacturers Association**,

Trans-Pacific Partnership

What the 12 member countries plan to accomplish, according to the White House:

- Eliminate 18,000 tariffs on U.S. exports
- Establish that 45 percent to 55 percent of content of a final product must be sourced from TPP countries, down from 62.5 percent under NAFTA
- Prevent other TPP countries from creating new trade tariffs
- Establish universal workplace safety standards
- Ban child and forced labor
- Standardize the right to collective bargaining and unionization.
- Establish an eight-year protection on drugs from generic competition
- Create a fair minimum wage standard
- Combat wildlife tracking, overfishing, overharvesting and establish other environmental protections
- Create anti-corruption measures

tion, the parent organization of the Troy-based **Original Equipment Suppliers Association**, said the high content number is a net positive for all TPP countries.

"More content needs to come from TPP countries to benefit from the tariff preference, and that's a really good thing for parts manufacturers," Wilson said. "It's easy for a metal stamper or other parts maker to use cheap labor in China or elsewhere, and this really discourages them from using non-TPP countries; that's a significant victory."

By keeping the majority of content made in the TPP countries, costs remain relatively consistent for those nations.

China was strategically left out of the TPP — a likely attempt to put the screws to the nation to improve its intellectual-property regulation and reduce its state-owned enterprises, which get a competitive advantage from government subsidies.

According to the U.S. government, eliminating tariffs and the rules of origin will boost manufacturing wages in the U.S. by as much as 12 percent.

But Sean McAlinden, chief economist for the Ann Arbor-based **Center for Automotive Research**, remains cautious whether the agreement

will significantly impact the auto sector or its wages.

Manufacturing has changed in recent years, and exporting car parts from the U.S. is less common, thanks to shifts in thinking about logistics and the costs of doing business, McAlinden said.

"We've begun to think producing locally in the same currency as your revenue is the only smart way to go," McAlinden said. "The lowest landed cost for labor, globally, is not as efficient anymore."

This means Southeast Michigan parts suppliers favor producing parts in the country where the cars are assembled and, usually, will be sold — partly to avoid tariffs, but mostly to account for rapid engineering changes and logistics costs. Eliminating tariffs on parts destined to be sold in, say, Australia, doesn't make any difference if those parts are already made at an Australian plant.

Lon Offenbacher, president and CEO of Troy-based auto supplier **Inteva Products LLC**, said the impact of the TPP is minimal.

He said products exported from the U.S. to Asia spend as much as 40 days on the water, which is plenty of time for currency shifts to upend any financial benefit Inteva would get from exporting.

"From my vantage point, we're already well positioned in these regions, so TPP isn't going to have much impact because the business model has matured," Offenbacher said. "Most auto parts are built in the region they're sold."

Offenbacher said he's not opposed to the agreement, but believes other industries, such as agriculture, will benefit more.

While the supply base remains less than impressed, but not opposed, **Ford Motor Co.** is urging Congress to reject the TPP because it doesn't include any measures to battle currency manipulation — where Asian countries, specifically Japan, work to keep their currency low against the dollar to make their products cheaper than U.S. products sold in Asia, undercutting U.S. manufacturers.

"U.S. lawmakers took unprecedented action to set a clear negotiating objective for addressing currency manipulation in all future trade deals," Ziad Ojakli, group vice president of government and community relations for Ford, said in a statement. "The TPP fails to meet that test."

U.S. Rep. Debbie Dingell, D-Dearborn, joined Ford over the lack of currency manipulation rules and is urging Congress to make side agreements over the issue.

Local economists, however, believe the issue of currency manipulation is overblown.

"Currency depreciates for a variety of reasons, and it's nearly impossible to define what is manipulation," said Linda Lim, professor of strategy with a focus on economic policy and international trade in Southeast Asia at the **University of Michigan**.

Ballard said the U.S. could also be accused of manipulating its currency, pointing to the Federal Reserve's \$3 trillion stimulus of the economy since 2008.

"The Fed has done its best to keep interest rates in the U.S. very low for seven years now. They have

justified that policy mostly in terms of trying to stimulate the domestic economy; however, those low interest rates would tend to put downward pressure on the dollar," Ballard said in an email. "This could easily lead to the charge that we are manipulating our currency..."

Under the TPP deal, U.S. auto manufacturers also would lose U.S. tariffs on trucks and sedans imported from Asian countries that now make them more expensive to U.S. buyers, though not immediately.

The 25 percent U.S. duty on imported trucks will be phased out, but not for a few decades, according to the agreement. Various other tariffs, such as the 2.5 percent duty on sedans, would also be phased out over as much as 25 years.

While the TPP is a plus-minus game for most, Ballard said he supports the agreement for geopolitical reasons rather than economic.

"I am very concerned about some of the aggressive actions taken by China, and I think that expanded commercial ties among other countries on the Pacific Rim may end up being very important, in terms of providing a counterweight to China," Ballard said.

Experts speculate that the TPP could force China to join its ranks, but only if it follows the stricter rules on labor and intellectual-property protections in the accord.

"It's the biggest trade deal in a generation, and it could force China to play by our rules," Lim said. "The other members of the TPP now will not follow China's rules, and (China) can't join the TPP unless it reforms its domestic policy."

Experts speculate that South Korea may eventually join the TPP, creating an economic power of many industrialized nations.

"Our members operate in the global economy, so it's important to have a global agreement," Wilson of MEMA said. "We believe this is a very significant step forward." ■

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JAPAN

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consulting companies were hired to teach U.S. workers about Japanese customs.

Glenn Mazur, president of **Japan Business Consultants LLC** in Ann Arbor, who was featured in the *Crain's* story 30 years ago, had one of those companies.

Japanese culture classes lost their popularity because the United States and the countries it does business with became more culturally diverse and savvy, Mazur said.

Additionally, Japan got bypassed by other Asian countries, such as China and India, as a low-cost producer of goods, he said.

Mazur still has his business, but it has slowly transitioned to a new specialty: providing expertise on Japanese quality metrics.

"As U.S. auto companies improved quality, Japan responded by moving its automotive quality bar up," he said. "As consumers, we all benefited from this" with higher-quality vehicles.

Mazur's company segued from teaching Japanese culture to Americans to teaching Japanese quality techniques to Americans. Two of the methods he has been teaching are Quality Function Deployment, designing products to meet the needs of customers; and Hoshin Kanri, the main component of lean thinking and strategic planning.

Mazur is working on writing new ISO standards.

Mazur, 63, who speaks fluent Japanese and some French, now has two employees; years ago he had three. He travels extensively talking about QFD and ISO to "give back, pass the DNA to the next generation."

These days, he said, Japanese quality processes "transcend everything. If you don't know quality methods, it doesn't matter how deeply you bow."

Linda Hagan, a professor at Troy-based **Walsh College** and chairwoman of its business communications department, said that because of how global business has become, there's more of an emphasis on all

parts of the world, such as India and China.

"In Novi (where Walsh also has a campus), we have auto suppliers from India, South America and Europe," Hagan said.



Linda Hagan:

Walsh professor teaches MBA class on cross-cultural communication.

into two decades of economic stagnation starting in 1989. "Japan was not growing; it was not cool," Lim said.

She said that since 2010, Japan has been recovering because of several factors. Since 2012, it has had a pro-business prime minister — Shinzo Abe — who has been in the media limelight more than previous prime ministers.

"And there has been mainstreaming of Japanese business," Lim said. "It has not been Americanized, but there's been so much exchange between Japan and the U.S. that Japan has westernized itself. It is not so different anymore."

Detroit-area companies and their employees overall are more multicultural, Hagan said. To accommodate that, Walsh College has a student organization geared to international students.

"These students are living here but still close to their culture," she said.

Walsh hosts an international day with native food and clothing, and students can share their culture with one another. The college also has a international student adviser who helps foreign-born students navigate academic procedures.

Meanwhile, American students at Walsh can travel abroad for a couple of weeks to locales such as Latvia, Europe and Israel, where they are immersed in those cultures.

Hagan teaches an MBA class, "Communication and Success

Strategies," that concentrates on cross-cultural communications and the varied nuances in business practices.

"We emphasize writing and email using simple words and precise language so the meaning is not lost," she said. "In public speaking, we teach students to speak slowly and articulate their words."

Hagan stressed that distinct geographic borders are gone when it comes to business. "Students need to appreciate and respect people who are different than them," she said.

Kopp said her company, which she started 21 years ago, helps bridge the communication gap between Japanese and Americans.

Lim said Japanese culture in general has become more embedded in the American lifestyle in recent years.

For example, the Japanese way of living in a simple, decluttered environment has gained momentum in the United States. So has eating sushi and enjoying Japanese art and anime.

"Japan has become cool again," she said. ■

Troy media company acquires *TV Guide* owner

By **Natalie Broda**
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A deal by a Troy-based company that publishes TV listings books that come with newspapers gives it a legendary name in magazines that was once one of the highest-circulating weeklies in the country.

NTVB Media Inc., owner of *TV Weekly*, last week said it acquired New York-based **TVGM Holdings LLC**, owner of *TV Guide Magazine* and

TVInsider.com, for an undisclosed amount from Los Angeles-based **OpenGate Capital**.

The acquisition merges NTVB's 1 million subscribers with TVGM's 1.8 million, creating the country's largest group of print publications for television watchers, said Andy DeAngelis, president and CEO of NTVB Media. The company has a reach of 20 million for its print and digital content.

Financial terms of the deal were

not disclosed.

DeAngelis said he saw possibilities between *TV Weekly*, a regional television guide in 165 markets distributed through newspapers; NTVB's cable and satellite magazines; and *TV Guide*.

TV Guide began as a pamphlet to help sell television sets, according to David J. Fishman, CEO of *TV Guide Magazine*, to convince potential buyers that there was actual-

ly something to watch. The first issue was released in 1953.

"We were massive in the '60s and '70s," Fisherman said. "The whole idea of magazines at checkout lines was built by the racks *TV Guide* put in. At that time they owned the wire racks. There was nothing else like it. We had 25-30 million in audience on a weekly basis, and every TV show or program used it to announce fall shows." ■

FOCUS: HOPE

FROM PAGE 1

said. "Very rarely does a grant proceed as smoothly as originally envisioned."

On the Community Ventures grant, "the performance metrics were met ... we were not informed that we did not hit the performance metrics," he said.

Focus: Hope's machinist and information technology workforce training programs will be idled after current classes and job placements are completed and include layoffs for 17 employees by the end of November, the Detroit nonprofit said.

"We just haven't been able to secure funding at this point in time" for new workforce training classes, Jones said.

"It's somewhat frustrating that this is happening because there is strong demand on the part of students ... and employers wanting training."

The program suspension comes in the wake of 10 percent pay cuts for about 125 employees and a shift to reduced "summer hours" in June.

Employees in Focus: Hope's senior meal and early-childhood center programs, which have dedicated federal funding, were not affected.

The pay and operating cuts were made to conserve cash, Jones said.

While some employees are expected to remain on four-day workweeks through the end of the year, Focus: Hope's buildings are operating five days a week, he said.

"When we thought there would be cash shortages, we went ahead and proactively reduced salaries and hours" and building hours over the summer to save money on en-

ergy, Jones said.

While its core workforce training programs have seen reduced funding, Focus: Hope has secured funding to expand its efforts in related programs.

The MEDC awarded it a \$500,000 grant in January to create 131 jobs in Detroit with **Android Industries** by June 2018, Durian said, noting that Focus: Hope is well on track to do that.

In mid-September, the nonprofit was awarded a \$3 million grant by the **U.S. Department of Labor** as part of the American Apprenticeship Grants.

That funding, intended to help train people for higher-wage and higher-skill jobs, "is a real shot in the arm for us," Jones said.

It will help fill Focus: Hope's workforce training funding gap, "but it doesn't solve the issue," he said. Part of the funding, which will be made over five years, will go to place incumbent workers in apprenticeships.

"The gap in the programs we were running and need to be running is significant, and it's not only a one-year gap," Jones said.

Part of the problem is that the workforce development program hasn't had sustained funding since 2011. Since then, the program has relied on piecing together funding from the state, corporations and donors.

"The funding required for workforce development is a long-term thing. We need sustained funding over longer periods of time," Jones said.

Focus: Hope's fiscal 2015 annual report and 990 tax form are not yet available for the year that ended

Sept. 30, and Jones said he doesn't yet know how the organization fared financially for the year.

"We've taken steps to conserve cash, so obviously there were some cash demands on the business," he said. Jones said he expects overall results for 2015 to be "pretty good."

Focus: Hope reported positive financial results over the past four years. And it closed out a long-term, \$100 million campaign that exceeded its goal by \$2 million and raised \$30 million between the end of 2012 and end of last year.

Focus: Hope launched the campaign in 2005 before putting it on hold during the recession, then quietly reviving it as the economy began to improve. The effort was intended to fund, among other things, operations and expanding the number of people in the nonprofit's training programs.

It had raised just over \$69 million by December 2012, according to *Crain's* list of the Largest Comprehensive Campaigns at the time. And it went on to raise an additional \$30 million by the end of 2014.

Some of the gifts recorded were not cash, and some were pledges that will be realized in the future, Jones said.

"We did have periods of time in there we lost all workforce training funding and had to use campaign proceeds to keep them going ... and to keep operations going," he said.

"This campaign didn't happen in a vacuum."

Focus: Hope provides programs in workforce development, food and basic needs, early child care/education and neighborhood revitalization.

It had just under \$35 million in total revenue in fiscal 2014 and expenses totaling about \$31.4 million, according to its annual report.

Funding for Focus: Hope's core workforce training programs has been in flux since 2011, when the federal government reduced the amount of discretionary Workforce Investment Act funds that governors could allocate to agencies in their state. Focus: Hope had received \$5 million in WIA funding through the state and about \$860,000 through the state's general budget for fiscal 2011.

That funding had long supported Focus: Hope's machining, information technology and "Fast Track" math and reading students and its

Center for Advanced Technologies, which offered students who may not have access to a college education an opportunity to earn an engineering degree.

The appropriation to Focus: Hope from the state's general fund also diminished over a number of years.

Three public grants supporting Focus: Hope's workforce education programs in 2014 were not renewed for 2015.

The **Michigan Economic Development Corp.** awarded Focus: Hope a \$1.5 million employee limited-term, nonrenewable training contract for 2014 that was supposed to have run through last year. The MEDC extended the grant through June of this year to enable Focus: Hope to complete classes and meet metrics, said Durian, the director of the MEDC Community Venture program.

"They fulfilled the metrics of the contract," training over 170 people, he said.

A second MEDC grant of \$1.095 million over two years made to Focus: Hope through the Community Ventures program ended in February. The grant, which covered 2013-14, funded

services such as case management, employee assistance transitioning into employment, job coaching and supportive services such as transportation, day care or work boots to help them stay in jobs, Durian said.

The renewal for the program was awarded this year to **SER Metro-Detroit** and **Goodwill Industries of Greater Detroit**, he said, rather than to Focus: Hope.

Those agencies "are just more fit to provide the wraparound services we need and the case management and success coaching," Durian said. "That's different than the hard-skills training Focus: Hope does."

A grant of about \$566,000 from the **Detroit Employment Solutions Corp.** to Focus: Hope in 2014 also expired. DESC gave Focus: Hope an extension of several months on the contract to allow all of its cohorts to finish training, she said.

The program was intended to be for a finite period of time and was not an ongoing program, Executive Director Pamela Moore wrote in an emailed statement.

Focus: Hope continues to be "a valuable DESC partner," she said. ■

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James Durian:

Focus: Hope "fulfilled the minimum metrics" of MEDC contract.

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WEEK ON THE WEB

OCT. 3-9

Banking legend Aubrey Lee dies at 80

Detroit banking legend **Aubrey Lee** died Friday at age 80. Lee is credited as the first African-American to take a managerial role at the National Bank of Detroit, in 1966. He went on to influence the careers of many important Detroit figures, including former Mayor **Dave Bing** and **New Detroit Inc.** President and CEO **Shirley Stancato**.



Aubrey Lee: Was strong influence.

COMPANY NEWS

■ **Flipsi**, an Ann Arbor company that makes a patent-pending food-grade plastic baby bottle that can be turned inside-out for easy cleaning, won the \$7,000 first-place prize at a pitch contest at the **Macomb-OU INCubator** in Sterling Heights. The incubator is affiliated with **Oakland University**. Cash and in-kind prizes worth \$20,000 were awarded in the pitch competition for small businesses.

■ **Fiat Chrysler Automobiles NV** is offering so-called second-tier **UAW** members as much as \$29 an hour — up from \$25 previously proposed — under a new tentative agreement that avoided a strike by 40,000 union members, sources familiar with the matter told *Automotive News*. The tier-two workers would almost match veteran members' wages — from a maximum of \$19.28 now — after an eight-year grow-in period, the sources said.

■ Flint-based health plan provider **HealthPlus of Michigan** said it has signed an exclusive, nonbinding letter of intent to merge with Detroit-based **Health Alliance Plan of Michigan**. The teaming would create the state's second-largest HMO with 433,000 members and about \$2.5 billion in annual revenue.

■ Financial news and data business **Benzinga** said it plans to move its headquarters to Detroit from Southfield by month's end. Benzinga said it will relocate its offices and 35 full-time employees to One Campus Martius, the former Compuware Building now owned by **Bedrock Real Estate Services** and **Meridian Health Plan**.

■ Detroit-based advertising agency **Campbell Ewald** picked up a third new account in three weeks: Minneapolis-based hotel chain **Country Inns & Suites by Carlson**. Terms were not disclosed. Campbell Ewald, scrambling to replace the massive **U.S. Navy** re-

cruiting account it lost in May, also was recently hired to do marketing for online travel agency **Travelocity** and **Empire State Development Corp.**, New York state's chief economic development agency.

■ Ann Arbor-based information-management company **ProQuest LLC** has acquired **Ex Libris**, a Jerusalem-based maker of software for libraries. Terms were not disclosed.

■ The third cohort of **J.P. Morgan Chase's** Detroit Service Corps, made up of 12 managers from the bank's lines of business, began helping area nonprofits **Eastern Market**, **EcoWorks**, **Greening of Detroit** and **TechTown** with a variety of projects.

■ After first rejecting in mid-September a master labor agreement with Detroit-based **Blue Cross Blue Shield of Michigan**, employees represented by the **UAW** voted to accept a four-year agreement, Blue Cross officials said.

OTHER NEWS

■ An **Oakland County Circuit Court** judge approved the sale of the closed **Northland Center** mall to the city of Southfield for \$2.4 million. The city said it plans to spend \$8 million to \$10 million to demolish Northland, remediate the property and sell it to a qualified developer.

■ Two large mixed-use projects — one a new development, another a redevelopment of several buildings and construction of a new one — in the **Eastern Market** area are working their way through **Detroit City Council** approvals, with more than 210 new residential units possible.

■ **David Manardo**, director of the **Detroit Building Authority**, will assume much of the COO role at City Hall for **Gary Brown**, who was appointed to take over administration of the **Detroit Water and Sewerage Department**. Manardo will continue to oversee the building authority and will oversee the **General Services Department**, **Department of Public Works**, **Public Lighting Department** and **Coleman A. Young International Airport**.

■ **Tom LaSorda**, founder and managing partner of Birmingham seed-stage venture capital company **IncWell LLC**, won the Champion Award at the 15th annual **Automation Alley** gala at the **Royal Park Hotel** in Rochester. LaSorda was honored for helping fund early-stage companies and supporting Automation Alley, the Troy-based nonprofit technology business association. Troy-based **IPS Technology Services** was named member company of the year at the gala.

■ **Oakland University** and **Wayne State University** are teaming up to offer a fast-track program for students seeking law degrees. Under the agreement, students can earn

a bachelor's degree from Oakland and a law degree from Wayne State in six years, a year shorter than the traditional path.

■ **Detroit Metropolitan Airport** will get a second route to Germany when **Delta Air Lines Inc.** adds a nonstop daily flight to Munich Airport next spring. The route will operate six days a week beginning May 26.

■ Public bus drivers in Detroit will receive a 6 percent raise to their base wages through a new contract with the city, AP reported. Mayor **Mike Duggan** and **Amalgamated Transit Union Local 26** leaders announced details of the agreement, which also includes a one-time 4 percent bonus.

OBITUARIES

■ **Grace Lee Boggs**, a longtime human rights, labor and environmental activist who founded the Detroit-based **James and Grace Lee Boggs Center to Nurture Community Leadership**, died Oct. 5. She was 100.

■ **Charles "Chuck" Costa**, a community activist and perennial political candidate who ran for mayor of Detroit in the 1980s and 1990s, died Oct. 6. Costa was a real estate broker and owner of **The Paint Store** in Detroit. He was 80. ■

RUMBLINGS

Reese's pop-up clothing store fashions city pride

Noted clothing designer and Detroit native **Tracy Reese** has a new pop-up store that will be open through at least this month.



Tracy Reese: Designer as host.

Detroit is the New Black, one of the newest city pride T-shirt shops, is hosting the pop-up. Reese was scheduled to appear there last weekend.

Known for her colorful prints and bold looks, Reese is offering one-of-a-kind runway pieces, evening wear, and items from her more affordable lines.

Said Reese, a graduate of **Cass Technical High School**: "This is my hometown and it's extremely close to my heart."

The end date on the pop-up is flexible, said **Alyssa Jones**, director of communications at Tracy Reese.

'Hope' pics to benefit PAL

This year's Pictures of Hope campaign organized by Birmingham-based celebrity photojournalist

Linda Solomon will pair 15 Detroit police officers with an equal number of children in **Detroit Police Athletic League's** programs.

Detroit Police Chief James Craig is among the officers taking part this year in Solomon's campaign.

Greeting card maker **Avanti Press** of Detroit is donating printing and packaging for 2,000 sets of 15 holiday cards that will be available online Nov. 1 at **detroitpal.org** and later at retail outlets. Proceeds benefit Detroit PAL.

UM sports star in Web series

The **University of Michigan's** football, softball and men's basketball teams are the focus of a new all-access series called "Our Michigan" that will premiere this month on **Derek Jeter's** athlete-focused **The Players' Tribune** website.

"Through a combination of documentary videos, first-person narratives, photo diaries and alumni stories, 'Our Michigan' will give a voice to these programs while providing

unique focus on what life is like for student-athletes, coaches, staff and the surrounding community of a world-class university," the UM athletic department said in a statement.



Derek Jeter: Going old school.

As part of its 150th anniversary celebration, UM athletics gave The Players' Tribune access to home and road game days, practices, academic experiences, and players' time on and off the playing fields.

The series was Jeter's idea. He grew up in Kalamazoo and opted to play pro baseball after high school in 1992 instead of taking a UM baseball scholarship offer.

The media site (Theplayerstribe.com), which gives a platform for athletes to directly address fans, launched on Oct. 1, 2014.

'Homegrown Rye' available

Detroit City Distillery's new rye, Homegrown Rye, is available at its **Eastern Market** tasting room and to purchase. The bright, spicy rye rolls out in retail stores, including **Merchant's Fine Wine** in Dearborn and **Sunshine Market** in Detroit, through-out October.

The organic rye is from a family-owned farm in Eaton County and has been aged in a freshly charred, white American oak barrel, using methods to highlight the grain. It expresses hints of coffee on the nose and tastes of caramel with a rich, buttery finish.

The Detroit City Distillery team said this is perhaps its "most exciting venture to date." ■

UM-MSU digits

The **University of Michigan** and **Michigan State University** football teams will play at 3:30 p.m. Saturday at Michigan Stadium in Ann Arbor. It's the 108th meeting between the in-state rivals, with UM holding a 68-34-5 edge. Whichever wins on the field, here's a comparison of the teams and their schools in terms of dollars, cents and other measurements:

Teams founded

Michigan: 1879
Michigan State: 1896

All time record (through Oct. 3)

Michigan: 919-329-36
Michigan State: 676-442-44

Stadiums

Michigan Stadium, opened in 1927 at a cost of \$950,000; seats 107,601
Spartan Stadium, opened in 1923 at a cost of \$160,000; seats 75,005

Number of Twitter followers*

Michigan: 333,115 (@umichfootball)
Michigan State: 113,992 (@MSU_Football)

Number of Instagram followers

Michigan: 91,791 (umichathletics)
Michigan State: 51,719 (msu_spartans)

Number of Facebook 'likes'

Michigan: 1,483,510
Michigan State: 736,708

Registered trademarks

Michigan: 54 (including block M and "Big House")
Michigan State: 17 (including block S and the Spartan helmet)



WIKIPEDIA

Michigan Stadium will be the site of Saturday's MSU-UM football game.

Royalty revenue (June '13-June '14)

Michigan: \$7.4 million
Michigan State: \$1.7 million

Royalty rates from licensed merchandise

Michigan: 12 percent
Michigan State: 10 percent

Athletic department budget (2014-15)

Michigan: \$158 million revenue, \$142 million expenditure
Michigan State: \$104.6 million revenue, \$107.4 million expenditure

Total enrollment (fall 2014)

Michigan: 43,625
Michigan State: 50,085

Endowment:

Michigan: \$10.4 billion
Michigan State: \$2.5 billion

* Social media data is through Oct. 7

Sources: Brinks Gilson & Lione, USAToday.com, MGoBlue.com, Wikipedia, Freep.com, Crain's research

Can Michigan erase its “F” Grade?

Can Michigan provide consumers and employers the data needed to make **smart** decisions in health care?

A growing number of Michigan’s health insurers, hospitals and consulting firms are already doing it.

Attend the debate led by keynote speaker Leah Binder, CEO of The Leapfrog Group, a national nonprofit based in Washington, DC, representing employers and other purchasers of health care calling for improved safety and quality in hospitals.



Michigan’s “F” grade came from the Report Card for State Price Transparency Laws issued by Catalysts for Payment Reform and the Health Care Incentives Improvement Institute. Find out why the score was so low.

FEATURING TWO BREAKOUT SESSIONS

- **Providers: The Challenges of Transparency**
What will it take for Michigan to have a more transparent environment? Players from hospitals and insurance companies weigh in.

New **EMPLOYERS: Get money-saving lessons here!**

- **Employers: The HR Case for Transparency in Health Care**
Employers from small, medium and large companies will offer ways that they’ve found success in educating employees about the costs of health care.

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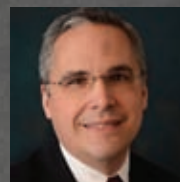
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Vice President, Sales and Business Development
Heritage Vision Plans, Inc.



Brian M. Connolly
Former CEO of Oakwood



Dr. Chris Duke
Director of Altarum Institute’s
Center for Consumer Choice in Health Care



Dr. Scott Eathorne
President & CEO
Together Health Network



Jerome Konal
Principal and Office Business Leader
Mercer



Jessica Gubing
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Welfare, and Wellness Programs
General Motors



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