

# WORKING TOGETHER FOR GLOBAL TRADE

## BOOSTING BUSINESS IN AUTOMATION ALLEY

by Glenn Oswald, Marx Layne & Company,

When people hear the words “I’m from the government and I’m here to help you,” it’s usually the start of a joke. But in this instance, it’s reality and it’s working. In fact, two government agencies, one local and one federal, are not only working together on a project, they’re even sharing office space in Pontiac, Michigan, about 30 minutes north of Detroit.

In an unprecedented show of unity and camaraderie, Oakland County, Michigan’s Automation Alley (a consortium of nearly 400 high-tech and related businesses) and the U.S. Department of Commerce are collaborating on a series of foreign trade missions. Their cooperation extends to even the smallest details, such as planning luncheons, dinners and other

events to help promote them. Read the fine print on Automation Alley flyers and you’ll see they are “in partnership with the U.S. Department of Commerce.”

The partnership exists because of the Market Development Cooperator Program or MDCP. The MDCP is a competitive matching grants program that builds public/private partnerships by providing federal assistance to non-profit export multipliers such as trade associations, chambers of commerce, world trade centers and other non-profit industry groups that are particularly effective in reaching small and medium-size firms.

Locally, in Pontiac, Michigan, Richard Corson, Director of the U.S. Export Assistance Center of the U.S. Commercial Service and his staff share the same offices with Oakland County’s Automation Alley. “This arrangement has worked out very well,” Corson said.

“In fact, I’m proud to call Hayes W. Jones my friend.” Jones is the Project Manager for Oakland County and works closely with several offices within the Department of Commerce. Corson also said, “Our partnership with Automation Alley is excellent because we share the same goal of helping companies increase their export sales and we enjoy working together to achieve our common goal.”

Automation Alley is a cluster of technology-driven companies located just north of Detroit, in Oakland County, Michigan. Launched in 1998 by Oakland County Executive L. Brooks Patterson, Automation Alley’s goal was to develop programs to support member companies in their efforts to attract world-class high-tech workers to Oakland County. The businesses range from automotive suppliers, to telecommunications software and information services. Automation Alley has grown into an alliance of private, educational institutions and Oakland county government businesses dedicated to strengthening the County’s economic base. And to that end, strengthening that base means looking beyond the County’s boundaries.

So how did a county government end up working so closely with a federal government entity? “It’s part of the MDCP cooperative agreement to work together as a team,” said Jeff Gren, an Office Director within the Department of Commerce, serving as the team leader for the Automation Alley MDCP award. “It has worked out very well, from the national level to the local level.”



Photo courtesy of Brandon Linton.

Ten companies participate in Automation Alley’s exhibition at Interkama in Dusseldorf, Germany. More than \$1.5 million in new business was secured for the companies as a result of their participation.

In October 2000, Automation Alley received a \$400,000 financial assistance award from the Market Development Cooperator Program (MDCP). The high-tech group was the only organization in that year's nationwide competition to receive the maximum award on the first application. "We put together a dynamite presentation," said Ken Rogers, Executive Director of Automation Alley. "We were so determined and so confident in our organization's mission, we knew we couldn't lose."

Using matching funds and in-kind services from members and Oakland County, Automation Alley has \$1.2 million in resources for export and trade activity over three years. Specifically, the funds will be used for a series of four trade missions: the Interkama trade show for advanced manufacturing technologies in Dusseldorf, Germany September 2001; a trip to China May 2002; CeBIT, the world's largest trade show for computer software and services in Hanover, Germany in March 2003 and Automechanika, showcasing automotive parts and accessories in Mexico City in July 2003.

The first of the Automation Alley trade missions was in September 2001. Representatives of ten Oakland County companies departed for the Interkama trade show in Germany, a mere 11 days after the terrorist attacks on the United States. But all involved were determined to go on with the trip.

"The two cancellations we had were unrelated to the events of September 11," explained Jones. "In fact, one of the companies participated in a video conference on November 19 with the firms they would have met in Germany." Another videoconference is being planned for the other company, Jones said. Conversations are being held with the corresponding German firms to work out the logistics for a meeting, via video, in the near future.

The U.S. Department of Commerce coordinated most of the meetings in Germany through its Gold Key Service. From those meetings, the companies came back with no less than \$1.5 million in new business and the promise of additional future contracts.

Brian Kundinger, one of the participating companies, had five Gold Key appointments at the trade show and meetings with three other companies. "The U.S. Department of Commerce did a lot of the advanced research for us to make certain the companies we met with were a good fit. It would have been very difficult to get those meetings on our own," said the president of Analytical Process Systems (APS). The Auburn Hills, Michigan-based specialty testing equipment manufacturer signed a joint marketing agreement with Nova MMB, headquartered in Schwarzenberg, Germany. "We were familiar with Germany and needed a rep/sales agent for sales and services," Kundinger said. "The Interkama trade mission fit with our strategy to go global." APS has continued to get appointments with German companies as a direct result of the Interkama trade show.

Other southeast Michigan businesses that reaped benefits from the German trip include Auburn Hills, Michigan-based Patti Engineering, Birmingham, Michigan-based 3D New Media and Bach Group, Inc., a minority-owned business based in Troy, Michigan.

Lauren Alston, Bach Group CEO says the trip "went very well. We're working on projects now to deal on joint ventures with two companies." Bach Group, which is a document management and scanning services company, looks to do business outside southeast Michigan and the trade missions provide that opportunity.

"It puts a new perspective on business in America," Alston said. "Business is global. The world is shrinking."

Automation Alley's Small Business Export Initiative, along with the U.S. Department of Commerce will sponsor the next trade mission to China in May 2002. Representatives of up to fifteen Oakland County companies will travel to Beijing, Shanghai and Suzhou. China's economy is continuing to prosper and grow at a healthy rate and China's admission to the World Trade Organization should present numerous export opportunities. This trip fits right in with what the International Trade Administration is trying to accomplish.

"We're interested in reducing trade barriers," Gren explained. "The more delegations we can send to countries like China for face-to-face meetings, the better."

As with the German trade mission last September, the U.S. Department of Commerce, using the Gold Key Service, will pre-screen Chinese companies who would be good matches with Oakland County's high-tech firms and International Trade Specialists from the Department of Commerce Pontiac U.S. Export Assistance Center will consult with participating firms prior to the trip. China's economy is continuing to prosper and grow at a healthy rate, making this an excellent time to export.

"There is a tremendous need in China to get their small enterprises up to speed," Gren said. "This trade mission will provide pre-screened meetings between small to medium-sized U.S. and Chinese firms. We're very excited about this trip."

Corson added, "The participating companies get the benefit of the export resources of Automation Alley and the Commerce Department's offices locally and in Washington." ■

Marx Layne & Company is the public relations agency of record for Automation Alley's Small Business Export Initiative.