



MICHIGAN ECONOMIC DEVELOPMENT CORPORATIONSM

TRANSFORMATION

A Strategic Plan for Michigan's Economy 2007-2010



Greetings,

I am pleased to share with you the Michigan Economic Development Corporation's 2007–2010 Strategic Plan. What you are about to read is a natural outgrowth and expression of the economic plan I have laid out for our state. Michigan has struggled significantly during the transition from a 20th century industrial economy to the 21st century global, high-tech economy. At such a critical moment in Michigan's history, the steps we take now will have a decisive impact for decades to come.

The plan before you represents how the MEDC, acting as the state's lead economic development authority, will employ a research-driven model to diversify our economy, help companies prosper and create new job opportunities for Michigan families. It advocates a regional approach to economic development that discards the cookie-cutter model in favor of an appreciation for the particular strengths and characteristics found within the state—both geographically and economically. You will also see in this plan a greater emphasis on national and international business attraction, in which the MEDC will work aggressively to bring new, job-creating investments from outside Michigan's borders.

The value of this strategic plan hinges on the effective execution. I am confident that the Michigan Economic Development Corporation is equipped with the leadership, experience and expertise needed to be successful. Working in cooperation with its network of regional and local economic development partners, and the tourism industry, the MEDC will have a major impact on our economy as it puts this plan into action on behalf of Michigan's citizens.

A handwritten signature in black ink, which appears to be "Jennifer M. Granholm". The signature is stylized and cursive.

Jennifer M. Granholm
Governor

A message from the MEDC Executive Committee

The State of Michigan has entered a state of transformation.

For more than a century, Michigan led the world in automotive ingenuity and productivity, creating products and processes that set standards of excellence in a host of industries and arenas. That history of leadership is the cornerstone on which Michigan now will build new opportunities, transforming our assets of advanced engineering, agile manufacturing and a skilled workforce into an expanded, diversified Michigan economy.

The Michigan Economic Development Corporationsm (MEDC) is leading Michigan's economic transformation. Through a comprehensive strategic plan that encompasses all facets of Michigan's unique competitive advantages, the MEDC and its cooperative partners will assure that the next generation of citizens enjoys a positive and prosperous future.

The MEDC's strategic plan will transform Michigan through several key initiatives:

- Michigan's **21st Century Jobs Fund**, the most innovative and comprehensive economic development program in the country, assists small companies to grow and prosper. Our business investment program uses loans, grants and venture capital to help entrepreneurs achieve their visions of commercial success. The MEDC's flexible, realistic and responsive approach allows us to tailor our support for specific companies and enterprises.
- The MEDC's national and international business development efforts focus on **emerging sectors** where Michigan possesses comparative advantages: alternative energy, life sciences, advanced manufacturing, and homeland security. In addition to these sectors, the MEDC recognizes that passionate and imaginative **entrepreneurs** are the essential element in any business development strategy, so our efforts will also include other sectors where opportunities exist.
- The award winning '**Pure Michigan**' travel and tourism campaign, as well as our '**Upper Hand**' business marketing campaign spread the good news about living, working and vacationing in Michigan. By emphasizing our distinctive and durable competitive assets, Michigan's quality of life, our outstanding colleges and universities and the skills and talents of our people, the MEDC will attract businesses to our state. Our promotion program includes success stories of CEOs who chose to locate businesses in Michigan and whose testimony speaks volumes about our state's many resources, while our travel and tourism campaign emphasizes Michigan's natural beauty and destination locations.

The MEDC's reputation for effectiveness, innovation, flexibility and capability reflects its commitment to successfully transforming our economy. We invite those who share our vision of the future to join us as we work together for Michigan and the people who call our state home.

MISSION:

The mission of the Michigan Economic Development Corporation, in collaboration with its local economic partners, is to transform the economy of our state. By executing the Governor's economic development strategy, the MEDC promotes business and tourism, thereby generating opportunities and economic growth. The MEDC further achieves its mission by retaining and expanding commerce, by facilitating new partnerships and by serving as the principal advocate for the business community, thereby creating desirable jobs and contributing to a superior quality of life for all Michigan residents.

VISION:

The Michigan Economic Development Corporation envisions a transformed Michigan economy; a state where 21st century businesses will provide desirable jobs in emerging sectors of commerce; where Michigan's tradition of manufacturing and automotive engineering generate new opportunities to participate in the global economy; where educational standards of excellence support a sophisticated workforce; and where travel and tourism thrive.





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COMMITMENT:

The Michigan Economic Development Corporation is committed to serving as the principal advocate for businesses in Michigan by conveying to the Legislature, government agencies and local economic development partners the issues and concerns that impact business development and a healthy business climate. Using the influence of its Cabinet-level participation in state government and its distinguished executive committee, the MEDC will assure full participation for the business community in the ongoing dialogue to transform Michigan's economy.



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A STRATEGIC PLAN FOR THE MICHIGAN ECONOMY



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The Michigan Economic Development Corporation will employ a six-part strategy to achieve the transformation of Michigan's economy:

1. The MEDC will leverage Michigan's economic development capacity by bringing together a myriad of partners and resources.

A challenge during this period of economic transformation is to use limited economic development resources to their best advantage. The MEDC will achieve maximum impact by centralizing the services, tools and resources at our disposal, strengthening the influence and outcome of economic development efforts in each of our state's 83 counties. To do this, the MEDC will:

- Lead economic development efforts for maximum impact within state government
- Serve as the State's business ombudsman to maintain a favorable business climate
- Share processes, communication and resources with our external, inter-local and corporate partners
- Brand state economic development activities under a common message and strategy
- Expand statewide economic diversification strategies through collaborative networks

2. The MEDC will attract, retain and support Michigan businesses.

Competition to attract and retain business in Michigan has never been greater. The MEDC's vision of transformation hinges on our capacity to bring new ventures to our state that will benefit from the unique strengths offered in our environment. To attract and retain business in Michigan, the MEDC will:

- Develop and execute business attraction strategies in support of Michigan's economic diversification goals
- Expand and integrate tourism and business marketing campaigns nationally and internationally
- In cooperation with the state Legislature, create customized new best-practice incentive tools to support the retention and growth of existing Michigan businesses and attract new investment to the state

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TRANSFORMATION: A STRATEGIC PLAN FOR THE MICHIGAN ECONOMY

- Promote Michigan's outstanding healthcare system as both an exceptional resource for healthcare consumers and as the state's top provider of employment for Michigan's citizens
- Create the defense contracting and coordination center structure to increase federal contracts awarded to Michigan businesses with an initial emphasis on products generated within the other three target clusters

3. The MEDC will lead the diversification of Michigan's economy.

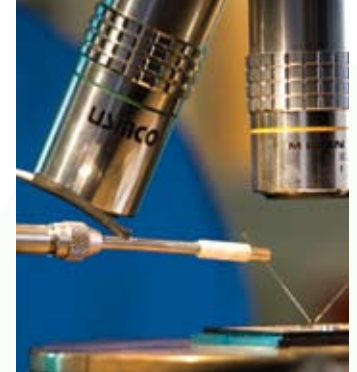
Michigan's greatest contribution to the worldwide economy—the American automotive industry—now must serve as the foundation for a thriving, diverse state economy. To achieve the vision of a diverse economy, the MEDC will:

- Leverage the existing strengths of Michigan's industry sectors, the higher educational system and our skilled workforce, by creating new opportunities within the emerging growth sectors of alternative energy, advanced automotive manufacturing, life sciences and homeland security/defense
- Develop and implement customized incentive packages to attract and grow the emerging growth sectors
- Support the revitalization of Michigan's cities, in particular the downtown communities that serve as economic nerve centers

4. The MEDC will promote Michigan globally while assuring that the success of our efforts is shared locally.

Michigan's message of transformation represents untold opportunities for prosperity. To spread the message of opportunity throughout Michigan and around the world, the MEDC will:

- Market Michigan's unique assets to national and international audiences, by highlighting our competitive business advantages, skilled workforce, economic incentive tools and unsurpassed natural resources
- Share Michigan's business success stories among Michigan residents, by encouraging our state's positive image and generating enthusiasm and confidence among all Michigan residents
- Market Michigan's targeted business opportunities along with our unique quality of life



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5. The MEDC will advocate for a favorable business climate for small businesses and entrepreneurs.

Recognizing that small businesses and entrepreneurial ventures are crucial to a thriving, transformed economy, we will ensure the business climate in Michigan allows these enterprises to succeed by maintaining a favorable atmosphere. To do this, the MEDC will:

- Support and grow small business and entrepreneurial innovations through loans, capitalization and business incubators
- Facilitate the transfer of technology and intellectual property from Michigan colleges and universities to allow commercialization of new processes and inventions
- Encourage, support and nurture entrepreneurial efforts and successes in the state through customized programs and services

6. The MEDC will measure the performance of its economic development strategy to assure and document success.

Measurement means accountability. The MEDC, recognizing its fiduciary obligation to the citizens of Michigan, will remain open and accountable for our role to transform Michigan's economy by measuring and documenting our success. To do this, the MEDC will:

- Implement a standardized return-on-investment measurement process to evaluate the effectiveness of the MEDC programs
- Create benchmarks for programs and services provided by the MEDC
- Maintain timely competitive intelligence reporting for state, national and international business activity

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DIVERSIFICATION: TRANSFORMING MICHIGAN'S ECONOMY BY BUILDING ON OUR STRENGTHS AND ASSETS

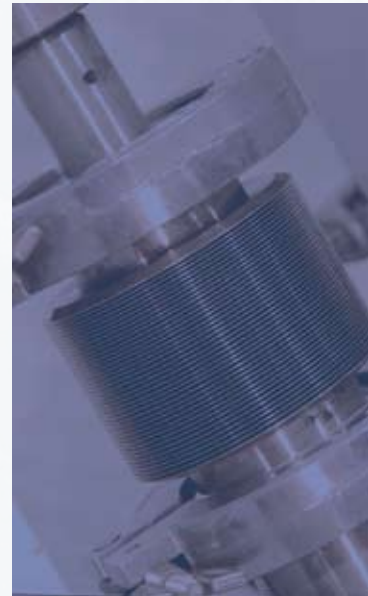
In Michigan, we don't do just one thing well. While our reputation as the automotive capital of the world is obvious and well-earned, we also are a state of untold economic and natural resources. Transforming our economy from one dependent on the auto industry to one that reflects the success of our engineering and manufacturing roots will require us to use our strengths and assets to our greatest advantage.

The MEDC will leverage these strengths in transforming Michigan's economy:

- Manufacturing research and development collaboration
- Diverse agricultural industry
- Vast untapped forestry product
- Robust state-wide travel and tourism industry
- Traditional manufacturing

The MEDC will promote these unique assets in transforming Michigan's economy:

- Skilled, educated workforce ranked 4th nationally for high-tech employment
- Highly educated and experienced engineers
- Strong network of colleges and research universities
- Business growth and expansion success
- Natural resources and outdoor recreation opportunities



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

DIVERSIFICATION:

TRANSFORMING MICHIGAN'S ECONOMY BY TARGETING EMERGING INDUSTRY CLUSTERS

Through the use of sound economic research, local partner intelligence and state asset analyses, the MEDC has identified global economic development opportunities that most effectively leverage Michigan's strengths and promote its unique assets. The process of identifying key clusters of the emerging sectors allows the MEDC to focus its business development activities, marketing and attraction resources on those opportunities prime for Michigan to take a lead in industry development.

EMERGING SECTOR—INITIAL TARGET CLUSTERS

ALTERNATIVE ENERGY & FUELS

The MEDC will continue to expand in the area of alternative energy and alternative fuels by building on the existing strengths from the automotive research and development, advanced manufacturing and agricultural assets. The initial target clusters will include:

- **Wind energy:** focuses on product manufacturing and the supply of electricity
- **Photovoltaic energy:** focuses on solar energy product manufacturing and the supply of electricity
- **Cellulosic biofuel:** focuses on the production of biofuel from biomass feedstocks, and includes an emphasis on Michigan's agricultural and forestry industries

LIFE SCIENCES

The MEDC will continue to expand in the life sciences industry through the Life Sciences Pipeline, the 21st Century Jobs Fund and other commercialization and investment initiatives. The initial target clusters will include:

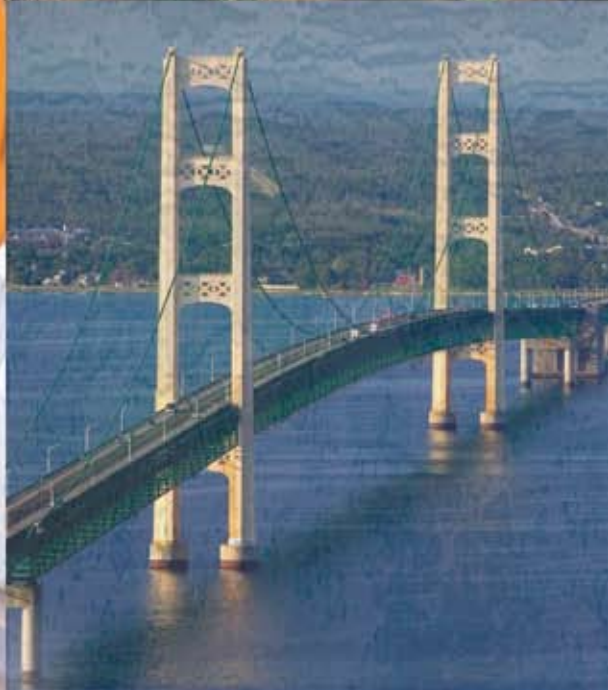
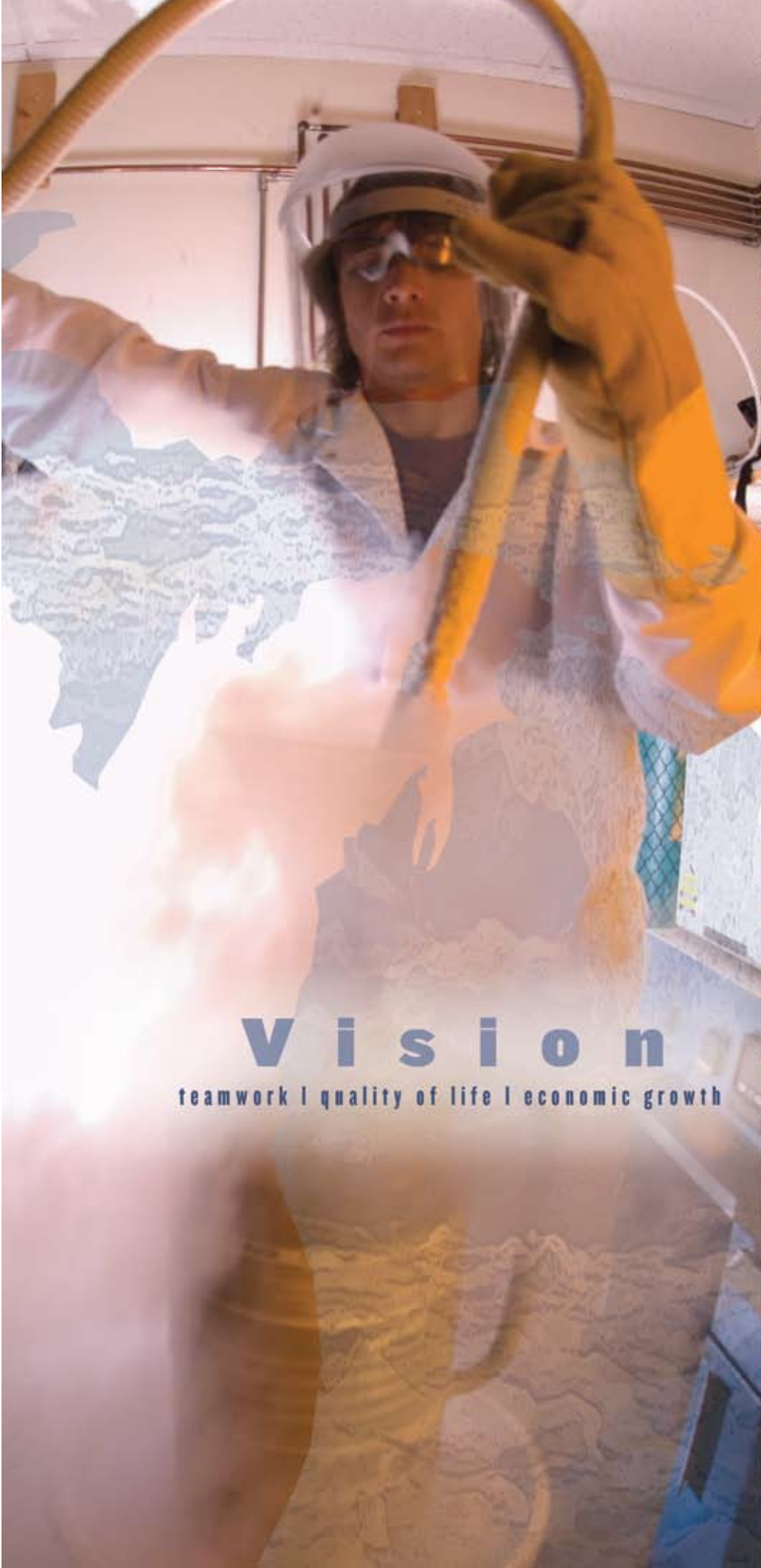
- **Healthcare industry and medical technology:** focusing on companies that develop, manufacture and market medical devices and imaging and diagnostic products that require FDA approval (including certain categories of biotech and pharmaceutical industries)

ADVANCED MANUFACTURING/TRANSPORTATION

The MEDC will foster advanced manufacturing and transportation innovations already growing within the state. The initial target cluster will include:

- **Advanced battery:** focuses on next-generation batteries (other than lead-acid) with a primary emphasis on applications within the transportation sector





V i s i o n
teamwork | quality of life | economic growth



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