

Ep.3.51 - Dan Wyant & Rodney Parkkonen

Mon, Jan 08, 2024 3:08PM 26:50

SUMMARY KEYWORDS

michigan, rodney, companies, work, entrepreneurs, support, grow, program, lowe, foundation, business, dan, economic development, growth, find, partner, programming, entrepreneurship, small business, southwest michigan

SPEAKERS

Dan Wyant, Ed Clemente, Rodney Parkkonen, Announcer

- A** Announcer 00:01
Welcome to The Michigan Opportunity, an economic development discussion series featuring candid conversations with business leaders and innovators across Michigan. You'll hear firsthand accounts on how the state is driving job growth and business investment, supporting a thriving entrepreneurial ecosystem, building vibrant communities and helping to attract and retain one of the most diverse and talented workforces in the nation. And now, your host, Ed Clemente.
- E** Ed Clemente 00:29
Hello, I'm your host, Ed Clemente. And we're fortunate to have two different guests today. We have Dan Wyant. He's the president of the Edward Lowe Foundation, and Rodney Parkkonen. He's the Small Business Consultant here at the Michigan Economic Development Corporation. Welcome to both of you to the show.
- D** Dan Wyant 00:45
Great to be with you.
- R** Rodney Parkkonen 00:47
Thanks for having us.
- E** Ed Clemente 00:48
And we're gonna start out with you, Dan. First, because I know what the Lowe Foundation is, but maybe not as well as I should know it. And I think a lot of people who listen to the podcast

but maybe not as well as I should know it. And I think a lot of people who listen to the podcast probably might know it. I don't know. So why don't you kind of explain a little bit of its history and what it does.

D

Dan Wyant 01:07

Yeah, I appreciate that. Ed Lowe invented kitty litter and Tidy Cat. He was a Michigan guy. And so it's great to know that we had this invention right here from Michigan. And he has this tremendous legacy, he left his estate to support entrepreneurship. And so for the last 20 years, the Edward Lower Foundation has focused on a very narrow niche of economic development. And we call it second stage entrepreneurs. We define it loosely as between 10 to 99 employees, a million to 50 million in sales with the intention to grow. It'd be about 17-18% of Michigan companies, but it represents about 38 to 40% of the jobs in Michigan. So intuitively, we know this is where jobs come from. And we've been operating in Michigan for about 20 years. And we do it with a partner and our partner is Michigan Economic Development Corporation. And Rodney is our point. So it's been a great relationship.

E

Ed Clemente 02:04

The way he already dovetailed you Rodney, why don't you tell us a little bit what you do with the MEDC?

R

Rodney Parkkonen 02:09

Yeah, thank you so much. You know, my role at the MEDC is really to support small businesses, primarily in that second stage space, as Dan kind of defined there. And really identifying the various supports that we have in Michigan to support their growth, one of those key pieces being our partnership with the Edward Lowe Foundation, a lot of entrepreneurs or small businesses don't always have time to sit down and search, what does the State of Michigan have for me today? So really, I work closely with our economic development partners, our internal teams at the MEDC. And a lot of the small businesses to take in referrals from other businesses that they know, who are really finding obstacles as they grow, and then introducing them to the Edward Lowe Foundation, the services and programming they provide to help entrepreneurs overcome their obstacles, and continue to really grow profitably. Because as those entrepreneurs grow, the state can grow. Right? So as they grow revenues and employment, that's a win for the state and really money well spent. So that's primarily what I use. I don't all the time, but I know really good people. And I just work to facilitate those introductions.

E

Ed Clemente 03:20

It's funny, both of you probably don't know this, but my family had a small business. So we had it for 80 years, actually. And we were a restaurant, but it was downriver Detroit area. But I grew up totally in small business. And we could've used help all the time. Because we didn't speak English growing up, and all those kinds of challenges. And I would imagine a lot of your companies, English might not be their first language, or they came from somewhere else where business was done differently. They do need help to kind of map out how to do this stuff, right?

D

Dan Wyant 03:54

Yeah, we've worked in this area for a while. And this is what we've learned, Ed, on the spectrum of economic development, your listeners will get this. Michigan has to do all of this. They have to work with startup companies, they have to do placemaking to make communities great places to live, work and play. We have to recruit companies to our region. But the second stage space we find is unique. We differentiate entrepreneurship, because it is a smaller group. But they punch above their weight. They're underserved. They're under recognized. As Rodney said, they're usually quite busy. And intuitively, we know this is where jobs are being created. And so this is a economic strategy and entrepreneurship led economic development strategy that Michigan is undertaking to grow your own. And I appreciate that the foundation is unique in that we don't give money away, usually a conversation killer. We do programs and so we've put our focus on developing programs that will transform these second stage companies. And then we really leverage the support of MEDC to find the companies, vet the companies and then send them to us so that we can support their growth.

E

Ed Clemente 05:08

Do you do training at your facility. I don't know what's there.

D

Dan Wyant 05:12

Yeah, Rodney can speak to this. We have seven buckets of programs, we do a recognition program called Companies to Watch to affirm that they've arrived, that they succeeded. We do a mentorship program, a leadership development program, we do a strategic information program. But Rodney sort of administers this whole thing, and they go through him, and then he directs them to the exact program that they need. We call it Just-in-Time learning and Just-in-Time information, to give these companies the tools that they need to grow.

E

Ed Clemente 05:44

Anything you want to back up on that, Rodney?

R

Rodney Parkkonen 05:47

Yeah, no, I think Dan really hit the nail on the head. What we really are looking to support with is when somebody starts a business or purchases a business, they're really good at making a widget or providing a service, they don't always know how to grow that business. They don't know how to run the business side of things. And with the programming that Dan mentioned, through the foundation, we're able to introduce them to concepts and help them overcome those obstacles that they don't even necessarily have a background in, right? So if I'm good at making a widget, and the business starts to grow, people tend to feel like they're over their skis, right, they feel like they're lost, they're juggling a lot of these glass balls. And they revert back to what they know, either providing that service or making that widget. And the business

tends to plateau. By bringing people to the foundation for retreats or introducing them to subject matter experts, we're able to help them overcome those deficiencies that they sometimes have, either perceived or real, so that they can keep growing the company and not kind of fall back to some of the things that got them to the to the level they're at. We want to really kind of catapult them to the next level. And the foundation provides a great platform, either in person or virtually for programming to support that.

E

Ed Clemente 06:55

Once again, our guests are Rodney Parkkonen, and he's with the MEDC and Dan Wyant and he's the president Edward Lowe foundation. Dan, so just a little bit about you. Your name is very familiar to many Michiganders, especially someone like me who actually worked with a guy you probably don't even remember now, Senator Jim DeSana, you might have been around that era, but I've known your name a long time. And so why don't you just kind of give us a little bit of your sort of path to this position?

D

Dan Wyant 07:25

Yeah, Ed, we've crossed paths a few times when you were in the legislature. I had a wonderful opportunity to start in Lansing at a relatively young age. Went to work for a guy named John Engler and eventually became the Director of Agriculture. I'm a farm boy from Cass County and grew up in the agriculture business. So that was my sweet spot. Then, Governor Granholm kept me on. So that was unusual. So I moved from a Republican administration to a Democratic administration. But my stepfather was Ed Lowe. So Darlene Lowe, my mother, and Ed Lowe created the foundation here. And so it was always family. And I was always involved in the foundation at some level. Rick Snyder brought me back to run the DEQ. So that was my third administration. So quite unusual to work in three administrations. But I'm where I need to be right now. And that's sort of running the family business, if you will, giving back and so I've been very fortunate to make myself over a couple of different times. But really enjoy where we are. We really think we've got something figured out in the second stage space. And we're glad we have a partner like MEDC who is willing to commit to doing entrepreneurship-led economic development.

E

Ed Clemente 08:36

So just to ask a weird question, but what kind of farmer, what did you guys grow?

D

Dan Wyant 08:40

We grew purebred hogs. And so we showed pigs all over the country. We marketed through the show ring and so it was corn, soybeans and hogs and so, Michigan State kid that graduated with animal science degree but then got tapped to be a policy adviser in the majority Senate office and that's, when you get started, sometimes that train runs for a while and for me it ran for a long time, Ed.

E

Ed Clemente 09:05

I gotta ask one more weird question. What kind of pigs because they know they got cool names.

D

Dan Wyant 09:10

Oh my gosh, I love this. You know I always said if there was a Jeopardy category, breeds a swine, I would nail that thing. So yeah, we raised Chester Whites and we raised Spotted Poland China's and so right, they do have cool names. Hampshires, Yorkshires, they have some great great names for hogs.

E

Ed Clemente 09:12

I know at the Henry Ford Museum they have Polands and China. [Yeah.] Hogs right there, they raise them on their farm. Yeah, it's just always weird thing I always like to hear. Ronnie, why don't you tell us a little bit about you. You have a slight accent. Where is it from?

R

Rodney Parkkonen 09:46

Yeah, I'm originally from the U.P. Most people tend to not know it until I break out my A's which which come out quite frequently. But I grew up in Marquette. Went to Northern Michigan University. I'm a recovering salesperson. So I've worked with small businesses a majority of my career. And really, when the opportunity came along at the MEDC, to start working with small businesses, through this programming, it really seemed like a natural fit to a lot of the experiences I had, working with restaurants and some of those sales roles and identifying solutions to what was ailing them really, right? Whether it was selling advertising or selling food, or what have you, it was really around, yes, that's a product, but how do you build relationships, understand the needs of the business and the business owner, and then identify those solutions. And in Michigan, we're very lucky to have a really robust small business support ecosystem through partners, like the foundation, where we can introduce them to the solutions to help them grow their business that a lot of times, again, they don't know about, and in being able to be a part of the conversations that they have, I'm able to really listen closely and say, what are the other things that they need that we can support them with, and then introduce them to other programming as well. So the partnership with the foundation is really strong, because we start to hear these little nuggets of need, really, from the small business owner. And then we can plug them into other services, Pure Michigan Business Connect, International Trade, so it's really about having this very robust kind of support ecosystem, and then just making sure the entrepreneurs are aware of it. And luckily, we have partners in the foundation who bring a national perspective back to Michigan, right? They work in states around the country. But because of that, they're able to bring those nuggets back to our Michigan companies as well and iterate programming so that it is that real Just-in-Time experience to make sure that it's responsive to their needs.

E

Ed Clemente 09:47

Yeah, we actually had a previous guest on, a wheelchair manufacturer, who through Pure

Michigan Business Connect, if I can get it right. But they introduced them to a certain type of steel they needed for the wheelchairs that happen to be like in Lavonia or somewhere but it's those kinds of things that help with that networking and that spiderweb. Not just knowing a company's there, but also the infrastructure and logistics, which often are more critical, sometimes that you don't have to get something that has to come by a container ship or something else that could screw up your whole production lines.

D

Dan Wyant 12:12

Yeah, we've learned a few lessons working in this space, a couple of them that I think set us apart from other programs. One is, we've differentiated growth as compared to survival. Startups, you gotta have it, you gotta have startups, that's churn. But there's a lot of failure in that space. And growth has a whole different set of issues. And so we're usually dealing with some people that have been market-tested, figured something out. And now, as Rodney said, they don't know what they don't know. And so, one, we're differentiating entrepreneurship, and we're really trying to accelerate growth. Two, everything we do has a peer to peer component. And so we've learned that entrepreneurs learn best from each other. And so we work real hard at putting entrepreneurs together in peer groups, roundtables, leadership programs, because those relationships lasts beyond the actual retreat or the leadership experience. And so they're very good at human nature. No one wants to be told what to do. But if you speak from your experience, what we learn, especially with entrepreneurs is they're like a sponge when they're around other entrepreneurs. And so that's been a key piece to our success, I think. And then lastly, we're not doing transactions we're doing strategic transformation. And so most of our focus is not giving a grant or not giving them money. We're teaching them how to fish, that old analogy. We're trying to give them lessons that will really last a lifetime. And so it's been a pretty positive experience here in Michigan.

E

Ed Clemente 13:56

It reminds me a little bit of when I used to teach school and I was going through teaching at Michigan State, by the way. We would learn that kids learn 80% of the time by nonverbal communications, right? So they're observing their parents or other people, it's the same thing. I think when you're a younger, growing probably second stage company, you learn better by observing than, like you said, being told what to do. Or here's a book, figure out. Trial and error is the best way to still learn about anything, any job I've ever had too. I saw you nodding your head Rodney, anything else you wanted to add to what Dan was adding?

R

Rodney Parkkonen 14:37

No, you guys are both spot on with that. The only thing, I'm going to make a weird segue because I don't want to forget, I feel like we're burying the lede a little bit. When a company hears about all this through the podcast, I do want them to know that when they enter any of the the programming, those those costs are covered by the MEDC, in collaboration with the Edward Lowe Foundation. Dan mentioned that it's not a grant giving program, but it's also not a cost program either to the company, the programs we offer are covered by the MEDC. The company never receives a bill. I was chuckling because in my mind, I was like, I need to, I need to find a way to awkwardly slide that it.

E**Ed Clemente 15:14**

No, no, no, no. I'm gonna awkwardly add on to it. Why don't you mention to how they could find like, because you're kind of more of the gatekeeper a little bit on this, right Rodney? So how do you want people to find out about this, any entrepreneurs that do listen.

R**Rodney Parkkonen 15:29**

Their best way to do it is honestly probably to call or email me directly, just for speed and efficiency. So my cell phone number is 517-730-1244. If an entrepreneur or an economic development organization wants to learn more about how to get people into the program, or if the company wants to learn more, they can contact me, my email is the letter p, a, r, k, k, o, n as in Nancy, e, n as in Nancy, r, one@michigan.org. And when somebody emails or calls, I'm happy to walk them through the process. There's a brief online application. It's a rolling application, right? So it's not necessarily a you've got to be in by December 31, or anything like that. This is a program we intend to live for a very long time and hopefully grow. So we'd love to hear from those entrepreneurs with 10 to 99 employees, 1 million to 50 million in annual revenue, that really want to grow their business.

E**Ed Clemente 16:23**

And once again, that was Rodney with the MEDC. And back to Dan, with Edward Lowe Foundation, Dan, is there any other partners I know you've mentioned the MEDC generously, but I know foundations often have to work with a lot of other organizations. Do you guys have any other partners you want to highlight?

D**Dan Wyant 16:41**

I really appreciate what Rodney just said. [Okay, go ahead.] But in this respect, we are a national operating foundation. And so we run programs. And so we do everything essentially through a partner. And so we're operating in many states, we do Louisiana, Florida, Washington, Missouri. But we're a Michigan foundation. And so we want to do more in Michigan, it makes a lot of sense for us to do more in Michigan. So Rodney is exactly right. What makes Michigan unique is MEDC is cofunding with us to provide these services. And so we create the programs, we offer them up to a partner, MEDC is our partner, and then it's free to the companies and so that, I'm so glad I didn't want to confuse people. You really need to get a hold of Rodney and take advantage of this. Michigan is really stepping up and providing a wonderful service to second stage companies.

A**Announcer 17:32**

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E**Ed Clemente 17:54**

Is there any just quick anecdotes of some companies that are success stories? Or is that a more Rodney question or Dan? I don't know.

R**Rodney Parkkonen 18:01**

Yeah, I actually called to confirm a couple. Confidentiality is something we also hold to. [Yeah, right. Right, of course.] But so I did contact a couple companies that went through it. And we're lucky because we do get to touch every corner of two mittens, right? If mittens have corners. And yes, there are two mittens in Michigan. I want to remind everybody of the high five and the handshake. But yeah, this is an industry agnostic program. I want to also be clear about that, right? We've had IT companies we've had manufacturers, we've had service organizations who have clients around the country or all around the world, we've got logistics companies, we have your traditional manufacturing, your automated and more Industry 4.0 type companies, food and ag producers, Cultured Kombucha up in Traverse City has gone through the program and found immense success from some of the relationships built and information. Orion Outdoor who makes hunting blinds up out of the Iron Mountain area. Selective Industries in Southeast Michigan. Southwest Michigan, you think of like a Marcellus Metalcasters. These are just a few of the businesses that we've been able to support and who have spoken to us about some pretty intense growth. You're talking as little as 10-12% Sometimes, adding 150 stores after they go through some of the programming. So there's a lot of success to be had around the state. You can visit Lowe.org. Dan, correct me if I got that website correct. But they've got some testimonials on their website. Our website, michiganbusiness.org has some information about the program. Or again, people can call or email me directly. [Yeah, right on. Perfect.]

E**Ed Clemente 19:44**

I know we didn't really mention it, but how does VC fit in any of this stuff? Or do you guys hook them up to give them some training on how they find their own personal financing and things like that.

R**Rodney Parkkonen 19:55**

Yeah, so through the Technical Assistance Program, we have access to subject matter experts from around the country. And if somebody comes to us and says, I need access to capital, and they talk about VC or something like that, while it is not consulting, the experts can go in and say, here are some, based on your industry, and based on what you're looking for, here's some groups that might be able to support you. Right? And then provide them contact info, or how to market to those people appropriately, and so on. So there are mechanisms for that. It is not necessarily VC related. [Right, I get it.] Yeah, yeah. But there are experts who can help introduce those concepts, talk about what that might look like for a company, help them navigate some of that with some data, and then maybe find some VCs that might have an interest in a company like this.

E

Ed Clemente 20:40

So the next question, each of you give, and I'll start with Dan, like a future trend, for your field? Do you think things are changing? Like, what do you see any challenges or disruptions kind of thing?

D

Dan Wyant 20:54

Yeah. You know, I say there's no one thing. It's everything. And so what we have learned doing this now for 20 years, is that this second stage space, I think we can get better at identifying them and differentiating them because they're going to be differentiators. In other words, if you've got 15% of your companies in your region representing 40% of the job growth, we ought to identify them and know who they are. Because we intuitively know this is where innovation is coming from. And these were jobs are being created. And so we've just got to get better at not only identifying them, but creating the eco-support-system, the entrepreneurial eco-support-system around them. So I think that's the opportunity for Michigan. And I just appreciate MEDC providing leadership to do just that. And so I think that will be a key factor in driving economic development, because as Rodney said, you never know where entrepreneurship is going to come from. And you know, we are agnostic to it, because we can't predict it. I mean, it may be manufacturing, it may be food and agriculture, it may be high tech. We just know that growth is what differentiates these entrepreneurs in managing growth and excelling growth will differentiate Michigan.

E

Ed Clemente 22:18

Anything you want to add, Rodney?

R

Rodney Parkkonen 22:21

Yeah, again, I think Dan did a really eloquent job there. I think the other thing that I believe, when we talk about trends is almost a growing support for small businesses around Michigan, right, you see things like our small business support hubs. And it really seems like while we have a very strong and robust ecosystem, there's always room to bring that ecosystem more aligned in it. And I'm seeing a lot of that work happening through various economic development partners, service providers, and program providers, there really seems to be a very intentional desire and effort being made amongst the collective to make sure that we're rowing in the same direction using very similar language, so that there's really no wrong point of entry for entrepreneurs. But it's really about making sure those entrepreneurs, those second stage companies, or small businesses, all feel that support from the state, so that they can grow. And it's as easy as possible for them because again, they are busy, and they don't have time to Google these things and do this work. So if we, as an ecosystem continue to align more closely, then it just makes it easier for our small businesses, and they just find success easier.

E

Ed Clemente 23:27

Yeah, like leap frogging and shortcuts and all those kinds of things. [Yeah.] Because we literally

have the state down here, we got a Yooper. We got a Southwest Michigan, and I'm in Southeast Michigan. You two get to both answer on your last question here. What is your favorite spot, that you like, you don't even have to use a hunting spot. But like, what do you like best about living in Michigan? Maybe not generically, but maybe you have a festival you'd like to go to and we'll start with you, Rodney on this one.

R

Rodney Parkkonen 24:05

Oh, man, where do you start, right? So probably one of my favorite spots in Michigan is Presque Isle up in Marquette, where Black Rocks is. I become a very slow driver. I go about eight miles an hour around there and take it all in with my windows down. That's what I proposed to my wife. I just love that area. But I think more importantly, I think it's a microcosm of what makes Michigan great, right, is having so many opportunities to sit on a lake shore or a riverside or any body of water and just be able to look out, clear your head, find some space and really reconnect with yourself and with nature and with people that you care about. I just think Michigan provides an abundance of that and I'm a fan of winter. It's a very unpopular opinion. So I say it, we're hoping nobody can see my face but I love winter. So I really thoroughly enjoy the four seasons. I think we're very lucky in Michigan.

E

Ed Clemente 24:56

I once hiked the Appalachian Trail for 10 hours. Saw one vista. No water, and strictly up. I like the Appalachian Trail. But I will take Michigan so I can do daystuff. But go ahead, Dan. Sorry. Yeah.

D

Dan Wyant 25:13

No, you're gonna get a political answer for me only because, as a director of agriculture in DEQ, I've gone to every part of Michigan. And, so I'll just be quick. You know, I love the U.P. I go every year for 30 years, and I certainly would go anywhere in the Upper Peninsula. It's the best kept secret in the country. The Keweenaw, out to the west side. The Les Cheneaux Islands, people just don't know about these places like they should. They're just awesome. But I'm pretty fond of Southwest Michigan and our own home. And Rodney knows this. I encourage anybody that comes down here to swing by the Edward Lowe Foundation. We sit on 2000 acres, forest, farmland restored native prairies. And it's probably the best kept secret in Michigan. It's probably one of the most beautiful places there is. And so it's hard to beat where I get to come and work every day. And that's here at the Edward Lowe Foundation.

E

Ed Clemente 25:15

Alright, I'll look for my invitation soon.

D

Dan Wyant 25:45

You don't need an invitation. Any time.

E

Ed Clemente 25:52

All right. Well anyway, I want to thank again, our guest today, Dan Wyant. He's the president of the Edward Lowe Foundation, and Randy Parkkonen. He's the Small Business Consultant here at the Michigan Economic Development Corporation. Thank you both. You both did a great job and I appreciate you both taking time to do it today.

R

Rodney Parkkonen 26:27

[Thank you.] Thanks so much.

A

Announcer 26:29

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