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## So what is it that you guys do?

By Ron Kitchens

On April 8, 2008, I will conclude my 25th year in economic development. That totals 9,128 days. Of those days, I can state without exaggeration that I have been asked at least that many times, "So what is it that you guys do?"

At times, I must admit, it is an annoying question — annoying but fair. Economic development is one of those terms that gets thrown around so often it has come to mean many different things to people. When giving presentations, I often ask attendees to define economic development. I typically receive as many different answers as there are people.

So, in the spirit of full disclosure and a desire to have you partner with us, I will attempt to answer that age old question.

First off, Southwest Michigan First is not a bank. It sounds like a great name for a bank, but I assure you, we are not one. We are a not-for-profit, private economic development corporation that focuses on the creation of wealth and jobs in the region. We believe the words of Ewing Kauffman - "The best social program in the world is a well-paying job with healthcare benefits and a retirement program." It is with this in mind that we approach our work.

Our funding comes from three primary sources: 1) nearly two dozen corporations, foundations and individuals who have made long-term substantial commitments; 2) our Council of 100, a group of nearly 100 companies (and yes, I have an opening for your company) who contribute on an annual basis; and 3) the contractual marketing and technical services we provide to both public and private organizations.

Our four key focus areas are: growing and retaining existing companies, recruiting new companies, creating companies and BHAGs (Big Hairy Audacious Goals).

I intentionally listed growing and retaining existing companies first. Just like any business, our existing customers are our most important. In our case, we focus on companies that are defined as primary employers, meaning they produce products or services purchased by people or companies outside the region.

When working with existing companies, our efforts go in a plethora of directions — from aiding with expansion financing to governmental issues, from building and site needs to coaching firms on where they can find local partners to aid or mentor them. Working with existing companies is not sexy and there are very few gold shovel moments, but just like your businesses, our best chances for growth are with our existing customers.

There is another reason for taking care of existing companies. According to the biannual survey conducted by Development Counselors International, when all things are equal, a company picks one community over another based on - you guessed it - a referral from a business peer already located in that community.

Recruiting companies to the region is the one area people most often mention when they discuss economic development. We spend a great deal of time and energy on recruitment. Our efforts focus on site decision influencers, the people who represent corporations and impact the decision-making process when it comes to where companies locate facilities.

These efforts are focused around ensuring they understand the benefits of the region and our capacity to assist them and their clients, as well as conveying our commitment to their ultimate success.

The third focus is creating companies. It's not that we own and operate them. We simply serve as the conduit for great ideas to be partnered with both financial and human capital. The organization and the community as a whole have been extremely successful in this area over the past few years with life science, but we are also seeing great advanced manufacturing opportunities.

On to BHAGs. At Southwest Michigan First, we have been blessed with great opportunities to work with some tremendous leaders to develop Big Hairy Audacious Goals that will serve this region for generations. Some goals that have become a reality are the new engineering school at Western Michigan University, the MTEC Center at Kalamazoo Valley Community College, the Southwest Michigan Innovation Center and, our latest effort, the Southwest Michigan First Life Science Venture Fund which, at \$50 million is the nation's largest community-based venture fund and the largest venture fund in Michigan.

So, in less than 1,000 words, that's what we do at Southwest Michigan First. And no, we are still not a bank. But if you want to drop by with a cash deposit, come on in and we will talk.

*Ron Kitchens is the CEO of Southwest Michigan First, the general partner of the Southwest Michigan First Life Science Venture Fund, a director of the Southwest Michigan Innovation Center and a nationally respected speaker.*

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