

sharp

*Sterling Heights Area Retention Program:
Giving Sterling Heights Companies the Inside Edge*

a quarterly economic development newsletter offered by the city of sterling heights

SPECIAL DIVERSIFICATION ISSUE!

Company Focus



SiltShield partners Steve Mini and TDIC owner Mark D'Andreta have installed their state-of-the-art silt fencing at a project on Mound Road in Sterling Heights.

SiltShield a notable example of both diversification and innovation

About 5 years ago, Steve Mini had what some people may call the proverbial light bulb go on over his head. As the head of a masonry company working on large housing projects, he witnessed silt fencing, installed to prevent erosion of upended soil in construction sites, constantly getting knocked over. He then watched paid workers constantly go through to right the fencing. He knew he could do better.



Then entered Mark D'Andreta, owner of TD Industrial Coverings, Inc. (TDIC) in Sterling Heights, and a chance meeting at a backyard barbecue. TDIC develops and manufactures thousands of cut and sewn protective coverings for use in industries including automotive, aerospace, industrial manufacturing, marine, robotic, recreational, medical, and construction. Its pri-

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Diversification event supports Sterling Heights' manufacturing cluster

Author Thomas Friedman insisted in his book *The World is Flat* that disappearing barriers have resulted in increased globalization and competition.

At "Diversifying in a Flat World," an event following the theme of the book and held in September, experts were optimistic that manufacturing firms in Sterling Heights and the surrounding area can not only survive the flattening and economic hard times, but can also create a specialized "bump" in the industry's flat playing field.

George Erickcek, keynote speaker at the event, sponsored by the city of Sterling

Heights, Automation Alley, the Sterling Heights Area Chamber of Commerce and Macomb County, noted the benefit of diversifying the output of existing businesses in the area, rather than letting them fail while focusing on new or different fields.

"Diversification of the base is key," said Erickcek. "You need to grow it, not lose it.... We have industries not expected to grow as fast as the nation's and that aren't competing against other same industries nationwide... so the key is to diversify by moving away from industries not targeted for national growth

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Industry Smart Briefs

■ Businesses awarded for beautifying surroundings

KUKA Welding Industries, 6600 Center Drive, was recently honored as the most attractively landscaped and maintained commercial property in Sterling Heights by the city's Beautification Commission. The honors were bestowed at a special awards ceremony. Also honored for their efforts were Transform Automotive, Transpec Worldwide, U.S. Farathane and Warren Broach Company. The annual Beautification awards are held to recognize all residents and property owners who go above and beyond to beautify their properties, which in turn raises the value of the city as a whole.

■ ThreadCraft recognized for holiday contribution

The city of Sterling Heights recently recognized ThreadCraft, Inc., a Sterling Heights-based manufacturer of ball screws and ballscrew repair, for a generous donation to the Sterling Heights Department of Public Works' annual food drive. They were presented with a "Nice Business Award," for donating 30 turkeys. The DPW's food drive benefits the Macomb Food Program, whose needs are even higher to feed the hungry during the holiday season.

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Published by: Office of Economic Development and Community Relations Department
40555 Utica Road • P.O. Box 8009
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Winter 2008

U.S. Department of Labor figures report Michigan is still No. 1 in automotive jobs

Despite downsizings, factory closings and the proliferation of transplant auto plants in the U.S. Southeast, Michigan is still No. 1 in auto employment, according to recent data from the U.S. Department of Labor.

Although Michigan has lost 34% of its auto jobs since August 2002, it still has more workers at assembly plants and supplier plants than other states: 181,100 workers in August 2007. Ohio ranks second with 109,200 auto workers, a decrease of 18% from August 2002.

Data for other top auto-producing states follows.

(Data compares number of workers making cars or auto parts from August 2002 and August 2007.)

- **Indiana with 81,900 workers, a decline of 15%**
- **Kentucky with 47,600, a decline of 7%**
- **Tennessee with 35,900 workers, an increase of 5%**

SILTSHIELD Continued from front page

many customers have been Ford, Chrysler, and General Motors. D'Andreta's experience with the many different materials from his robotics coverings helped him to realize exactly what Mini was conceptualizing. That conversation at the barbecue has launched the pair on a successful new venture, providing silt fencing that not only is more attractive on construction sites, but also can withstand a truck driving over it without being knocked over.

"Everybody that sees it likes it," said Mini. "It's a no-brainer. It requires no fixes, results in no-stop-work orders, is always compliant and adds to curb appeal."

It also offers builders a cost savings beyond ridding them of constant repair bills. SiltShield fencing eliminates the need to re-grade when it is pulled up and can be reused on multiple sites.

Finally, SiltShield's effective silt fencing is more environmentally sound in that it prevents more run-off. Storm water runoff not only carries soil into waterways, but also can carry destructive chemicals and oils.

Mini and D'Andreta's new business venture is a textbook example of diversification - identifying and taking advantage of new market opportunities and minimizing risk. TDIC has not seen a reduction in market share for their product, but has seen a continual reduction in profit margins, as customers have consistently required price reduction. Mini's masonry company saw less work as the housing market, much like the automotive market, in Michigan stalled.

SiltShield builds on something both Mini and D'Andreta do well, and has taken them to a whole

- **Alabama with 30,100, an increase of 69%**
- **California with 27,900, a decline of 15%**

Alabama has emerged as the undisputed center of the auto industry in the Southeast - it's home to assembly plants for Mercedes-Benz, Hyundai Motor Company and Honda Motor Company as well as scores of their supplier firms.

Now, the state is benefiting from the new assembly plant under construction in Georgia on the Alabama border by Kia Motors Company. To date, Alabama has landed five new supplier firms and nine expansions of existing firms linked to Kia. Total spin-off impact in Alabama is estimated at \$500 million in investment and 2,400 new jobs.

Source:
"Ky. Ranks 4th in auto-related employment" by the Associated Press. As seen in the Louisville KY Courier-Journal. October 8, 2007.
"Georgia gets the plant, Alabama gets the parts" by Dawn Kent. The Birmingham AL News. September 16, 2007.



SiltShield fencing prevents storm runoff from construction sites in stormy weather.

new place in the market. Their fencing is completely Michigan-made; raw materials are produced, manufacturing takes place and the company is headquartered in the state.

SiltShield has secured a National Vendor Agreement with Toll Brothers, Inc., the sixth largest builder in the country. The company has also shipped product to more than 25 states and have test sites installed for five of the top 10 builders in the country. Their product will soon be featured in test sites in Florida and the pair is introducing their product to the Virginia, Maryland and Washington DC area as well.

For more information, visit www.siltshield.com or call (586) 731-5577.

DIVERSIFICATION

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toward those that are."

Erickcek said that diversifying doesn't necessarily mean bringing in all new industry to an area, but rather taking on new outputs based on what companies already do.

One example of this is K&F Electronics. Sterling Heights resident Rick Kincaid of K&F, and a speaker at the event, described how his company adapted to an era of hand-held electronics, robotics and fire fighting



equipment as Japan and India started making commodity goods quicker and cheaper. He said succeeding as the market changed meant staying educated, altering marketing and the shop itself, and taking chances.

"You always should have markets to fall back on," he said. Another helpful seminar from the partnership that sponsored this workshop is coming up this spring. It will focus on defense contract procurement.

Business Resource Center

Before you plan on an expansion, acquisition or look for financing, please contact Economic Development Manager Luke Bonner at (586) 446-2386. Economic Development can arrange a meeting to get you started. A variety of resources (below) also can assist.

Michigan Economic Development Corporation
State Programs
Jerome Katz
(734) 632-1316

Workforce Development Institute
Job Training/Workforce Programs
Victoria Corriveau-Director
(586) 498-4100

Macomb County Planning and Economic Development
Small Business Services/Financing and Consulting
Steve Cassin-Executive Director
(586) 469-5285

Sterling Heights Area Chamber of Commerce
The largest and fastest growing chamber in Southeast Michigan. Visit www.suscc.com to see how you can benefit by being a member.
Lil Adams-Executive Director
(586) 731-5400

Procurement Technical Assistance Center (PTAC)
Assistance with federal contracts
Roseanne Oliver
(586) 498-4122

Michigan Manufacturing Technology Center
Lean business solutions
Karen A. Seman
(734) 451-4251

More tax abatements OKed in last half of 2007

Sterling Heights' progressive tax abatement program resulted in more than \$164 million in investment last year. To qualify for an abatement, a company must make a minimum \$500,000 investment. The tax abatement is a 50% reduction in taxes that can be applied to new equipment investments and new real property investments. The following companies have been approved for tax abatements since October:

Chrysler, LLC

Investment: \$11.3 million

Jobs created: 85

City taxes abated: \$211,000/7 years

Detroit Media Partnership

Investment: \$1.3 million

Jobs created: 6

City taxes abated: \$21,000/6 years

Suert Industries, Inc.

Investment: \$15 million

Jobs created: 35

City taxes abated: \$224,000/10 years

J.G. Kern Enterprises

Investment: \$5.5 million

Jobs created: 2

City taxes abated: \$63,000/7 years

If you would rather receive your copy of *sharp* via e-mail, call Luke Bonner at (586) 446-2386 or e-mail lbanner@sterling-heights.net.