

Battling Back Against Imports: UM Center Helps Midwest Companies Face Globalism



When several small Indiana manufacturers needed help to battle overseas competition, they looked north to Ann Arbor for assistance – and it's paying off.

The help is coming from the **Great Lakes Trade Adjustment Assistance Center** (GLTAAC), headquartered at the **University of Michigan**. GLTAAC's mission is to improve the long-term viability and competitiveness of small manufacturers in Michigan, Ohio and Indiana that have been negatively affected by imports.

Scott Jacobs, director of GLTAAC, said the economy and increased competition from China has caused a surge in interest in the center and, to some extent, a shift in focus.

Last year, Jacobs said, the center helped 27 companies apply for assistance under the federal program that funds GLTAAC. That's a jump from 12-18 companies that come seeking help in an average year. And as usual, he said, each comes in with a unique set of challenges.

"A few years ago, more companies were caught unaware," by foreign competition Jacobs said. And that still happens.

Often, Jacobs said, companies call seeking help only after experiencing a sudden and unexpected loss of business to an overseas manufacturer. In those cases, the need to bring in new sales is acute. But now, he said, more companies seek help with long-term restructuring needed to deal with foreign competitors they know – and worry – about.

GLTAAC assists by helping firms assess their current business situation, working with them to develop a realistic strategy and an actionable plan for recovery. The center then helps facilitate implementation of the plan by paying for half the cost – up to a \$75,000 match – of hiring outside, private-sector consultants to complete the specific projects identified in the plan.

In its history, Jacobs said, GLTAAC has helped more than 300 companies. Ninety-five percent of those businesses were still around five years after getting help from the center.

Success Stories

Of the between 60 and 70 companies the center is now working with, about 40 are from Michigan. But a pair of recent success stories from Indiana provides good examples of the kind of work GLTAAC does.

- **George Koch Sons**, an industrial finishing company based in Evansville, Ind., turned to the center in 2005 after three years of declining sales and the loss of 35 percent of its work force through layoffs. The company used the assistance it received from GLTAAC to conduct a comprehensive customer survey designed to help it hone in on its optimal target markets. That research led to a more robust marketing plan and an upswing in business.
- With GLTAAC's help, **Sacoma International**, an automotive metal stamping and fabricating steel parts supplier in Edinburgh, Ind., found ways to create more complex products with better margins – products customers could not find overseas. GLTAAC also helped the company develop a new marketing plan to identify market niches.

Other Indiana companies helped by GLTAAC include **Apex Precision Technologies** in Camby and **Atlas Foundry Co.** in Marion.

Who can GLTAAC help? Jacobs said any company hurt by foreign competition is a candidate for the center's assistance. But, funding limitations mean the center makes can have the biggest impact on smaller companies. The center's biggest client company, he said, has about \$60 million in sales and hundreds of employees. The smallest company is a tool and die shop with 10 employees.

Applying for help from GLTAAC is free. For more information, visit www.gltaac.org or call (734) 998-6596.

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Print Current Page