

Michigan Businesses Build Success at Home

Economic Bright Spot Winners Use State Talent to Keep Focus on Service, Innovation

BY JOSEPH CABADAS

The state and national economy certainly have their share of mixed messages.

Even though statistically the Great Recession is over, the rebound has been slow and painful, with housing prices still falling, unemployment levels still far higher than pre-2008 and state and local governments contending with budget deficits that by law they must solve. Yet Michigan's traditional economic engine — the automotive industry — seems to be improving, and there are a number of other companies that are doing well.

Corp! Magazine will recognize Michigan's "Economic Bright Spots" at its fourth annual awards breakfast June 11 at the Michigan State University Management Center in Troy. Among the wide range of companies to be honored are an automotive dealership, software providers, law firms, a snack food manufacturer, financial institutions and landscapers.

Michigan is a great place to do business, especially in the health care staffing industry, noted Daniel Lichocki, owner of one of the winning firms, A-Line Staffing Solutions LLC of Warren.

"Michigan has such a diverse and motivated population of health care professionals," Lichocki said. "We have some of the greatest health care systems in the country right in our own backyard. Our Michigan customers are extremely loyal. It always seems that Michigan companies want to do business with other Michigan companies."

Housing and mortgage companies took a hit during the recession, but Gold Star Mortgage Financial Group is one of the bright spots.

"While we are now in many places throughout the country, we trace our roots to Michigan, and customers here have been loyal to us for many years," said Daniel Milstein, CEO of Gold Star. "Michigan has a very dynamic population of quality, hardworking individuals (with) whom we want to build long, lasting relationships."

For two years, it was grim in the automotive industry, and a number of suppliers diversified their workload to other industries, including ANX, a services company. The firm added many new positions in sales, support, engineering, IT and finance in 2010.

"Michigan provides an outstanding talent pool of technical and business talent,"

noted Rich Stanbaugh, ANX president and CEO, as he spoke about the state's many advantages.

"One of the advantages of doing business in Michigan has to be the people," added Bob Fish, CEO of Bigby Coffee. "Michiganders in general are down-to-earth, hardworking and fun-loving. When we opened our first store in 1995 on the campus of Michigan State University, we had 35 other competing coffee shops in the area. If it was not for the support and loyalty of Michigan residents, Bigby Coffee would not be nearly as successful as it is today."

One capital investment firm moved from the West Coast to be in Michigan.

"One of the most significant advantages of doing business in Michigan is the individual talent within the state," said Martin Stein, managing director of Blackford Capital LLC. "We closed our operations in Southern California and offered all of our employees at the time the opportunity to move with us to west Michigan. None of the employees chose to do so. We were forced to staff the new office with an entirely new team. We have been so impressed with the strength of talent that we've recruited for our team,



Mark A. Davis, Howard & Howard Attorneys' president and CEO.

Hemlock Semiconductor began production of polycrystalline silicon for the electronics industry in 1961 as a Dow Corning manufacturing facility in Saginaw County. Today, Dow Corning is Hemlock Semiconductor's majority shareholder. "Hemlock Semiconductor is and has been committed to making high-purity polycrystalline silicon for 50 years," noted President and CEO Richard Doornbos. "In the last decade alone, polysilicon has also become the cornerstone material in the manufacturing of solar wafers and solar cells."

Supplying top ingot, wafer and solar cells to manufacturers in the U.S. and around the world, Hemlock has benefited from the rapid growth of the solar energy industry. Michigan — specifically the Great Lakes Bay Region — is Hemlock Semiconductor's birthplace, and management is committed to grow there.

"In addition to being our home for 50 years, the region offers a skilled workforce and a supportive community which allows us to serve our customers with high-quality products," Doornbos said, adding that the company benefits from its close proximity to key raw materials and other support from Dow Corning in Midland. Hemlock Semiconductor's objective in the coming year is to help the solar industry move toward being economically competitive with conventional energy sources and to become a sustainable energy option globally. www.hscpoly.com

Since the firm's founding above a blacksmith shop in 1869, **Howard & Howard Attorneys PLLC** of Royal Oak has advised Michigan-based clients on their most challenging legal matters. "We were founded in

Michigan and are proud to be based here," said Mark A. Davis, president and CEO. "The state has a talented workforce, leading innovation and abundant natural resources, but above all, Michiganders share hard-working values and a resilient spirit during difficult times."

The law firm thrived in the recession by a tried-and-true recipe of success: helping businesses solve problems with legal counsel. Howard & Howard caters exclusively to businesses and business owners. As a measure of its successful strategy, the 140-year-old firm's revenue grew to nearly \$45 million last year, up from \$37.9 million in 2009. "Our single-greatest opportunity in 2010 was taking advantage of new business prospects as the economy began to recover," Davis noted. "The fallout during the recession caused many unforeseen challenges for some of our clients. Howard & Howard's expertise in these situations helped the firm maintain current clients and expand its base, adding 1,021 new clients during 2010." The firm's challenge is to find innovative ways to help clients achieve success. To help, Howard & Howard offers competitive fees and alternative billing arrangements. www.howardandhoward.com

Offering IT solutions to streamline and improve workplace processes, **ImageSoft Inc.** of Southfield was founded in 1996 and has been growing ever since. "We benefited from the economic downturn by taking advantage of downsizing among many other Michigan-based businesses," noted Scott Bade, president. "Michigan's high unemployment rate enabled us to attract some of the industry's most experienced people to our team — people who otherwise may not

have been available to a company of our size. We added several high-caliber, seasoned staff members who came to us from major national corporate environments." With an eye to the future, ImageSoft assembled a second management tier, coaching and mentoring them to assume added responsibility. The company also adapted more formalized systems and standardized processes to manage the growth and to ensure consistency in the quality of service and product it provides to customers.

"Michigan is a unique area and home to global leaders in automotive, furniture design, technology, research and development, life sciences and other industries," Bade said. "The Great Lakes State also offers superior training and educational opportunities through its centers for higher learning, including leading universities, colleges and community colleges. Moreover, the availability of a talented and highly motivated workforce in Michigan, combined with a comparatively low cost of living, makes the state a good place to live and conduct business." The company continues to explore new opportunities, new products and new geographic markets. www.imagesoftinc.com

Founded in 2001, **IPexpert Inc.** provides training for Cisco CCIE R&S, CCIE Voice, CCIE Wireless and CCIE Security certifications. Its client list reaches many of the Fortune 100 companies and many firms around the world. "Consumers are still uneasy about spending," noted Wayne Lawson, founder, president and CEO. "We are at an advantage — an education is one of the best investments one can make. Students will be able to make large career advances and personally see the benefits of this purchase."

In response to the changing marketplace and economy, IPexpert's employees spent a lot of time perfecting the quality of its product portfolio and improving the quality of each training product or service it offered. "We listened to our customers. Their feedback provided us with everything we needed to be successful in this economy and made our products stand out against our competitors," Lawson said. "With the new wave of wireless technology, we were able to enter into a new and growing market with the development of wireless training materials. Technology is constantly changing and in high demand. These new developments make it easy for us to evolve into these new markets." www.ipexpert.com

Founded in 1966, **Litho Printing Servicing Inc.** of Eastpointe grew from doing document design, printing and bindery work for southeastern Michigan businesses to where it can accept nationwide print and

design orders and ship anywhere in the world. The biggest challenge for the firm is adapting to rapidly changing technologies.

“Ten years ago you didn’t have to buy new equipment, and now we have to buy something new every single year, whether it’s new computers or upgrading the software or digital machines,” said President Dale Heid. “We recently upgraded to high-speed digital and faster printing equipment. Our delivery times are much faster for less cost, and the quality has actually improved. We increased our business 20 percent.”

Despite the capital costs of adding the new equipment, Litho Printing is debt free, and that’s allowed it to keep its prices down for customers. In the age of the Internet, printed material remains an important advertising need for businesses — especially handouts to drive people to their websites, Heid noted. Litho Printing works with the health care community by providing high-quality printing of forms, signage, promotional material and other items for physician and medical practices. Its ObituaryPrint.com provides official memorial printing services for people who have lost a family member or friend. And the company has eco-friendly printers and recycles all supplies and paper. Numerous promotional items offered by Litho Printing include plastic and canvas bags, banners and signs, bottle openers, calendars, candy wrappers, caps, cups, coffee mugs, golf balls and tees, jackets, key chains, magnets, mouse pads, pens and pencils, sewing kits, lanyards, visors and sticky note pads. www.lithoprinting.com

A former professional DJ and product line manager for Delphi’s Consumer Electronics Group, Jake Sigal founded **Livio Radio** in 2008 in the guest bedroom of his Ferndale home thanks to a \$10,000 loan from his parents. Since then, the Internet radio firm has taken off with more than 20 successful products available on the market.

“What makes us different and useful in this marketplace is offering consumers two things — more music, less work and no monthly fees,” said Sigal, the company’s CEO. “We are launching and selling products that make car Internet radio a reality, giving consumers an alternative to satellite radio and making more use of smartphones where they already pay a monthly usage. Smartphones are everywhere and data is getting faster year over year. These are the ingredients to bringing Internet radio into the car, and we are prepared with award-winning software applications for iPhone and Android plus hardware to bring Internet radio with you on the go.”

Michigan offers affordable rent and housing and direct flights to anywhere in the world. Now that Internet radio is coming into full bloom, Sigal said he expects to have many new competitors so his firm will need to rely on its customers’ continued support as it produces the next generation of gadgets to stay on top. www.livioradio.com

Lumen Legal of Royal Oak is a legal services and law-professional staffing company with operations in Chicago, Kansas City and Washington, D.C. Founded by David Galbenski, Esq., in the early 1990s, the firm pioneered domestic and offshore outsourcing solutions for corporate clients and law firms. It provides document-review services to corporations and law firms for major litigation, due diligence and bankruptcy proceedings. Galbenski is also chairman of the Global Board of Directors of EO (Entrepreneurs’ Organization), which has more than 7,000 members in 38 countries.

Lumen Legal assembles, deploys and manages combinations of contract legal professionals to meet defined corporate cost-containment goals. Designing and delivering comprehensive in-house contingent staffing strategies, Lumen can manage large-scale document-review projects for clients. Corporations also use Lumen for direct-hire search services to identify top legal talent. The firm has a proprietary database of several hundred thousand legal professionals. *Compiled from www.lumenlegal.com.*

Inspired by Thomas Edison’s “Invention Factory” — his laboratory formerly in Menlo Park, N.J. (though now at Greenfield Village) — **Menlo Innovations LLC** is a custom software design and development firm. Founded in 2001, it is located in Ann

Arbor and in 2007 was named one of the Inc. 500’s fastest-growing privately held firms in the U.S.

“We stake our financial performance on our culture, trading away up to 50 percent of our cash revenue for leveraged stakes in our client companies,” said President Richard Sheridan. “We succeed financially if the product succeeds. This produces alignment between culture and business goals. These investments are paying off, comprising close to 15 percent of 2010 revenues.”

The economy has been a challenge, with many of Menlo’s clients delaying decisions on large projects, yet the company’s diversification strategy paid off as royalty revenue climbed significantly. Menlo offers its standard-rate clients the option to receive a 30 percent discount on services in exchange for an ability to flex their deadlines. “They get more work done at the same price, or spend less for the same amount of work,” Sheridan said. “In return we get the ability to speed up their projects if we have extra staff ‘on the bench’ — thus increasing short-term cash flow. This will work well during busy times, too, as we retain the option to slow their projects down when a new high-priority client arrives.” www.menloinnovations.com

Mindscape at Hanon McKendry of Grand Rapids has developed and designed more than 500 websites and Web-based applications since its founding in 2001 by Pete Brand and Paul Ferrier. Some of its latest work is for Two Men and a Truck, Bissel, Michigan State University, Meijer, Zondervan, Chevron, Colortyme, Amway/Quixtar, Herman Miller, Alliance Defense Fund, Autodie, Babbitt’s Sports Center, Woody’s, Family Farm and Home,



Southfield-based ImageSoft Inc. has added several experienced workers to its staff.