



MICHIGAN TECHNOLOGY BUSINESS UPDATE

INFORMATION TECHNOLOGY

ADVANCED MANUFACTURING

LIFE SCIENCES

Michigan Technology Business Update report is the bimonthly newsletter of the Michigan Economic Development Corporation, providing an overview of the state's high-tech business sectors: information technology, advanced manufacturing and life sciences. MEDC is a catalyst for creating a business climate where high-tech businesses are able to flourish by delivering products and services to promote Michigan's high-tech economic growth. If you would like to receive an electronic version of this newsletter, submit your e-mail address to medcservices@michigan.org and we will send it to your e-in-box.

SmartZoneSM Activity Moving Full Speed Ahead

Just six months after their creation, Michigan's SmartZonesSM have welcomed nine companies and six new business incubator facilities that are either under construction or operational. SmartZones that have seen this activity are: Grand Rapids, Kalamazoo, Michigan Tech Enterprise, Mount Pleasant, Muskegon Lakeshore and Washtenaw.

tered on commercializing ideas, patents and other opportunities.

SmartZones are allowed to capture the growth in property taxes within the zone's boundaries, which is then used to further develop the zone. Examples of captured revenue uses include construction of infrastructure, purchase of property and creating



SmartZones are recognized clusters of high-tech businesses and resources that stimulate the growth of technology-based businesses and jobs, focusing on recognized clusters of new and emerging businesses cen-

publicly owned high-tech business incubator facilities. For more information on the SmartZones program, visit the Michigan Economic Development Corporation website at medc.michigan.org/smartzones.

**TAKE THE
MICHIGAN
QUIZ**

How much money is under venture capital management in Michigan?

A) \$2.5 Billion
B) \$940 Million
C) \$1.8 Billion

(See answer, page 3)

Michigan Commercialization and Investment Success Celebrated

The Michigan Economic Development Corporation recently recognized several Michigan businesses for their successful commercialization and venture capital investments at the recent Michigan Investment and Commercialization Success Celebration. The 2ND annual awards ceremony honored top businesses in advanced manufacturing, life sciences, information technology and venture capital for successful technology transfer from Michigan universities to commercialization. MEDC will continue to encourage further entrepreneurial endeavors related to advanced technology in Michigan. For a complete listing of award winners, please visit www.michigan.org.



PHOTO BY MIKE OULLINAN

THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION, a partnership between the state and local communities, promotes smart economic growth by developing strategies and providing services to create and retain good jobs and a high quality of life.



Michigan Retains Almost 80% of High Tech Grads, Disproving “Brain Drain” Theory

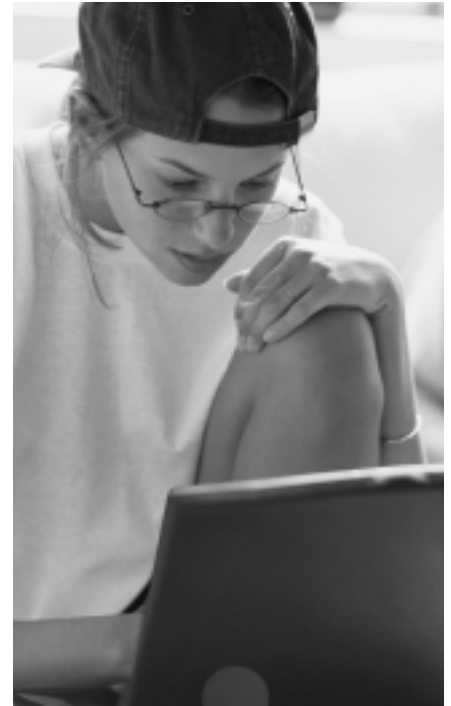
A recent study shows that the majority of technically educated Michigan university students remain in the state after graduation. Michigan retains 79% of graduates in the life sciences, information technology and engineering sectors who have gone on to enter the workforce in high-tech positions. It is one of only 11 states that can claim this high retention rate. The patterns of approximately 30,000 high-tech sector graduates were tracked from 1997 through 2000.

“This study really blows a hole through any anecdotal perceptions that our high-tech graduates are fleeing the state,” said Doug Rothwell, MEDC president and CEO. “In fact, it shows that more than half of the out-of-state students who come here and graduate from high-tech programs at Michigan universities choose to remain in the

state as they begin their careers.”

The study revealed that graduates who accept a job out of state do so primarily because of better job opportunities and salaries, rather than any dislike of Michigan. Of the 21% of graduates who have left the state, 11% moved to be closer to family and friends while 53% did so because of better job opportunities. Only 7% cited Michigan’s climate as their reason for moving elsewhere.

“It was encouraging that the study confirmed a large percentage of our state’s graduates with high-tech degrees view Michigan as a highly desirable place to work and live,” said Glenn Stevens, executive director of the Presidents Council, State Universities of Michigan. MEDC and the council released the study, which can be viewed in its entirety on medc.michigan.org/services/.



Business Retention Success

The Michigan Economic Development Corporation recently celebrated a milestone commemorating its 30,000TH Michigan business retention visit. MEDC has an aggressive business retention and expansion program and visits over 4,000 Michigan

companies each year. Michigan’s business retention strategy is an integral part of the reason the state has won *Site Selection* magazine’s Governors Cup for the most new business development and expansions four years in a row.

MICHIGAN QUICK FACT:

Michigan-based Internet2 has the technology to enable tomorrow’s Internet with speeds up to 2.4 gigabits per second: 45,000 times faster than a typical modem.

FEATURED SITE

JAMESTOWN COMMERCE CENTER, OTTAWA COUNTY, SOUTHWEST MICHIGAN

This 310-acre parcel, including 40 acres commercially zoned and located in one of the fastest-growing counties in Michigan, can be home to your new high-tech facility. Approximately 700 manufacturing firms comprise a large portion of Ottawa County’s economic base. Great highway accessibility with future exposure to the proposed/new M-6 interchange as well as access to interstate highways and connectors are within a half mile of the site, offering routes to Grand Rapids, Detroit, and Chicago. For more information on this site, and hundreds of other sites in Michigan, visit the SelectSites database on the Business Services section of www.michigan.org



High-Tech Summit 2001

MEDC, in collaboration with the President’s Council, State Universities of Michigan, hosted a University Economic Development Summit 2001: “Accelerating the Formation of High Tech Clusters.” The summit offered the opportunity for state universities to explore new ways of partnering to foster economic development in the state of Michigan. The summit featured a number of speakers who have worked successfully to facilitate collaboration with state universities to promote technology transfer and improve the entrepreneurial climate.

More than \$382 Million Requested from Michigan Life Sciences Corridor

The latest round of funding from the MLSC has again attracted a great response from the Michigan scientific community. A total of 295 online applications were received before the November 5 deadline requesting over \$382 million, despite this year's increased collaboration requirements.

Initial investigations have revealed an increase in the proportion of private sector applications over last year and more than 40 projects related to the

prevention of bio-terrorism.

The MLSC has approximately \$45 million this year, with more than \$16 million for funding basic research, \$20 million for applied research and \$5 million for commercialization projects with several million in additional funds carried over from last year.

Details of the applications are available on our website at medc.michigan.org/lifescience along with listings and abstracts from last year's awardees.



DID YOU KNOW...

That the Golf Digest insert in the Business Week November 19 issue ranked northwest Michigan #1 as the best place for living and playing golf? Weighing several categories like cost of housing, quality of golf, healthcare, climate, and crime, Michigan ranked above places like Hilton Head, the Hawaiian Islands and Florida.

Michigan IT Business Profile

REDSKYTECHNOLOGIES is in the communications business—the kind you just expect to work and don't think about. They develop telecommunications software for Fortune 1000 and other large organizations. The software, the CIELO SOFTWARE PLATFORM, is a suite of five independent modules that seamlessly integrate on a common platform.

Cielo manages the information in a company's private telephone network, such as the private branch exchange (PBX) switches

that route calls inside big companies and public agencies. It enables a company to immediately track telecom and personnel changes and then routes them to a central data repository. There they are stored and available for other Cielo applications like the Cielo E911 Manager, Call Accountant, Asset Manager and Directory Manager. In business since 1995, RedSky develops its software in Southfield and employs 35 people company-wide. For more information, visit www.redskytechnologies.com.

Michigan's Emerging Technologies: Fuel Cells

A fuel cell is an electrochemical energy conversion device that converts hydrogen and oxygen into electricity and heat. It is very much like a battery that can be recharged while you are drawing power from it. But instead of recharging by using electricity, a

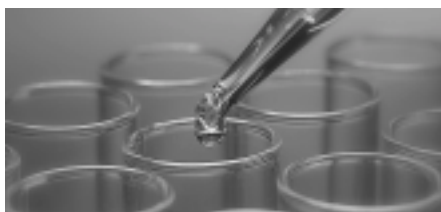
fuel cell uses hydrogen and oxygen. Fuel cells generate a DC voltage that can power an engine, lights, or electric appliances and can compete with other energy conversion devices like the gas turbine, battery and the gas engine.

QUIZ ANSWER

(from page 1)

The correct answer is A: \$2.5 Billion in venture capital funds are currently under management in Michigan.

Pfizer Plans Expansion of Ann Arbor Laboratories



Pfizer, Inc. recently announced plans to invest \$600- to \$800-million in expanding its Ann Arbor R&D laboratories. Pfizer was attracted to Michigan by the state's life sciences research institutions, existing company assets and its ability to attract and

retain high-tech employees. Pfizer's decision is further confirmation that this state is attracting the important companies and investments that make the Michigan Life Science Corridor vision a reality.

MICHIGAN #1 HOT SPOT FOR BUSINESS

The results are in! Plants Sites & Parks' state ranking of Bizsites projects, based on the number of corporate relocation and expansion projects announced or under construction in the year ending June 30, 2001, places Michigan first on the list. You can read about it the December/January issue of *Plants Sites & Parks* "Sizzlin' States" at www.bizsites.com.

REGIONS AND STATE PARTNER FOR IT

To continue the growth of Michigan's high-tech economy, the Michigan Council of IT Executives (M-CITE) group was developed. A group of IT association executives from over 20 organizations throughout the state, M-CITE is a platform for Michigan's regional high-tech economic and community development leaders to share best practices, coordinate regional initiatives, and partner with MEDC to develop statewide programs that foster IT growth in Michigan.

EVENTS

January

- 8 ARCH Investment meeting (VC fund), Southwest Michigan First, 9-11 a.m.
Visit www.southwestmichiganfirst.org or contact Elise at emorse@archdp.com for more information.
- 11 New Media Monday, Ann Arbor IT Zone, 5:30-7:30 p.m. Visit www.annarboritzone.org for more information.
- 14-17 Automotive News World Congress, Hyatt Regency, Dearborn. The 26th annual congress is expected to attract over 1,000 automotive executives, managers and leading companies.
Visit www.automotivenews.com for more information.
- 17-18 FuturTech Forum 2002, UM Business School, 17th: 5-7 p.m.; 18th: 8-5 p.m.
Visit www.futurtech.org for more information.
- 25 Fourth Friday: Tech Funding Forum, The Right Place, Grand Rapids 7:30-9:00 a.m.
Visit www.rightplace.org or contact Ray at dewinkler@rightplace.org for more information.

February

- 6 Ann Arbor Tech Fair, Ann Arbor IT Zone and UM Computer Sciences Department.
Visit www.a2tech@umich.edu for more information.
- 12 Investing in Innovation Forum, Western Michigan University.
Visit www.michiganbiotech.org/innovation.html for more information.
- 22 Fourth Friday: Tech Funding Forum, The Right Place, Grand Rapids 7:30-9:00 a.m.
Visit www.rightplace.org or contact Ray at dewinkler@rightplace.org for more information.

March

- 4-7 SAE World Congress, Detroit. For more information, please visit www.sae.org for more information.

If you have comments about this newsletter, articles or story ideas, please contact MEDC Customer Service at medcservices@michigan.org or call 517.373.9808.

319-011204JB

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