



**Michigan struggles to change perception that it's reliant on traditional industries  
by Nathan Bomey | Michigan Business Review  
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The regressive slide of Michigan's national economic image has created an encyclopedia of branding pitfalls that businesses big and small are hoping to avoid.

It's prompted many Michigan companies to ask marketing firms to help reshape their images to highlight their economic diversity and flexibility, according to several interviews with marketing professionals.

"Everyone has recognized and realized especially in this state that diversity is paramount," said Jim Hume, president of Ann Arbor marketing firm Phire Branding. "They want to appear like they have a balance. They want to appear as specialists in every market they're in."

Michigan's struggles to escape the shackles of its image as an economy reliant only on traditional manufacturing has led firms in many different industries to forcefully present their own image as diverse.

Injecting an aura of diversity into a company's image requires a thorough assessment of companies' strategic plans and skills.

"You have to envision what the company's going to be and you have to project that image before the company is even there," Hume said.

For The Quell Group, a Troy-based marketing firm, rebranding Michigan companies comes down to highlighting strengths that clients haven't historically focused on.

"We're trying to help our clients do that," said Mike Niederquell, owner of The Quell Group. "The main thing when people talk about branding and positioning is you have to have something that's unique enough to distinguish yourself in that area."

Many automotive engineering clients have skills that can be transitioned into other sectors, including aerospace and renewable energy. A Quell Group client, automotive engineering firm Ricardo Inc., has had tremendous success reshaping its image and highlighting its rapidly expanding renewable energy engineering services capability.

The firm - whose renewable energy related revenue has increased three-fold in the past year to 10 percent of its revenue - this year received a \$991,000 tax credit from the Michigan Economic Development Corp. to establish a \$2 million battery systems development center. Its engineering services for plug-in electric vehicles and hybrids are helping reshape the company's reputation.

"Ricardo is fuel economy," said Dean Harlow, president of the Van Buren Township-based North American headquarters of Ricardo, which has annual revenues of \$344 million.

Projecting an image of flexibility and diversity is an imminent challenge for automotive companies in particular, said Debra Power, owner of Ann Arbor marketing firm Power Marketing.

"We get people calling us and asking, 'How can I kind of retool what it is I already do in a different way?' The question becomes for the company should they rebrand themselves to appeal to a different demographic, a different audience? Does that make sense, should they do it now, should they wait? I think it depends on your industry," Power said.

"If your company is obviously directly working with the auto industry, you're going to bleed so much that you've got to change. And you've got to do it now."

But the message applies to more than just the auto industry. The shocking crisis in the financial industry in the last month has illustrated that even the most seemingly stable of industries can face crises overnight.

Power said Michigan's small businesses face the same challenge as traditional manufacturing and auto companies. Recognizing the need to diversify their business and their image is crucial, she said.

Downtown retailers, for example, face high hurdles, Power said.

"They all have to get a wake up call right now. If you're not doing it right now, next year could be so detrimental to your bottom line that you may not survive," Power said. "That's a segment that's really going to suffer, and they've got to figure out how to get people to their downtown location."

Marketing firms offer a variety of suggestions for pursuing a new image. They include:

- Assessing the company's fundamental strengths and identifying areas that aren't being highlighted.
- Surveying customers and clients to get a sense of how they view the company.
- Leveraging digital marketing technology to target specific segments of potential new clientele.
- Redesigning Web sites and marketing materials to appear fresh.

"Updating that image can go so far," said Mike Rouech, vice president of brand strategy for Phire Branding.

Appearing more diverse and flexible isn't limited to large companies. Among the most diverse companies are the smallest IT firms, whose clientele can range across dozens of industries.

"By the nature of what they do they're able to work with whatever sector of the economy that's strongest," said Charlie Penner, a regional director of the Grand Rapids-based Michigan Small Business & Technology Development Center. "Particularly the smaller companies may recognize the need to be diverse. They may be less diverse than they like to be. But I think they're certainly aware of the dangers of not maintaining a diverse client base, geographically as well as by industry."