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Brad R. Watts
W.E. Upjohn Institute for Employment Research

George A. Erickcek
W.E. Upjohn Institute for Employment Research, erickcek@upjohn.org

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Design and Economic Growth in West Michigan: Survey Findings

November 1, 2010

Brad R. Watts
George Erickcek

W.E. UPJOHN INSTITUTE FOR EMPLOYMENT RESEARCH

Executive Summary

This report offers a summary of a recently conducted survey of West Michigan businesses. Support for this research was provided by Design West Michigan and Kendall College of Art and Design of Ferris State University. Overall, the surveyed West Michigan businesses indicated that they recognize the importance of design to their success. The major findings of this study are:

- Of the firms surveyed, 75.0 percent indicated that they either “agree” or “strongly agree” that their business’s success will rely on being able to compete on product or service design. Only four other factors out of 19 listed achieved a higher rating and all related to price or market entry. Moreover, design was higher rated relative to many established, traditional factors that businesses appreciate, such as reduced regulations and engineering waste out of the current system.
- Despite the current lackluster economy, approximately one out of every four firms indicated they will likely or very likely hire a new production or system designer during the next five years. This is a highly response rate than for either information technology occupations or accountants—two occupations that had seen strong hiring in the past.
- The average rate of sales growth for the past five years reported by firms interested in design was 9.93 percent, which is higher than the 5.64 percent average reported by the other firms. However, due to small sample size and high variably, the difference between the two growth rates is statistically insignificant.

Overview of the Survey of West Michigan Businesses

This report represents one portion of a larger research effort to estimate the importance of design to regional economic growth in West Michigan. These findings are based on a survey of West Michigan businesses, which asked respondents to rate a number of factors—including the use of design—in terms of their importance to future business success. Additionally, participants were also asked questions about their company’s sales growth, profitability, industry, and size to see if any connections could be made between types of firms, firm profitability or growth, and the firm’s views on the importance of design.

The survey was conducted solely by a traditional mailing, which used an address list compiled from contacts provided by the region’s major economic development organizations.[1] Two mailings were conducted: one complete mailing and a second mailing sent only to those organizations that did not respond within two weeks to the first mailing. The first mailing was sent out in early-August and the second mailing was sent out at the end of August with a requested return date of September 17. As of the cutoff date for responses on September 28, 2010, a total of 376 valid responses had been received out of 2,280 total businesses contacted—a response rate of 16.5 percent. Although this may sound low, the response rate of organizations is typically lower than it is for individuals. Additionally, while there is not a set standard,

[1] For a complete list of economic development organizations that assisted in this effort, please see Appendix A.

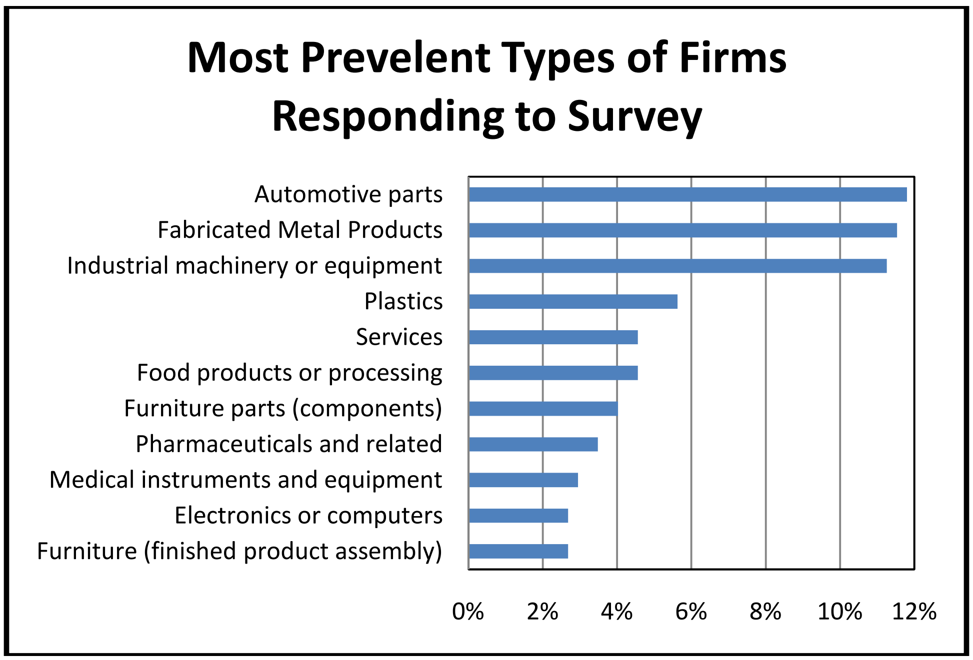
academic researchers have found response rates of above 15 percent to represent an acceptable level given the difficult nature of surveying businesses and other types of organizations.[2]

The next section presents an overview of the survey responses received and a brief analysis of how the overall sample looks in comparison to the larger population of businesses in West Michigan. Finally, the following section presents a summary of the results of the survey, with a focus on design-oriented firms and their relative differences compared to the overall business community in the region.

Profile of Survey Respondents

In general, the firms targeted by the design survey are mostly concentrated in the manufacturing sector; as such, they do not represent the entire spectrum of the West Michigan business community. The reasons for this are twofold: for one, companies that make complex products are the most likely to utilize design and potentially benefit from utilizing design as a competitive advantage. Second, manufacturers play a dominant role in the West Michigan economy, which makes their continued success of great concern to economic developers and others who are interested in identifying anything that might lend a helping hand—such as utilization of design.

FIGURE 1



As shown in Figure 1, respondents were heavily concentrated in a small number of industry groupings. Approximately one-third of all survey respondents were operating in one of three major sectors: automotive parts, fabricated metals, and industrial machinery or equipment. Only eight other sectors were noteworthy, with each representing between 2 and 6 percent of all

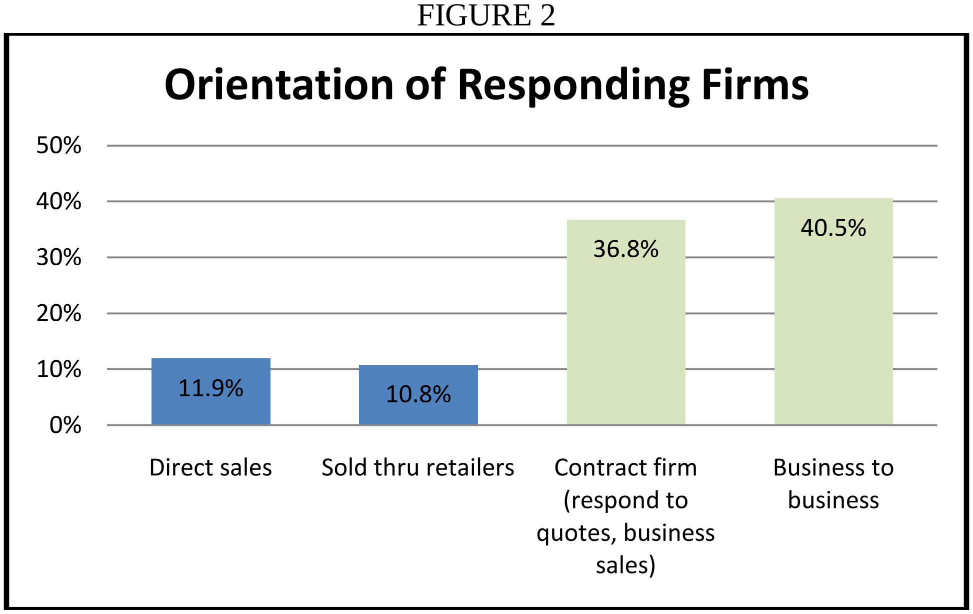
[2] Mark Hager, Sarah Wilson, Thomas H. Pollack, and Patrick M. Rooney. *Response rates for mail surveys of nonprofit organizations: A review and empirical test.* 2003. (Nonprofit and Voluntary Quarterly, 32, 252-267).

survey respondents. The eight sectors—plastics, services, food processing, furniture parts, pharmaceuticals, medical instruments, electronics, and furniture production—combined to represent approximately one-third of all respondents. Finally, the remaining one-third of respondents hailed from a huge range of sectors, most of which were represented by only one respondent.

When considering the results of this survey, it is important to understand that the findings can only be applied to the group represented by respondents. As such, caution should be taken not to generalize the survey's findings to firms in non-manufacturing categories such as retail, personal services, or finance, which were not represented in the survey sample and that may have different views on and relationships with design concepts. Additionally, it should also be noted that the industry mix of respondents most likely differs from other areas of the country, which limits the applicability of the findings to the West Michigan region.

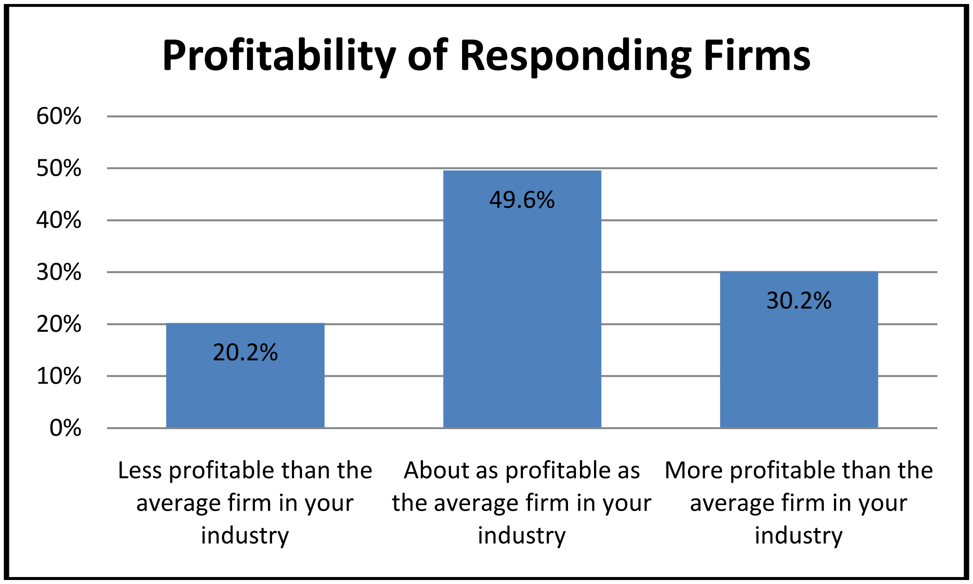
The manufacturing-intensive nature of the surveyed firms is reflected in the sales orientation reported by respondents. On the next page, Figure 2 shows a breakdown of how responding companies typically sell their products or services. The vast majority of survey respondents, 77.3 percent, sell their goods either through business-to-business relationships, or by responding to requests for bids from other businesses or government agencies (Figure 2). This reflects the fact that most of the surveyed firms are suppliers of parts, components, or other support products and services used by the business community. Less than one-quarter of surveyed firms sell their products directly or through traditional consumer retail channels.

FIGURE 2



Finally, the profitability of responding firms was also examined to determine if there was any particular bias in terms of respondents. As shown in Figure 3, nearly half of all surveyed firms acknowledged that their profitability was similar to that of the average firm in their industry. Among the remaining 50.4 percent, there was a slight positive bias, with 30.2 percent of respondents reporting that they believed they were more profitable than the average firm in their industry, compared with only 20.2 percent who indicated that their business was less profitable than average. This may represent a slight response bias towards successful firms—or it may simply reflect the optimism of the region's business community.

FIGURE 3



In summary, the firms surveyed for this research are not representative of the overall business community in West Michigan; however, the sample does appear to represent the realm of firms considered most key to economic development, as well as most likely to engage in, and benefit from, the use of design. Therefore, it is important to remember that the results are not reflective of the business community as a whole, but instead represent an example of the relationships between design and the success of the region's economic base industries.

Survey Results

This section provides analysis of the results of the three-page, nine question survey as relevant to the following key research questions.

- To what extent do West Michigan firms view design as key to their success?
- Do certain types of businesses find design more important than others?
- Are firms that see design as important any more successful than other firms?

To avoid biasing respondents, the survey was not billed as a "design" survey, but instead was presented as a general survey on business activities and economic development priorities for the West Michigan region. Questions about design topics were intermingled with queries about other important topics for the business community. This tactic was taken both to obscure the aforementioned research topics, as well as to provide factors that could serve as comparative benchmarks against which to judge the relative importance of design against topics well known to be of importance to businesses, such as taxation or industry performance.

This section addresses only the survey findings pertinent to the design-oriented research questions. However, in addition to providing information on the survey respondents' views on the importance of design, the survey questions were also able to address several issues of importance to the region's economic development organizations. The results that are of interest to the economic development community are detailed in a separate report.

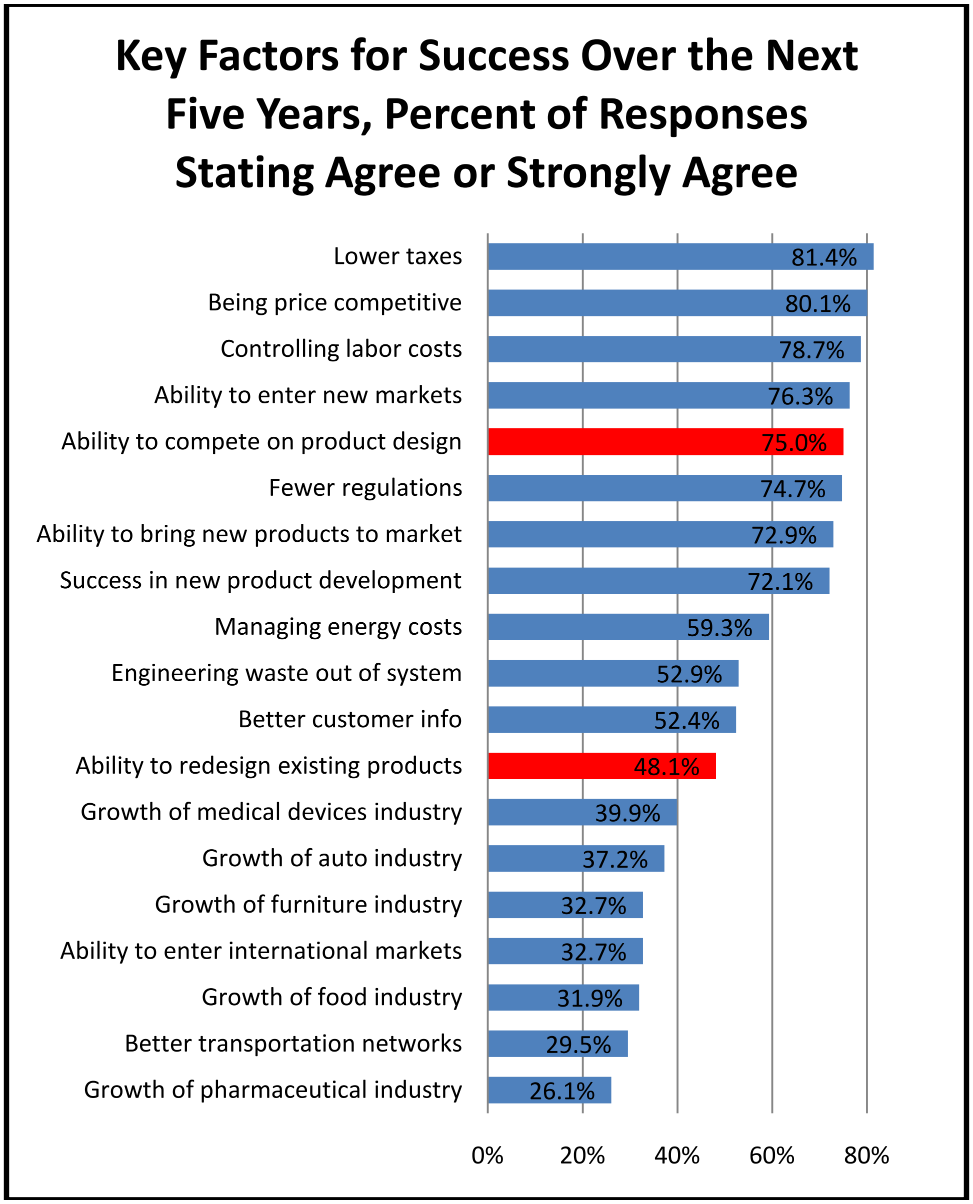
Ratings of the Importance of Design in to Businesses in West Michigan

The first question of the survey asked business representatives to rate 19 factors in terms of their importance to the future success of the business. Although factors related to product design did not come out at the very top in terms of their importance, the vast majority of firms—75.0 percent—indicated that they either "agree" or "strongly agree" that their business's success will rely on being able to compete on product or service design (Figure 4). Only four other factors, all related to price or market entry, were rated more highly overall by survey respondents. Additionally, it should be noted that design was highly rated compared to many established, traditional factors that businesses appreciate, such as reduced regulations or engineering waste out of the current system, which is a well established cost-saving approach.

However, another design factor, the ability to re-design our existing products or services, was not rated as highly by survey respondents. As shown in Figure 4, just under half of surveyed businesses agreed or strongly agreed that their future success would rely on product or service re-design. This finding can be hard to interpret. It may suggest that while many West Michigan companies recognize the importance of designing strong new products, existing products may have either been overlooked or are seen as being commodities that compete on price rather than design. On the other hand, it may also suggest that firms see re-design as a necessary activity to stay in business and hence is not an important "growth" factor.

Surprisingly, there was not a strong relationship between how respondents rated the importance of "our ability to re-design our existing products/services" and the ratings for "being able to compete on product/service design." The simple correlation between the two factors is only 0.46, which could be considered moderate at best. This indicates that a sizable portion of respondents who value new product design do not perceive similar value in the redesign of existing products.

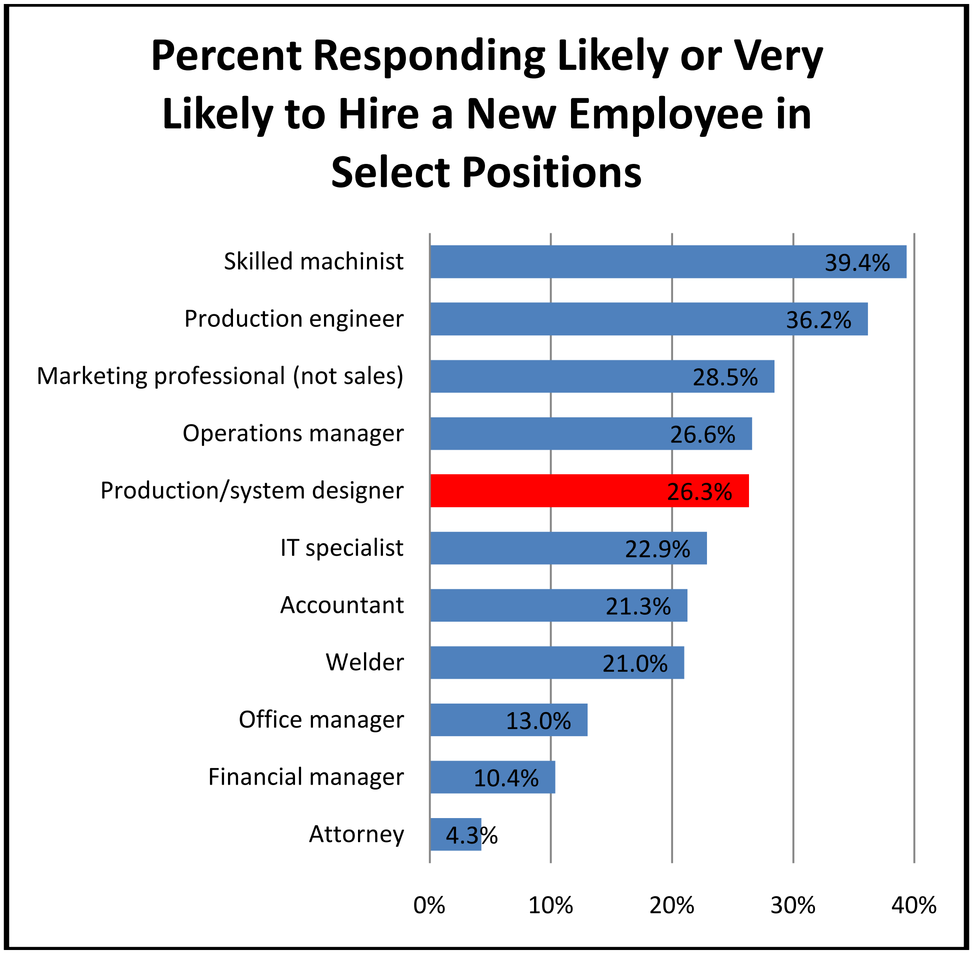
FIGURE 4



The second question of the survey asked respondents to rate the likelihood that their business will hire additional employees in a variety of occupations, while question 3 asked respondents to rate the likelihood of their firm seeking outside consulting to assist with any of eight select business operations activities. Examined together, these two questions shed some light on both the commitment of West Michigan businesses to the expansion of their current design capabilities, as well as whether in-house or out-sourcing of design is likely to be more prevalent.

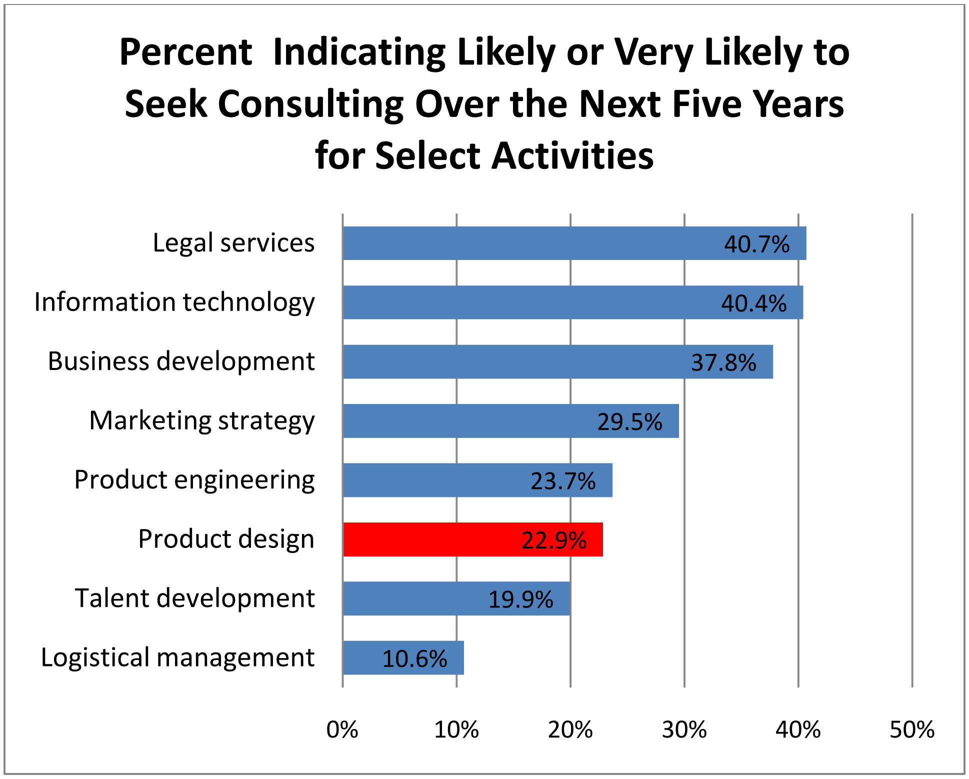
As Figure 5 illustrates only a small share of responding firms indicated that they are likely or very likely to hire any of the listed positions over the next five years—a situation that is not surprising given the current weak regional economic conditions. Still, approximately one out of every four firms indicated that the addition of a new production or system designer would be likely or very likely over the next five years, which placed the occupation mid-pack compared to other occupations rated by survey respondents. Additionally, it should be noted that the design-related occupational category was rated as a likely addition by a greater share of responding firms than either information technology occupations or accountants—two occupations that had seen strong hiring in the past.

FIGURE 5



Of course, hiring new employees is only one way businesses can expand capacity in design or other activities. Firms can also hire consultants or contract with outside companies that specialize in specific activities, such as design work. As shown in Figure 6, the percentage of firms that expect to seek outside consulting in any of the listed fields was still less than 50 percent. For design work, 22.9 percent indicated that their company would be likely or very likely to seek outside consulting during the next five years, which was similar to the share that indicated they expected to hire designers over the same period. However, this does not indicate that the same firms are planning to both hire a designer and contract for outside design work over the next five years. The correlation between the rating of plans to hire a product/system designer and the intent to contract for outside design work was 0.44, which suggests that there was overlap between fewer than half the responding firms. Additionally, compared to other activities design places somewhat lower in an overall rank ordering of responses: the share of businesses that plan to outsource design activity is far lower than for legal services and IT, which are commonly outsourced activities at small and mid-sized firms.

FIGURE 6

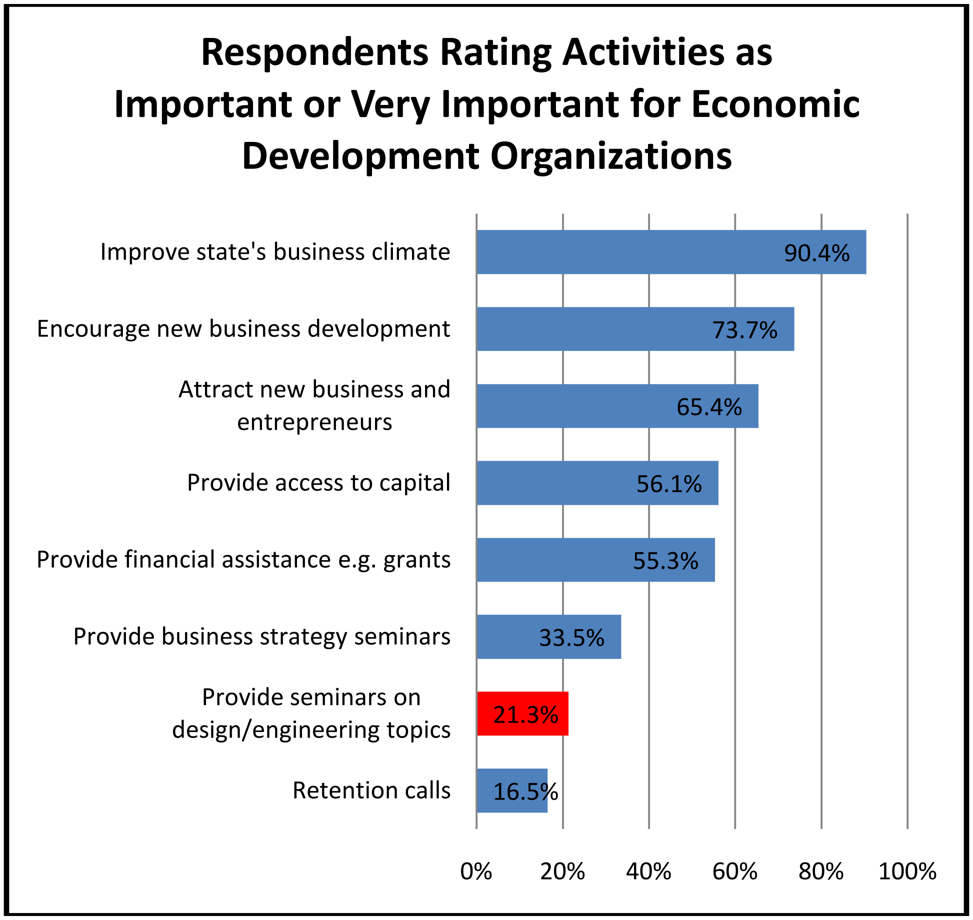


Survey participants were also asked about their views on economic development priorities in the region, including the possibility of economic developers holding seminars or otherwise promoting design and engineering topics. Although the primary purpose of this question was to address issues of concern to the economic development community, a high rating for design topics would lend support both to the general importance of design to the business community, as well as suggest that it could warrant support from the region's economic development organizations.

However, the level interest in design expressed by surveyed businesses does not appear to extend to the realm of economic development, as was indicated by the low rating respondents gave to seminars on design and engineering topics as a possible activity of the regional economic development community. Figure 7 illustrates the percentage of survey respondents that indicated the listed possible activities as being either "important" or "very important" for their local economic development agencies to undertake. Only 21.3 percent of the surveyed West Michigan businesses felt that promoting design or engineering topics could be helpful, which rated it near the bottom of the list. The only topic that survey respondents were less enthusiastic about was carrying out retention calls, which was surprising given that these retention efforts are currently a major component of the activities typically conducted by economic development organizations.

At the other end of the spectrum, the vast majority of surveyed firms—over 90 percent—view the role of economic development to be addressing Michigan's business climate.

FIGURE 7



Overall, the surveyed West Michigan businesses indicated that they recognize the importance of design to their success. Roughly three-fourths of respondents rated the ability to compete on product design as being important or very important to their future success, which placed it among the top five factors. Additionally, West Michigan firms also appear to view design innovation as worth of investment, with approximately one-in-four expressing interest in adding design staff over the next five years and one-in-five indicating that they would be contracting with outside firms for additional design work. Although design rated behind some other areas of investment it was never at the bottom of the list.

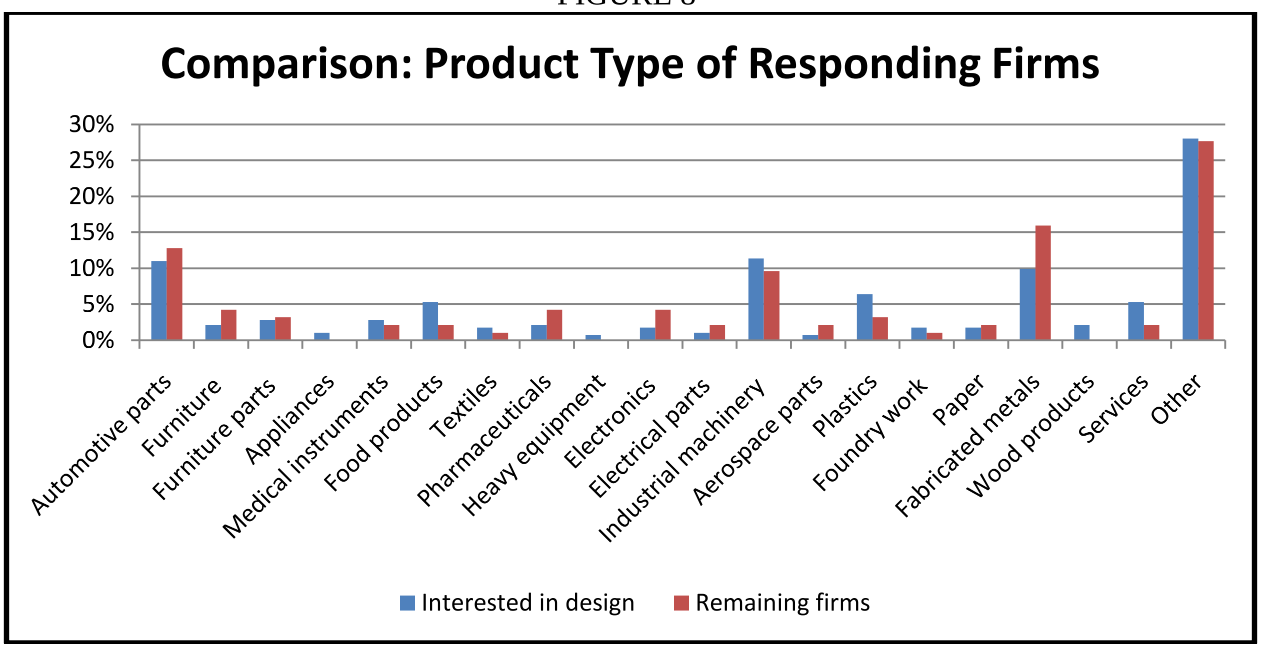
Firm Differences and Design

This section of the report examines the differences between firms that place a high value on design and those firms that do not. If investment in product or service design is to pay off for businesses, it must provide a return to justify the cost of the investment. Although the mere identification of a difference in the traits or performance of firms that express interest in design compared to other firms cannot confirm that design *causes* the difference, it is an important first step in assessing the role that design plays and whether any noteworthy differences—for better or for worse—exist between firms as categorized by their views on design.

For the purposes of this report, design interest is defined as respondents that either agreed or strongly agreed that competing on product or service design would impact the firm's success over the next five years. As was shown in Figure 4, this group represents the majority of all firms: 75 percent of respondents. The remaining 25 percent of respondents—those who indicated that they strongly disagreed, disagreed, or were neutral in regards to the importance of competition on product and service design to the firm's success—serve as a comparison group to illustrate any differences between firms in West Michigan based on their level of interest in design.

The first comparison factor examined was the primary industry or type of product sold by firms. Figure 8 shows the percent of firms by design interest for each of 19 primary categories listed by respondents. Because a wide diversity of different types of firms were sampled for this survey, the most popular classification was "other" which was used in instances where the type of product or service sold by the company was only listed once or twice. Across all types of firms, the next most popular classifications were automotive parts, fabricated metal products, and industrial machinery and equipment.

FIGURE 8

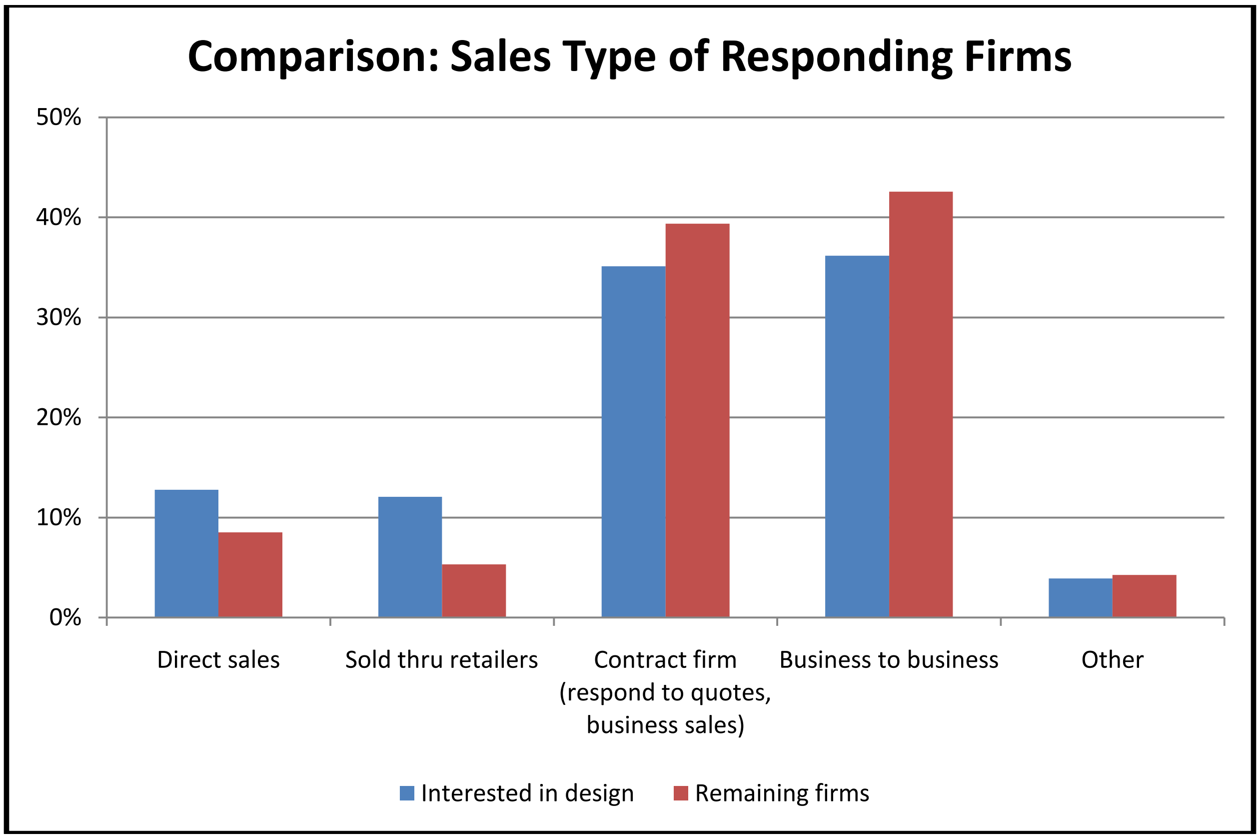


At a glance, it is clear to see that firms that believe design is important populate all of the identified industry categories. Design interested firms do appear to be more concentrated relative to other firms in food products, plastics, services, wood products, industrial machinery, and appliances. Conversely, industries where non-design focus firm concentration relative to design interested firms was the highest included fabricated metal products, electronics, pharmaceuticals, furniture, and automotive parts. For most other types of firms, including those classified in the broad "other" category, the differences in relative concentration between design interested firms and other firms was negligible.

The prevalence of firms not expressing interest in the importance of design was somewhat surprising in the case of the furniture industry category, since several of West Michigan's large office furniture manufacturers have strong reputations as leaders in design. One issue is the relatively small sample of firms (only 10), which is too small to draw a conclusion from with high statistical certainty. However, it is also possible that the results are indicative of a broader range of furniture manufacturers that may take design competence for granted or find themselves competing more on cost in a down market.

In addition to being slightly more or less concentrated in certain industry sectors, firms that are interested in design also demonstrate differences in how they market and distribute their products. As shown in Figure 9, firms interested in design show a distribution of responses that differs from an expected distribution.[3] Firms interested in design appear to be slightly more likely to sell their goods directly or through retail channels. Conversely, firms that do not express an interest in design are more likely to make sales through responses to bids or via a traditional business-to-business sales model.

FIGURE 9

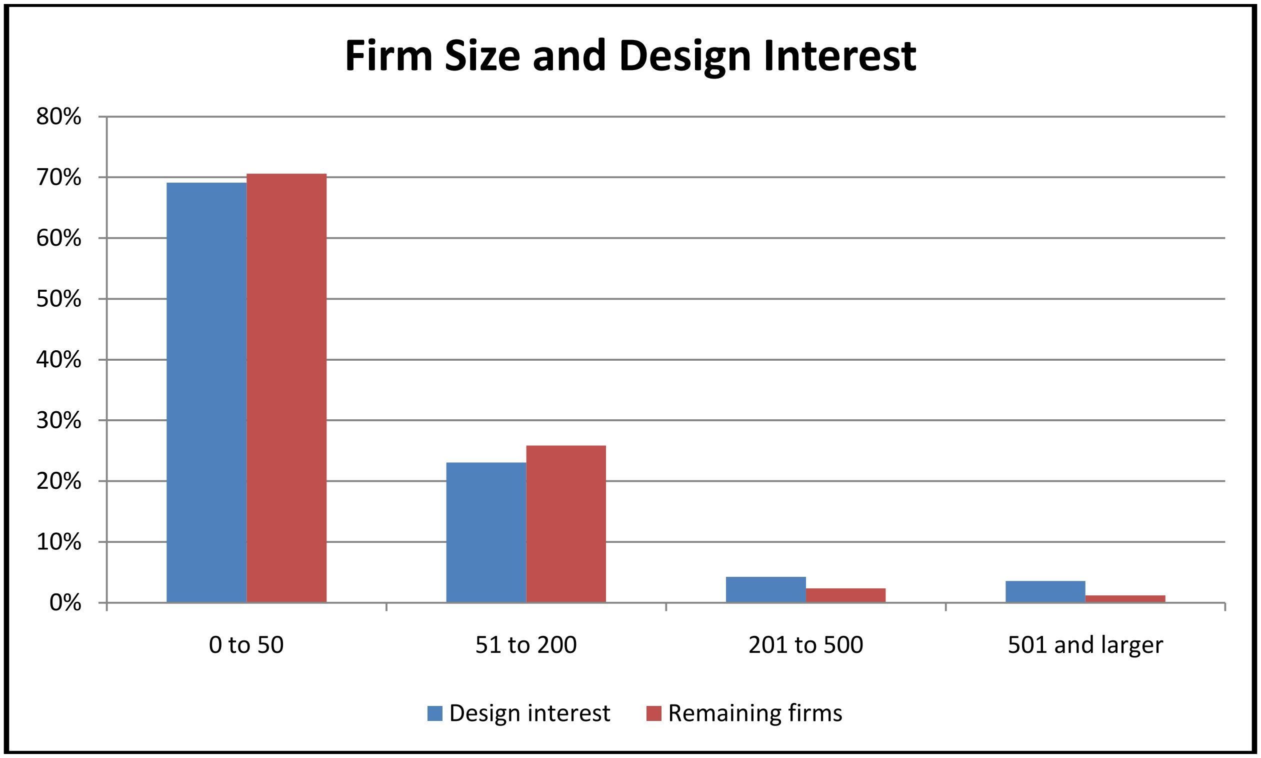


[3] A chi-square test for independence showed the two response groups to be significantly different based on a chi-square statistic 5.31 and degrees of freedom=3.

The reason for the difference in sales approach between firms based on their design interest is unknown. It is possible that firms selling though a business-to-business or bid-for-contract sales market are more likely to be supplying parts or commodities to other firms that are more likely to be responsible for creating product designs that fit the needs of the end consumer. However, it is also interesting to note that a relatively high proportion of firms operating under these sales models do have an interest in design.

A difference was also observed in the employment size of firms interested in design compared to the remaining firms. When compared on a categorical basis, it is apparent that a slightly higher concentration of firms that are interested in design have local employment that falls into the size categories of 201 to 500, and 500 and larger (Figure 10). The difference was even more apparent when the average sizes of the two types of respondents—those showing design interest and other firms—was compared, with the firms interested in design having significantly larger employment (Figure 11).

FIGURE 10



As shown in Figure 11, the average design interested firm that responded to the survey employed more workers both locally and globally than the remaining respondent firms. In West Michigan, firms interested in design employed nearly twice as many workers, on average, as the remaining firm. In terms of global employment, the gap was much bigger, with design-interested firms employing more than 1,476 workers on average, compared to an average of only 129 for firms not interested in design. All differences in employment size were large and statistically significant.

FIGURE 11

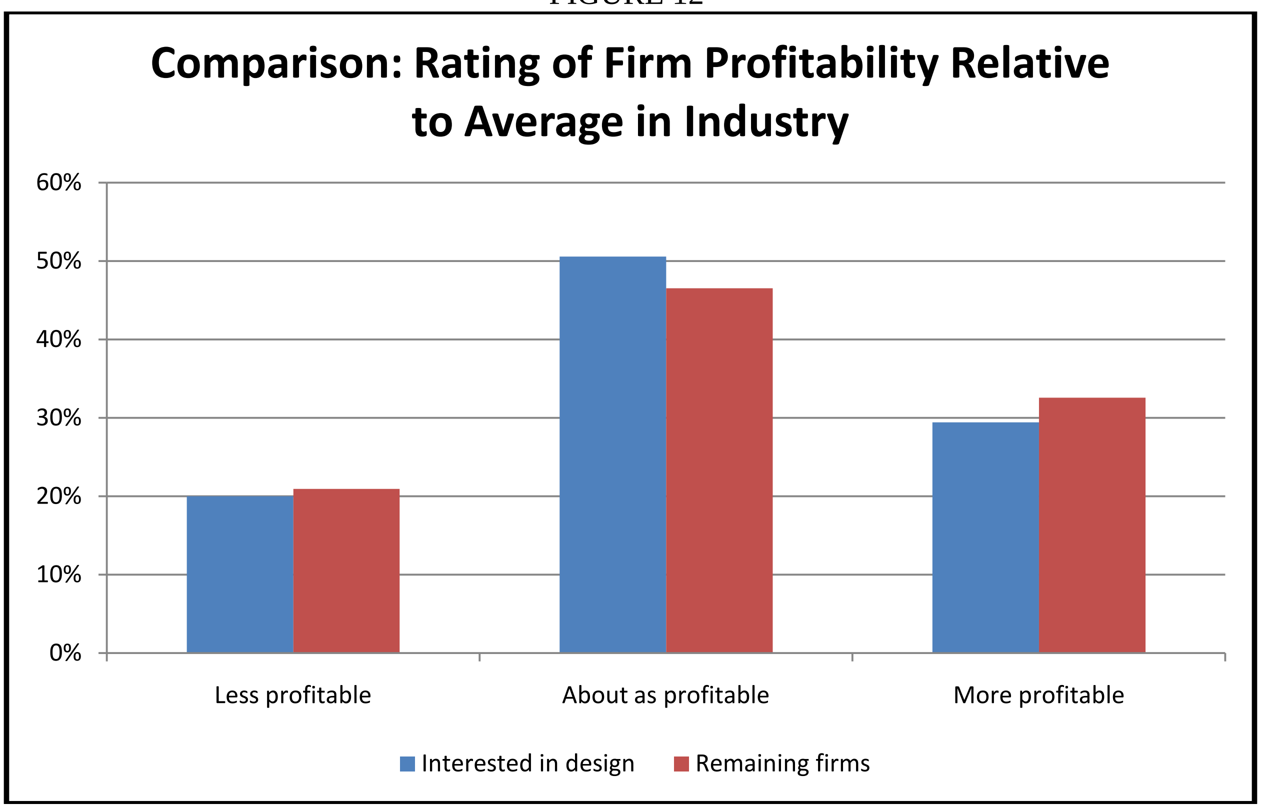
Comparison: Employment Size of Respondents

Group	Mean West Michigan Employment	Std. Err.	Std. Dev.	95% Conf. Interval	
Design interest firms	83.70	12.28	206.27	63.43	103.97
Remaining firms	46.80	7.87	76.35	33.71	59.88

Group	Mean Global Employment	Std. Err.	Std. Dev.	95% Conf. Interval	
Design interest firms	1476.38	577.95	9705.43	522.59	2430.17
Remaining firms	129.48	69.53	674.09	13.97	244.99

Perhaps the most important aspect of any business—and the aspect that is most important to justifying an investment in design—is profitability. The survey of West Michigan businesses asked each respondent to rate the firm's profitability as perceived relative to the "average" firm operating within the same industry. For simplicity, firms were given only three selections: less profitable than the average firm, about as profitable as the average firm, or more profitable than the average firm. Figure 12 shows the relative levels of profitability reported by survey respondents.

FIGURE 12



Not surprisingly, the majority of respondent firms of all types selected the middle choice ("about as profitable as the average firm in your industry"), which indicates that they are obtaining normal profits for the type of product or service that they sell. However, between the two other choices of "above average" and "below average" profitability, there did appear to be a slight bias toward above average profitability. The tendency toward positivity was true regardless of the type of firm, though, which suggests that any bias is random and not systematically associated with other firm traits. This issue could simply reflects a self-selection bias among all respondents, with struggling firms being less likely to respond to a survey, or it could reflect an attitude of optimism that is necessary to survive in the current business climate.

There was also a small, but still statistically significant, independence observed between the responses of firms interested in design and other responding firms.[4] As shown in Figure 12, the firms that expressed an interest in design were slightly more likely to indicate that their company's profitability was similar to the average company in their industry, and slightly less likely to indicate that they were more or less profitable.

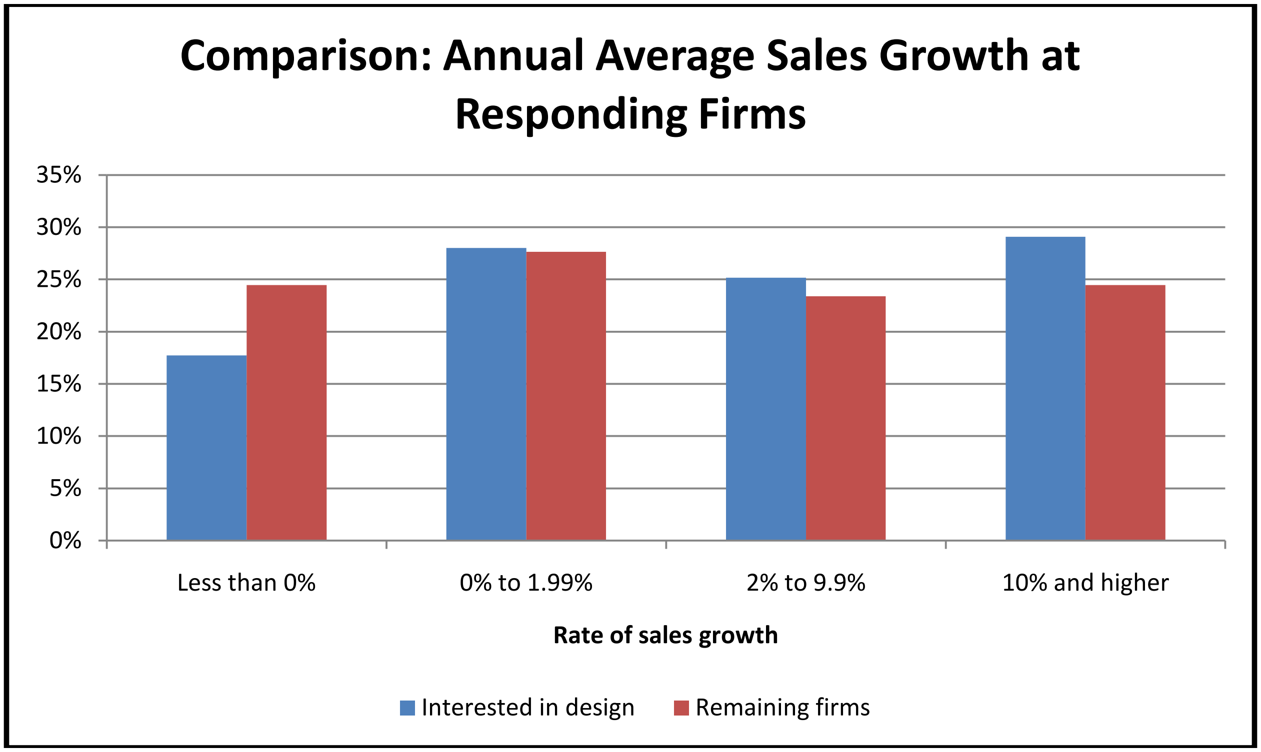
Although advocates of design will likely be disappointed not to see design interested firms reporting higher profitability than other firms in their industry, it should be noted that the differences are small and the reasons for the differences are unclear. As shown earlier in Figure 8, firms that are interested in design appear to comprise a slightly different industry mix than other firms and could be facing different competitive conditions and hence different profitability potentials. Furthermore, design-interested firms could be competing in markets where their rivals are also design-interested; therefore design could be just the "ante" to stay in the game.

Finally, the role of design and sales volume growth was also examined. At the end of the West Michigan business survey, respondents were asked to estimate their firm's average rate of sales growth over the past five years in percentage terms. Figure 13 compares the percent of respondents indicating sales volume within each of four quartiles based on the distribution of the overall sample. Firms that showed an interest in design were less likely than other firms to indicate an average decline in sales over the past five years and more likely than other firms to indicate growth averaging 10 percent or more over the period. In other words, statistically, design-interested firms appear to be drawn from a different pool of firms than the non-design firms.[5]

[4] A chi-square test for independence confirmed that the two groups were different based on a chi-square test statistic of 0.453 with df=2.

[5] A chi-square test for independence showed the two types of firms to have different results based on a chi-square test statistic of 2.28 and df=3.

FIGURE 13



The average rate of sales growth reported by firms interested in design was 9.93 percent, which is higher than the 5.64 percent average reported by the other firms.[6] However, despite a clear difference in the categorical sales growth rates reported by firms interested in design compared to other firms, the overall difference in average level of sales growth reported by firms was not statistically significant. Figure 13 shows the results of a simple means test between the two types of respondent firms discussed in this section: those respondents that expressed an interest in design and the remaining firms that did not rate competition on design as a key factor to their future success. However, because of the large variance in responses and the relatively small sample size, the two group averages, the 95 percent conference interval clearly overlap showing that the true value of the mean sale growth for the two types of firms cannot be disguised from each other statistically.

FIGURE 14

Comparison: Mean Sales Growth of Respondents

Group	Mean	Std. Err.	Std. Dev.	95% Conf. Interval	
Design interest firms	9.93	3.43	52.60	3.17	16.69
Remaining firms	5.64	5.02	45.14	-4.34	15.63

This finding does suggest that a statistically significant difference might be obtained through a larger survey, perhaps at the state or national level, which would confirm with greater certainty the difference in average sales growth between design interested and non-design interested firms.

[6] Note, analysis excludes one outlier of 1700 percent, which reduces mean size and variability but does not alter the overall findings.

Conclusions from the Survey of West Michigan Businesses

Although modest in both size and scope, the survey of West Michigan businesses represents the first effort of its kind to generate empirical evidence regarding the use and effect of design on industry. As such, the questions in the survey and its analysis have focused on answering some of the most basic questions about the relationship between business and design, such as who uses design, to what degree design is considered important to businesses, and whether design has any relationship with basic measures of business performance. The analysis of the survey results provide a mixed reading of the importance of design to firms in West Michigan, which can be summarized by the following key points.

- **The majority of surveyed firms in West Michigan see competition on new product and service design as important to their success.** Although costs, price competition, and taxes are all viewed as key to success by a larger portion of respondents, design is clearly recognized as important by three-fourths of the manufacturers and economic base firms surveyed in the region.
- **The outlook for design professionals is promising.** Approximately one-quarter of respondents plan to increase their design capacity over the next five years, which is a positive sign given the current economic climate.
- **Firms that view design as important have different characteristics than other firms.** The design-interested firms are significantly larger and represent a slightly different industry mix compared to firms that do not rate design as important.
- **The impact of design on respondents' bottom lines was unclear.** Firms that see design as important are more likely than other firms to report average profits. Moreover, the average sales growth reported by firms that see design as important is higher than other firms; however, the difference is not significant.

List of economic development organizations that endorsed the survey

- Battle Creek Unlimited
- The Chamber: Grand Haven, Spring Lake, Ferrysburg
- Cornerstone Alliance
- Lakeshore Advantage
- Muskegon Area First
- The Right Place
- Southwest Michigan First
- Southwestern Michigan Economic Growth Alliance

The Upjohn Institute cordially thanks the above organizations for endorsing the survey.

The Upjohn Institute also would also like to gratefully acknowledge both Kendall College of Art and Design and Design West Michigan for their financial support of this research project.

An Activity of the W.E. Upjohn Unemployment Trustee Corporation

W.E. Upjohn Institute for Employment Research

300 South Westnedge Avenue ● Kalamazoo, Michigan 49007-4686 ● U.S.A.
Telephone (269) 343-5541 ● FAX (269) 342-0672

August 6, 2010

The West Michigan economy depends upon the health of its manufacturers. We request that you take 10 minutes and complete the attached survey prepared by the W.E. Upjohn Institute. This effort is supported by the region's economic development organizations listed below and the results will help us all better serve your needs. We have all reviewed the survey so that it is as short and easy-to-complete as possible.

Your answers will remain confidential and individual responses will not be released by the W.E. Upjohn Institute. Each of our economic development organizations will receive the aggregated results for the manufacturers in their own region and a West Michigan Report will be available to the public.

In closing, this is truly a unique and important project; we only need 10 minutes of your time to make it a successful one.

BATTLE CREEK UNLIMITED

CORNERSTONE ALLIANCE

the Chamber Grand Haven Spring Lake Ferrysburg

THE RIGHT PLACE Advancing the West Michigan Economy

LAKESHORE ADVANTAGE

southwest michigan first The Kalamazoo Region's Economic Catalyst

Muskegon Area First

SOUTHWESTERN MICHIGAN ECONOMIC GROWTH ALLIANCE

Please help us in identifying the key factors of growth for West Michigan businesses!

It is vital for the region's economic development organizations to be able to identify the key factors for future growth in the region's business community. Identifying key growth factors is especially important given the rapidly changing technological landscape facing many of our major industrial sectors.

In addition, we want to assure you that your answers will be kept confidential. Only researchers at the W.E. Upjohn Institute will see the individual responses and only aggregated results from the entire survey sample will be reported. Data from individual companies will NEVER be released.

1. During the next five years, the key factors that will impact my firm's success will be:

The success of my firm's business in the next 5 years will strongly rely on:	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Our ability to enter new domestic markets with our existing products and/or services					
Our ability to enter international markets					
Our ability to enter new products and services into the market					
Engineering waste out of the current production system					
Our success in new product/service development					
Our ability to re-design our existing product/services					
Better information on customer preferences					
The growth of the auto industry					
The growth of the furniture industry					
The growth of the medical device industry					
The growth of the pharmaceutical industry					
The growth of the food industry					
Being very competitive of price					
Being able to compete on product/service design					
Managing our energy costs					
Controlling our labor costs					
Having better roadways and transportation networks					
Lower Taxes					
Less Government Regulations					
Other: ____					

2. **During the next five years, what is the likelihood that you will hire an additional employee with the following skills? Note: please exclude expected replacements hired due to retirements or persons leaving the firm.**

Occupation/profession	Very Unlikely	Unlikely	Neutral	Likely	Very Likely
Operations manager					
Accountant					
Production engineer					
Marketing professional (exclude sales reps)					
Product/system designer					
Attorney					
Information technology specialist					
Office manager					
Financial manager					
Welder					
Skilled machinist					
Other ____					

3. **In the next five years, what is the likelihood that your firm will seek outside consulting in:**

Consulting Activity	Very Unlikely	Unlikely	Neutral	Likely	Very Likely
Development of a marketing strategy					
Business development/sales representatives					
Information technology					
Product design					
Production engineering					
Talent development					
Logistical management					
Legal services					
Other: _______________________________________					

4. **Please rate the importance of each of the following activities that may be undertaken by the regional economic development organization that serves your area.**

Economic Development Activity	Very Important	Important	Somewhat Important	Not Important	Harmful
Carry out retention calls and visits to your firm					
Work to attract new businesses/entrepreneurs into the area					
Encourage new business development					
Work to improve the state's business climate					
Provide business seminars on design/engineering topics					
Provide seminars on new business strategies					
Provide access to capital					
Provide financial assistance, i.e. obtaining grants					
Other:____					

5. **What best describes the *primary* type of product or service your company sells? Please select only one.**

☐	Automotive parts	☐	Heavy equipment
☐	Furniture (finished product assembly)	☐	Electronics or computers
☐	Furniture parts (components)	☐	Electrical parts and components
☐	Appliances	☐	Industrial machinery or equipment
☐	Medical instruments and equipment	☐	Airplane and aerospace parts
☐	Food products or processing	☐	Plastics
☐	Clothing, textiles, leather, or footwear	☐	Foundry work and castings
☐	Beauty and health care products	☐	Paper
☐	Pharmaceuticals	☐	Other: ______________________

6. **How does your company make most of its sales? (Please check the one response that best fits).**

☐ Direct sales to retail customers (i.e. direct sales through internet, sales reps, or own stores)

☐ Products are distributed through retailers (i.e. products are carried by retailers who order directly or who purchase through wholesale distributors)

☐ Respond to request-for-bids to supply specific products to other firms (i.e. supply parts, custom work, or basic commodities to other companies based on their specifications)

☐ Business to business

☐ Other ____

7. **How many employees does your company have in west Michigan? ___________**

Approximately how many employees does your company employ globally? ___________

8. **Over the past five years, what was your company's average rate of sales growth?**

________________%

9. **During the past five years, has your company has been**

☐ Less profitable than the average firm in your industry.

☐ About as profitable as the average firm in your industry.

☐ More profitable than the average firm in your industry.

THANK YOU!

Please return this survey in the postage-paid envelope no later than August 20, 2010