

JUNE 2016

ORGANIZATION
for INTERNATIONAL
INVESTMENT
Global Investment Grows
America's Economy

global investment provides the

JOBS



NEED

CAPITAL+EXPERTISE=ZOOM+BOOM

MICHELIN
GLOBAL HQ: FRANCE

The connection between the Michelin Man, bicycle wheels, and baseball bats may not be readily apparent – unless you live in upstate South Carolina, near the company’s North American headquarters in the city of Greenville.

That’s where Boyd and Nicole Johnson build and sell high-end bicycle wheels; and where the father-son team of Eddie and Matthew Rollins turn out Anchor Bats. Both family-owned companies were established to put professional-grade products into the hands of consumers who desire top-quality gear. And both have received loans from Michelin Development Upstate that allowed them to grow their businesses.

Established in 2009 to identify local businesses that have potential but are being held back by social or economic disadvantages, Michelin Development Upstate is part of the overall Michelin Development program, founded in 2006 and inspired by a similar program the company runs in France. In this one corner of South Carolina, the company has made 61 loans totaling more than \$2.8 million, and in turn, helped create more than 560 jobs.

For the Johnsons, recipients of two \$50,000 loans, it has allowed Boyd Cycling to outgrow their living room, where it was founded at the end of 2009 after Boyd retired from his pro racing career.

“We started it out of our house, hand-building wheels,” said Nicole. “We were selling directly to customers and had a website... offering a high-quality product that was more affordable.”

But the Johnsons were at a turning point. The company was started with their savings. They had a solid customer base and industry connections, and their wheels sold from \$700 to \$1,800 per set. But they couldn’t get a bank loan to expand.

“We found very quickly things were costing lots of money,” she said with a laugh.

Then, serendipity: A friend saw an article about Michelin Development Upstate and mentioned it, urging them to talk to the company.

“Right away they were very interested in what we were doing,” said Nicole. “They loved the concept and were really pleased with how far we’d taken it in a year and a half. They granted us a \$50,000 loan at a low rate.”

And more than that, Michelin put their own experts at the Johnsons’ disposal.



MICHELIN DEVELOPMENT UPSTATE OFFERS LOCAL BUSINESSES BEING HELD BACK BY SOCIAL OR ECONOMIC DISADVANTAGES ACCESS TO CAPITAL AND ITS OWN EXPERTISE. BASED ON ITS PROGRAM IN FRANCE, MICHELIN HAS HELPED LOCAL BUSINESSES IN SC CREATE MORE THAN 560 JOBS. TOP: BOYD AND NICOLE JOHNSON WITH BOYD CYCLING. BELOW: TEAM ANCHOR BAT CO. BOTH HAVE BENEFITED FROM MICHELIN'S INITIATIVE.



“They told us if there’s something you don’t know how to do, ask us. We said, ‘Are you kidding me?’” Nicole said. “Because a small business has tons of stuff they don’t know how to do.”

And so they met with accountants, marketing experts, and others who gave them the insights they needed. Boyd Cycling doubled in size the next year and paid off its first loan in two years. They doubled in size again two years later, and now they have a second loan and have moved out of the living room into a new building.

“It was exciting for us and for them,” Nicole said. “We’ve stayed in touch, and they’ve always been very much into our success, even when we didn’t have a loan with them.”

Anchor Bat is another local business founded on a family’s passions. Matthew Rollins was a standout college baseball player who went on to play on independent professional teams, then worked in the athletic industry. One thing had always stuck out to him when it came to that most essential piece of baseball gear, the bat.

“The way the industry works,” Matthew said, “often-times the people who pay the most get the worst, and the people who pay the least or nothing get the best. For us, it didn’t seem right.”

Working out of their garage, he and his father, Eddie, set out to craft professional quality baseball bats at a price point that made them available to any serious player. After they were featured on a local television news program, a couple of Michelin employees reached out to

them about the loan program. The steering committee liked what the Rollinses showed them.

“We got the approval for \$50,000 and it allowed us to buy some material we needed desperately, gave us a little bit of breathing room with some cash to get some equipment we needed,” Matthew said.

And, as with Boyd Cycling, they got access to Michelin’s expertise – in this case, access to 3D scanning technology that allowed them to analyze and tweak their bats in incredibly small, but significant, increments.

“Why not tap science into the craftsmanship of America’s pastime?” said Matthew. “We’ve been fortunate enough to be aligned with a company that gives us access to that kind of resource.”

And the name recognition of their benefactor hasn’t hurt, either.

“It also gave us the ability to appear to the public as a legitimate company, especially to other investors,” he said. “Once you start mentioning Michelin’s name, from a credibility standpoint, you get what you otherwise couldn’t have gotten.”

For Nicole Johnson, having Michelin Upstate Development support Boyd Cycling hasn’t just been a good thing – it’s been everything.

“This could not have happened without Michelin,” she said.



CLOCKWISE FROM TOP-LEFT: REP. JEFF DUNCAN CHATS WITH MATTHEW ROLLINS AT ANCHOR BAT CO., WHERE THEY CRAFT PROFESSIONAL GRADE BASEBALL BATS FOR A PRICE THAT ANY SERIOUS PLAYER CAN AFFORD. WHEN BOYD JOHNSON RETIRED FROM HIS PRO RACING CAREER, HE AND HIS WIFE FOUNDED BOYD'S CYCLING. BOTH CREDIT MICHELIN'S INITIATIVE TO HELP LOCAL SMALL BUSINESSES WITH HELPING THEM SUCCEED.



COLLABORATION

FDI Supports Medical Research in Mission Bay

BAYER
GLOBAL HQ: GERMANY

By any measure, the footprint of Bayer in the United States is significant. The company employs nearly 10,000 people in almost 50 sites around the country. More than 2,000 work at its U.S. headquarters in Whippany, New Jersey. Campuses in Pittsburgh, Pennsylvania and Clifton, New Jersey, each have about 2,000 employees, and other major research centers for consumer health, animal health and crop science can be found in Raleigh, North Carolina and Shawnee, Kansas.

Another major facility is its U.S. Science Hub in the Mission Bay neighborhood of San Francisco. It's directed by Chris Haskell, who's been with Bayer since it acquired Schering AG in 2000. He came to the Science Hub when it was established in 2011.

Having become a major presence around the country, Bayer is now implementing programs to expand its partnership footprint in the United States and worldwide. One of those is the CoLaborator in Mission Bay, an incubator that provides lab space for startups. It is an example of how major insourcing employers are facilitating significant research and development in the United States. Insourcing companies like Bayer are helping to lead America's innovation advantage.

"We're very heavily invested in concentric circles out from where I am," said Haskell, who was standing in the heart of Bayer's 6,000 square foot, open-floor lab space in Mission Bay. "We're the fourth-largest biotech employer in the San

Francisco Bay area and one of the few large pharmaceutical companies that have this footprint here."

The CoLaborator is a place where Bayer can identify future partners during the early stages of their development. It includes basic equipment for life science startups to quickly begin putting their ideas to the test. Bayer support includes Environmental Health & Safety and Biosafety licenses and access to nearby University of California, San Francisco's core services, such as imaging, bioinformatics, and proteomics. Partnering with Bayer can also provide access to the global expertise and equipment of Bayer's research network.

"We give them physical infrastructure with capital equipment and facilities support," Haskell said. "That gives them the ability not to waste time before testing their ideas. That's what I heard from a lot of serial entrepreneurs – how much time was wasted moving into a space and getting started."

Historically, pharmaceutical companies have had solid vertical integration, so that everything – from the earliest discoveries to product development to taking those products to market – was handled within the organization. But that has gotten much more difficult as decades passed, for a very basic reason.

"The simplest approaches were done first," Haskell pointed out. "The low-hanging fruit is gone. Today, we're looking to have people in regions of innovation where we can identify and work with

partners earlier,” Haskell said. “It’s a spectrum of finding ways to work with external innovators and help Bayer deliver its products to patients.” Advances in technology and an increased understanding of the deeper complexities of diseases, such as cancer, also allow for a better understanding of how to develop therapies. With much of that developmental work happening at the start-up level, Bayer is determined to foster it. They want not only to help in the discovery of new therapies, but also to propagate the best practices through organizations that share its life sciences focus.

“That allows us to put our energy into emerging technology and places where great life science work is being done,” said Haskell. “And we continue to experiment with ways to engage the external community.”

This is all part of Bayer’s transformation over the decades from a chemical company to a life sciences company purely focused on crop science, pharmaceuticals, and consumer and animal health.

It is estimated that one-third to one-half of a pharmaceutical company’s late portfolios – those products in clinical trials – come from partnerships of licensing. And these days, Haskell added, more and more of the early product pipeline is coming from partnered portfolios, as well.

“We’ve had a series of leaders who have been very appreciative and supportive of looking outside our four walls to find the best solutions, no matter where they fit, then developing structures within our organization to help,” Haskell said.

The emerging fields of digital health and gene

therapy are prime examples. They are areas where Bayer is working on the leading edge of available technologies and treatments while identifying and partnering with companies – like gene therapy pioneer CRISPR Therapeutics of Cambridge, Massachusetts – that have the expertise to probe the frontiers of this fast-changing sector.

“We’ve done significant deals in the United States with external parties that have specific goals for impacting our early pipeline,” he said. “This is definitely a way that we’re looking to engage over multiple years, making an investment with these research groups and trying to transform their ideas into therapies.”

The pace at which Bayer is changing as an organization is increasing, and that kind of responsiveness is crucial for a life sciences company today.

“It’s definitely continuing to evolve,” Haskell said. “I can guarantee you it’s not going to look the same in 10 years.”

What’s more, the company is doing so while maintaining its core skill sets and values. He appreciates the fact that he works for a company that can mesh such flexibility and long-range vision with its long-held standards.

“I’ve seen, especially over the last five years, cultural revolutions in our organization – acceptance and willingness and enthusiasm to engage with these external partners,” Haskell said. “It makes you proud to work with a company that has taken the steps to evolve, the steps that are necessary to make it competitive and continue to develop and deliver therapies.”



IN 2011, BAYER OPENED ITS U.S. INNOVATION CENTER IN SAN FRANCISCO TO ENABLE THE COMPANY'S SCIENTISTS TO REACH OUT TO ACADEMIC INSTITUTIONS AND LIFE SCIENCE FIRMS AND FORGE NEW DRUG DISCOVERY COLLABORATIONS. THIS FOCUS HAS LED THE COMPANY TO OPEN THE COLABORATOR IN 2012, A UNIQUE INCUBATOR SPACE FOR STARTUP COMPANIES.



COOL CAR TECH

Innovation From Portland, Parked In Your Driveway

TATA GROUP
GLOBAL HQ: INDIA

Matt Jones drives to work every day in a car with experimental features you will probably never, ever see in a production vehicle. That's one of the perks he can claim as the director of future technology for Jaguar Land Rover.

But his car – a black Land Rover LR4 – is also chock-full of tech that absolutely will make it to the market. And it's the job of Jones and his team at the Jaguar Land Rover Tech Incubator in Portland, Oregon, to get those features into cars at a pace their customers have come to expect.

“In the past, the customer's expectations were on automotive timescales – it would take three to four years sometimes to produce the products,” said Jones. “But now the expectation is, ‘If I liked it and downloaded it yesterday, will it work with my vehicle today?’”

“It's not just Jaguar Land Rover that wants to meet that expectation, but also its parent company Tata Motors – part of the Tata group of companies – that has invested in propagating new technology through its brands.

The Tata group is a global enterprise, headquartered in India, comprising over 100 independent companies with operations in more than 100 countries.

The group also maintains a strong focus on investments in innovative technologies to develop new products and services. Those investments include the tech incubator that Jones leads in Portland, which came out of a 2012 West Coast visit to meet with Intel, one of their strategic partners.”

During that trip, Jones and his team also had conversations with startups up and down the coast, many of which felt their products have a place in Jaguar Land Rover's vehicles. Recognizing that these nimble, innovating enterprises had a lot to offer, the company established its Portland campus to facilitate collaboration.

“In July 2013, we opened the first office with 40 desks, and we thought that would be enough for 10 years,” said Jones. “Within six months, the center was full, and we had more startups than we could support at that point. But we wanted to collaborate with them all.”

The incubator itself was devised to identify, support, and help grow startups whose products could benefit Jaguar Land Rover and other divisions of Tata Group. With plans to welcome three companies into the first cohort, Jones opened the doors to hopeful entrepreneurs in October 2015.

“We had well over 100 applications,” he said. “We shortlisted that to 20, then to 10. Then we had to go through the incredibly hard selection process to get down to the final three.”

Incubatees receive workspace, mentoring, a \$250,000 direct investment, and a six-month partnership with Jaguar Land Rover. New cohorts will be brought in every quarter.

“We have committed to at least 120 companies over the next 10 years,” said Jones. “At the moment we have more than 150 desks in Portland for Jaguar Land Rover and another 50 for innovators and entrepreneurs.”

The first cohort includes parking facilitator ParkIt and

Urban.Systems, which supports electric vehicle infrastructure. Those are clearly car-oriented, but the third sounds like a bit of a head-scratcher.

“BabyBit?” Jones said with a chuckle. “You’re absolutely right, it’s not obvious. When I announced internally we were investing in a baby wearables company, people didn’t get it.”

BabyBit’s infant products transmit data to a caregiver’s smart device: the child’s temperature, heart rate, breathing rate, location. Jones likens it to “a Find My iPhone app for the next generation of infants.” And to his team, its usefulness in a car was clear.

“Imagine you’re in the middle of a Minnesota winter,” he said. “You put the bundled-up baby in the rear, and then you’ll probably take off your jacket and set the temperature so you’re comfortable. There’s a possibility that the child in back is still wrapped up for -40 degree weather in a 68 degree vehicle – they can’t turn the temperature down and can’t say they’re uncomfortable.”

So imagine your car being able to tell you the kid’s situation, so you can address it right away. That’s the

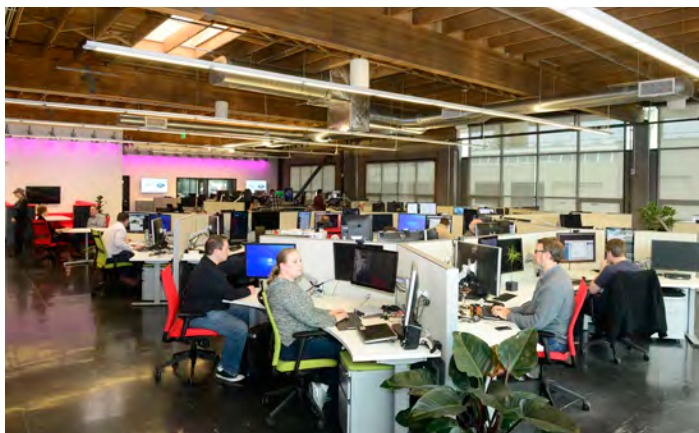
MATT JONES AND HIS TEAM AT THE JAGUAR LAND ROVER TECH INCUBATOR IN PORTLAND, OR WORK WITH START-UPS, OFFERING THEM WORKSPACE, MENTORING, A \$250,000 DIRECT INVESTMENT, AND A SIX-MONTH PARTNERSHIP WITH JAGUAR LAND ROVER.

kind of adaptation Jones and his team are looking for in the startups they’re considering for their tech incubator.

“We have a great team here with a lot of expertise in automotive and other features,” he said. “We understand the tech the startup is putting forward, and if we can imagine ourselves using that tech on the way to work in the morning, or at work, or on public transportation after work, then it’s playing a part in our daily lives.”

And because people potentially lose a lot of time in their cars, Jones and his team want to help people recapture that time in ways that are safe and intuitive by incorporating technologies that help them do so. Given the reach of Tata Group, the cumulative amount of hours given back to those people is probably incalculable. And for Jones, that’s just a start.

“We’re growing, we’re working with a huge number of startups, and we’re going to be working with even more external companies,” he said. “I think the future’s looking very healthy for Jaguar Land Rover and the Tata Group, in general.”



STEM EDUCATION

Global Investment Spurs Innovation in Schools

WIPRO
GLOBAL HQ: INDIA

Here's the thing you have to keep in mind when you're dealing with science: it's not about the answers.

Yes, answers are a by-product of the process. But science is all about asking the questions. That's how you get results, after all, by asking questions and gathering data.

So when Wipro, a global internet technology company with 11,000 employees in the United States, wanted to find a way to make an impact on STEM – science, technology, engineering, and math – education in this country, the question they asked was, “How can we do this most effectively?”

Wipro got its answer from Arthur Eisenkraft of the University of Massachusetts-Boston. A professor of physics and distinguished professor of science education, Eisenkraft is also the director of the school's Center of Science and Math in Context, or COSMIC.

Wipro's work in education is driven by the belief that

DR. ARTHUR EISENKRAFT IS A PROFESSOR OF PHYSICS AND SCIENCE EDUCATION AT THE UNIVERSITY OF MASSACHUSETTS-BOSTON. HE HELPED WIPRO CREATE ITS SCIENCE EDUCATION PROGRAM, WHICH TODAY SERVES FIVE SCHOOL DISTRICTS IN MASSACHUSETTS, NEW JERSEY, AND NEW YORK. THE PROGRAM EQUIPS TEACHERS WITH THE BEST METHODS FOR TEACHING STEM SUBJECTS TO THEIR STUDENTS.



Photo Courtesy of the Chemical Heritage Foundation

education is a key enabler of social change and a better society. Good education according to them, is that which enables the growth and development of the child in multiple dimensions, so that he or she is able to fulfill and expand her potential, and also to become an active, contributing and concerned citizen of the world.

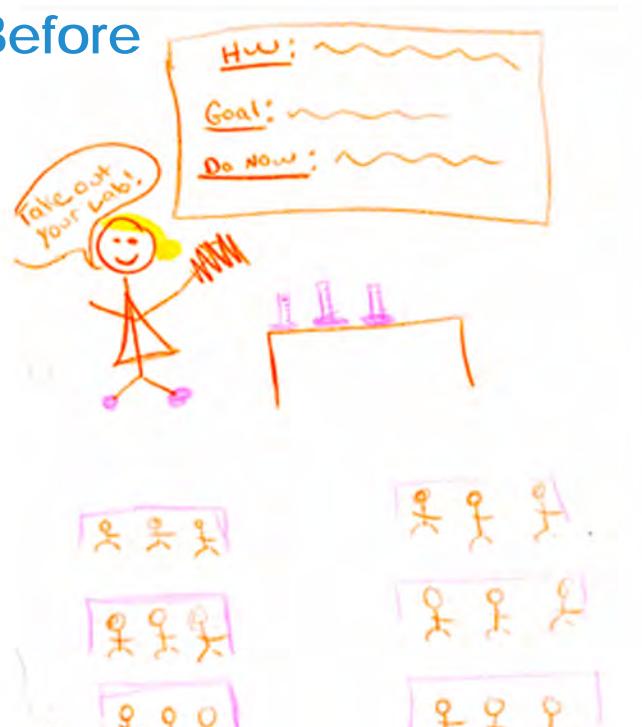
“Being an IT company, they wanted to do something in science and recognized they don't have the expertise to do that,” said Eisenkraft. “So they turned to the University of Massachusetts-Boston and said, ‘What ideas do you have for improving science we might be able to get behind?’ We proposed a number of ideas and the one we focused and collaborated on made sure to meet the needs of STEM education as well as Wipro's interest in a fellowship program.”

What came out of it was the Wipro Science Education Program, which today serves five school districts in each of three states: Massachusetts, New Jersey, and New York. Each district sends four teachers – a mix of high school, middle school, and elementary teachers – who will not only put in 125 hours of work over the next two years learning how best to teach STEM subjects to their students, but will also learn how to share those skills with colleagues back in their districts.

The fact that teachers from a mix of grade levels take part in the program is important, Eisenkraft noted, because they're often not aware of just how different the teaching of science is outside of their own students' grade level, and just how much their work impacts each other.

“The high school teachers are always overwhelmed by what's going on in first and second grade, and had no idea that kids were never held accountable for that knowledge,” Eisenkraft said. “And the elementary

Before



After



ABOVE: STUDENT DRAWINGS SHOWING THEIR TEACHER'S APPROACH TO LEARNING BEFORE AND AFTER SHE PARTICIPATED IN THE WIPRO SCIENCE EDUCATION PROGRAM. IN THE AFTER DRAWING, THE STUDENT SAID HER TEACHER IS "WALKING AROUND THE ROOM... AND GUIDING [THE STUDENTS'] UNDERSTANDING THROUGH QUESTIONS." BELOW: A FEW OF THE EDUCATORS WHO HAVE TAKEN PART IN WIPRO'S STEM EDUCATION FELLOWSHIP AND ARE HELPING TO EXPAND THOSE TEACHING PRINCIPLES WITH OTHER TEACHERS IN THEIR SCHOOL DISTRICT.

teachers look at the high school teachers and say, 'I see how our work feeds into your work, as well.'

"Academia has to be an area with good ideas and measured successes so companies can feel their money is being spent wisely," he said.

During the two-year program, each Wipro fellow comes up with their own plan to support professional development in their district and support district initiatives in science education. Each year culminates in a two-day conference where all 60 fellows from all three states meet to discuss STEM education, build a bigger network, and find more ways to collaborate and extend what they've learned.



But at the same time, if a company goes into education investment with the mindset that it's somehow like that logo-splashed race car, they won't see the most return out of their own efforts, too. Which is why from the start of the fellowship program, Wipro has shared the idea with other companies and encouraged them to adopt similar programs wherever they have a presence in the United States.

The three participating universities – UMass-Boston, Montclair State University in New Jersey, and Mercy College in New York – also host the science education coordinators from their state's districts for regular meetings to cover challenges and opportunities they all share. Those 15 state coordinators also collaborate several times a year.



Eisenkraft says Wipro deserves lot of credit for having that approach. The STEM fellowships are "a program that can change science education," he said, and the comparative investment is small considering the return will influence multiple school districts that serve the areas around their headquarters and other campuses.

For Eisenkraft, this kind of investment in education is a "no-brainer" for companies like Wipro, since they could easily spend as much or more money putting their logo on the side of an Indy 500 car. He understands that, in partnerships like this, it is incumbent upon institutions like UMass-Boston to make sure they deliver the best bang for the supporting corporation's buck.

"To me, as an academic, someone who's life has been trying to improve the science education of students, it's a no-brainer," he said. "Support science education, the future of these kids. So when I see an organization and industry making the right choice, I feel great about America."



WHAT'S NEXT

Anheuser-Busch's Brews Are Born from Innovation

ANHEUSER-BUSCH INBEV
GLOBAL HQ: BELGIUM

For 24 years, Jill Vaughn has been pondering what kind of beer to have... and then making a batch of it, just to see if it tastes the way she anticipated.

Her job title is a mouthful – Process and Product Development Manager, North America, Anheuser-Busch – but it sums up her work at Anheuser-Busch InBev's U.S. headquarters in St. Louis, Missouri. Vaughn leads a team that develops, tests, and brings to market new varieties of beer from scratch.

"I love working on new products and innovations," she said. "I love the art of brewing, the creativity of brewing. Basically we're taking trends and insights from customers and translating that need from the written word into the actual product. To go into the grocery store and see 20 things you've had a hand in; it's pretty amazing."

Vaughn holds a master's degree in food science and recently completed a certificate in sensory and consumer science from the University of California, Davis. She went to work at Anheuser-Busch straight out of grad school as a group manager at a brewery.

"You can't understand Anheuser-Busch until you've worked in a brewery," she said. "Having that background of working with my peers, the brewers, making day-to-day decisions that impact the quality of product, and making sure it is absolutely meeting the standards we expect of our beers."

She spent four years at the Fort Collins, CO brewery before moving to St. Louis, where she eventually started working as part of the innovation team.

"Back then, we probably launched three to five things a year, specialty products," she said. "Michelob Ultra was one of the new products we launched back then, and we worked on Bud Light Lime."

But today, leading a team dedicated to innovation in product development, Vaughn says they're much more proactive, responding to the changing tastes of the public. They're also free to put just about anything they want through the brewing process to see how it tastes. There are misses, of course, but a fair share of hits, as well.

One of their biggest hits was Bud Light Lime-A-Rita.

"What is so interesting about that development is it is really a cross section of things that happened to knock that product out of the park," said Vaughn. "A pre-mixed cocktail was not new; a small, 8-ounce can was not new. But looking at trends, customers wanted something that was refreshing, didn't involve making anything complicated, and was good-tasting. We made a totally awesome product and put it in a unique can that made it very flexible in terms of handling."

It certainly hit a nerve with their audience. Plug "Lime-A-Rita" into your favorite search engine and you'll find lists of "hacks" that suggest all sorts of ways to serve it. That kind of customer response is really gratifying to Vaughn – and is part of the reason she got her certificate from UC Davis.

"I wanted to understand consumer behavior and how consumers react to innovation," she said. "This way, I make sure that I am not making new products that I want, but what our consumers really want."

A product doesn't have to be a runaway hit to be successful, though. For instance, Vaughn and her team tried brewing flavors to match staple St. Louis foods like... pretzels.

"We actually developed a beer that literally tastes like a freshly baked pretzel," she said. "That was actually launched as Shock Top Twisted Pretzel Wheat. But that one was pretty normal."

As for the not-so-normal, they also tried to match another St. Louis favorite: the gooey butter cake.

"We brewed it with wheat and cream cheese," she said. "That actually turned out pretty good, but I don't know how scalable it is."

As for the not-so-successful attempts? Well, there was that time when they tried to use tomatoes in the brewhouse.

"I've also been trying to get someone on my team to do a sushi beer," she said, paused, then added, "We haven't gotten to that one. But to brew something like that would be pretty cool to me."

Having an employer that supports that kind of outside-the-brewpub thinking means a lot to Vaughn and her team, because it shows that Anheuser-Busch isn't resting and producing just its traditional lager to the exclusion of everything else. It trusts the instincts of its brewers.

"We like to play, just like other brewers, big and small, to see how far out there we can go," she said.

So, Vaughn has the freedom to try and make beer out of just about anything and the resources to find and perfect varieties that will appeal to the broader beer-drinking public. Is this the best job Vaughn could imagine having?

"Oh, yeah!" she answers quickly and with a laugh. "I love what I do. It's like being a chef, but I get to work in a brewery."

LEFT: JILL VAUGHN, HARD AT WORK. BELOW: VAUGHN AND HER TEAM WORK UP NEW BREWS INSIDE ANHEUSER-BUSCH'S ST. LOUIS HEAD-QUARTERS. THEY ARE GIVEN THE FREEDOM TO INNOVATE AND CREATE NEW, GREAT TASTING BEVERAGES, SUCH AS THE BUD LIGHT LIME-A-RITA. ANHEUSER-BUSCH EMPLOYS 13,000 AMERICANS, OFFERING AN AVERAGE OF \$94,000 IN WAGES AND BENEFITS. THEY PURCHASE MORE THAN \$6 BILLION FROM LOCAL U.S. SUPPLIERS ANNUALLY.





BUCKEYE BOOM

Ohio Sees the Job-Creating Benefits of Global Investment

FUYAO GLASS
GLOBAL HQ: CHINA

In 2008, in the depths of the Great Recession, General Motors shut down its Moraine, Ohio assembly plant.

“They went from 4,000 employees to zero employees,” said Michael Davis, the city’s economic development director.

Alone, that would have been bad enough, but it was part of a string of reductions and closures that had devastated a region that was once a major automobile manufacturing center. Moraine and the state of Ohio saw potential in this turn of events.

In 2015, after years of reinvention and outreach by the city, they welcomed the North American arm of Chinese manufacturing giant Fuyao Glass Industry Group into that vacant building – and just a year later, they are now watching them expand their operations.

For the city of Moraine, the Dayton Development Coalition and for JobsOhio, the privately funded statewide economic development agency, recruiting Fuyao’s investment was the result of a concentrated effort to learn what foreign companies need and how to match those needs with infrastructure the state had in place.

“We had probably seven million square feet of space available, four million directly related to the General

Motors facility,” said Davis. “We looked at it as an asset: Cheap space, significant amounts of it, and a skilled workforce ready to work.”

After years of promoting the site, Davis received a site inquiry from JobsOhio in 2013 to participate in an effort called Project Southbound. It was that effort that ultimately brought representatives of Fuyao to Moraine for a tour the building.

“We were unique in that Fuyao had never located into an existing building before,” said Davis. “We knew we had challenges, but also knew we’d be cheaper than building new on a Greenfield site.”



“We’ve picked up the phone to a lot of callers who said, ‘I heard Fuyao’s in Ohio and we’d like to come and meet with you.’”

- Kristi Tanner
JobsOhio

“It’s a great case study of how you take a behemoth building like this and actually do something with it,” said Kristi Tanner, senior managing director for JobsOhio. “It’s just incredible. That’s what we live for.”

Tanner was one of the officials who dealt directly with Fuyao’s representatives on the Moraine site. She said there had initially been resistance to looking at an existing facility, given the company’s history of building new.

“But it ended up making its way to the short list, and having the chairman come look at it,” she said.

Chairman Tak Wong Cho – who founded the company in 1987 – is renowned for his hands-on leadership and business acumen. It has made him a billionaire and one of the world’s leading philanthropists. For the

prospect to move forward, Chairman Cho ultimately needed to be convinced to embrace a “brownfield” facility in Ohio for their flagship North American operation.

The key factor was showing Fuyao how the company could benefit from a quick turnaround. It would take much longer to build a factory from scratch than to retrofit existing space. Fuyao could also save significant costs by not building a new building, freeing up capital for other uses.

It was a winning argument. Fuyao initially bought 1.4 million square feet on 110 acres in the old General Motors plant and has since expanded its holding there. Their investment has grown to \$450 million and the number of U.S. jobs they created has risen from around 800 to 1,400, with on-site employment expected to exceed 2,000 people by the end of the year.

“Knowing the client is the biggest piece of advice for anyone working on an international basis,” Tanner said. “You have to know them intimately, their business problems, their needs, what they want to accomplish, and then figure out how to take your product and fit it into that need.”

That kind of awareness is paying further dividends. Davis noted that, with Fuyao in place and growing, further foreign investment is being encouraged. One of Fuyao’s suppliers is looking at Moraine – a small operation at first, with 20 jobs and 40,000 square feet – but he thinks it will likely encourage other suppliers to consider locating next door to the auto glass manufacturer.

“We started the [foreign outreach] effort before, but definitely needed Fuyao to put us over and make us a healthy diversified environment,” said Davis.

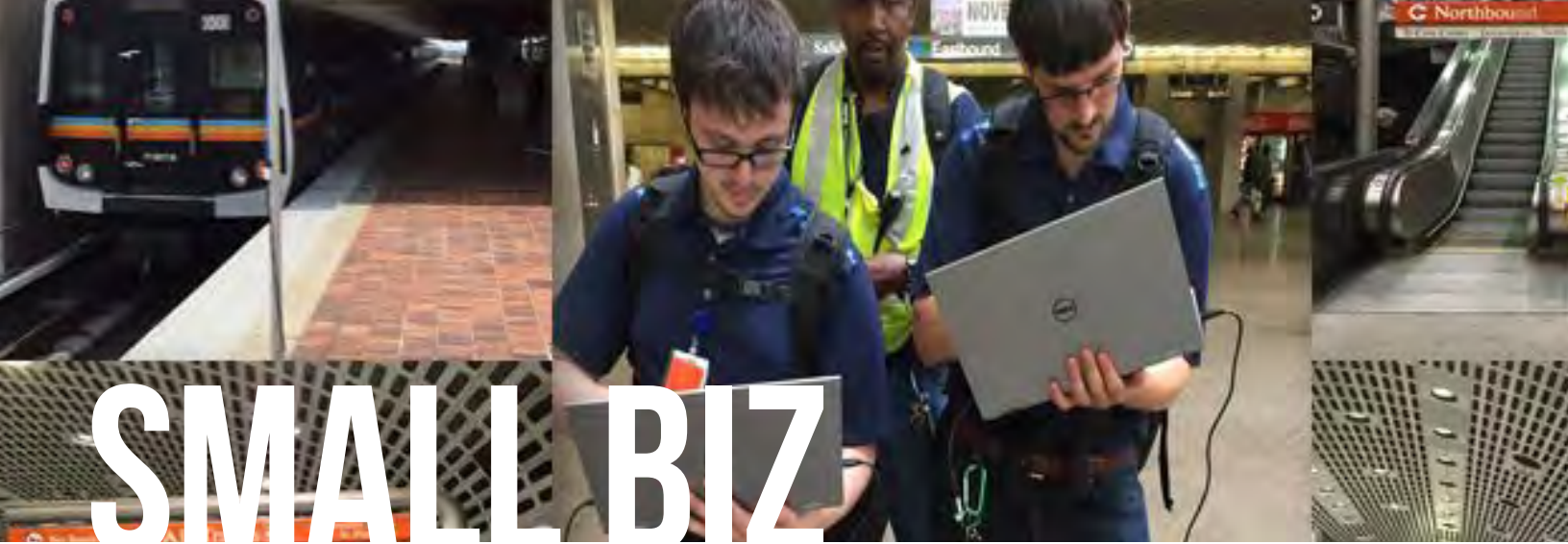
Fuyao is not alone in bringing foreign direct investment to Ohio. Honda established one of the first Japanese auto manufacturing plants in the country in the early 1980s, and there are companies from Germany, the UK, Canada, France, and Switzerland represented.

But there is definitely a ripple effect from the high-profile Fuyao project in Moraine, according to Tanner. Jobs-Ohio has been engaging in furthering its outreach to foreign companies and using Fuyao as an example of what can be done with existing infrastructure and workforce and how that plays to a company’s advantage. But the state is also seeing proactive interest because of what’s happening in Moraine.

“We’ve picked up the phone to a lot of callers who said, ‘I heard Fuyao’s in Ohio and we’d like to come and meet with you,’” she said.



AS THIS AERIAL VIEW OF MORAIN, OHIO DEMONSTRATES, IT WAS CRITICAL FOR COMMUNITY LEADERS TO FIND A NEW EMPLOYER TO FILL THE VACANT FACILITY (HIGH-LIGHTED) LEFT WHEN GENERAL MOTORS CLOSED ITS OPERATIONS. FUYAO INITIALLY BOUGHT 1.4 MILLION SQUARE FEET IN THE OLD GM PLANT, AND HAS SINCE EXPANDED ITS HOLDING THERE TO 1.7 MILLION SQ FT. THEIR INVESTMENT HAS GROWN TO \$450 MILLION AND THE NUMBER OF U.S. JOBS THEY CREATED HAS RISEN FROM AROUND 800 TO 1,400, WITH ON-SITE EMPLOYMENT EXPECTED TO EXCEED 2,000 PEOPLE BY THE END OF THE YEAR.



SMALL BIZ

Two Woman-Owned Businesses Grow Jobs Thanks to Nokia

NOKIA
GLOBAL HQ: FINLAND

Betty Manetta started Argent Associates in 1998 because she saw a gap for the telecom industry and the women and minority business communities.

“As a Hispanic woman business owner, I felt I could not only bring value but diversity along,” said Manetta, who is the company’s president and CEO.

Of course, she also brought more than two decades of experience in the telecom industry, dating back to the “Ma Bell” days. She started Argent as a supply chain logistics company but, having seen that sector morph during her previous career, made sure her company changed with the demands of customers like Finnish network technology giant Nokia.

“We continued to grow and evolve as the industry changed,” Manetta said. “Now we’re transitioning one more time, looking at virtualizing networks; the whole Internet of Things.”

Headquartered in Plano, Texas, outside of Dallas, Argent was actually founded in New Jersey. The company still maintains a presence in the Garden State, as well as facilities in Atlanta and San Francisco, which allows them to support their customers and minimize their cost.

“I think Nokia, like a lot of other companies, realized the impact of having a local infrastructure,” said Manetta. “Having companies that support you that are nimble, that can pivot and grow with you as you grow.

“And I think Nokia understood the value of having small minority- and women-owned businesses that are able to expand and contract with the needs of the industry,” she said.

One of the segments in which Argent is focusing on with Nokia is small cell, which creates denser networks.



“[Nokia] really took us down that path, taught us and got the processes in place, allowing us to become a full-blown integrator for them.”

- JoAnn Brumit
KARLEE

“Because of the growth in the mobility sector, that hogs bandwidth – it eats up a lot of data, voice, and so forth,” said Manetta. “What carriers are doing is instead of having big cell sites, they’re densifying. You follow where the traffic is coming from.”

Argent has participated in Nokia’s small cell training that will help them be prepared to support the deployment of this technology.

“While it’s still in its infancy... I think it’s going to be an area we’re [going to be] able to excel in, especially in areas where Nokia has base stations and a major presence,” said Manetta.

Another woman-run Texas company in Nokia’s supply chain is KARLEE, located in Garland. CEO and Chairman JoAnn Brumit said it’s a classic

American, started-in-the-garage story, founded by a machinist named Lee Brumit.

When JoAnn first got involved with the business in 1982, she was working for another company – a metal fabricator – and she had a different last name. But after helping establish accounting functions for KARLEE, Lee Brumit offered her half-ownership if she'd stay and run the business. And a year later, he proposed marriage.

Today KARLEE is a generational company – one of their sons is president – and JoAnn Brumit has shepherded it through growth to more than 260 employees. They came to be a Nokia supplier when Nokia bought Alcatel-Lucent, which was already a KARLEE customer. Today, they do a great deal of sheet metal fabrication and integration testing for Nokia – things that were nowhere on the radar when Lee Brumit started his shop.

“They really took us down that path, taught us and got the processes in place, allowing us to become a full-blown integrator for them,” JoAnn Brumit said. “They actually took us over to Nokia in Europe. They educated us on how to build that product, and we built all of it here in the United States.”

KARLEE’s products aren’t ones you’ll see unless



#JobsWeNeed

you work behind the scenes in the telecom industry, but they can be found all over the globe, wherever Nokia is doing business. One of their growth areas now is Mexico and Central America, where the growth in cellular and data networks is just starting to climb.

“It’s nice that Nokia and some of the big global companies want to make that investment over here,” Brumit said. “They see the importance of being invested across the globe, and to be able to support North America with North American suppliers.”

Argent has experienced success as they have continuously evolved the business. Manetta started the company with just \$100,000 in an industry she acknowledges has often been “volatile.” But in their second year revenues rose to \$70 million, and last year they closed at \$250 million and had 105 employees.

“Nokia has been a true partner,” she said. “During times when things weren’t great, they continually found opportunities. Everything we do is truly adding value to their supply chain, and they understand the importance of working with diversity.”



BETTY MANETTA, WITH ARGENT ASSOCIATES HAS SEEN HER BUSINESS GROWTH SINCE SHE STARTED SUPPLYING NOKIA. SHE NOW HAS MORE THAN ONE HUNDRED EMPLOYEES IN FOUR STATES, EARNING THE TITLE OF “BUSINESS WOMAN OF THE YEAR” FROM THE U.S. HISPANIC CHAMBER OF COMMERCE. SHE CREDITS NOKIA FOR BEING A TRUE PARTNER. IN 2015, NOKIA PURCHASED 15% OF ITS GOODS AND SERVICES FROM DIVERSE SUPPLIERS.



APPRENTICESHIPS

Zurich Introduces Apprenticeships in Chicago

ZURICH INSURANCE
GLOBAL HQ: SWITZERLAND

When Zurich Insurance in North America – an insourcing company based in Illinois that has operated in the United States for more than a century – needed to ensure a pipeline of qualified employees for its insurance business, it adopted a workforce training model familiar in Europe: white collar apprenticeships.

As part of an initiative started by the White House, Zurich committed to hire 100 apprentices by 2020, established a relationship with Harper College in Illinois and then set out to fill the first 24 slots.

Often, FDI brings more than just capital to the United States. It also attracts the best ideas from around the world to our shores, benefiting our communities and workers. Yet, apprenticeships, especially in service industries, are virtually unheard of in the United States. How would this effort go over in a country where the term “apprentice” is more likely to evoke the skilled trades, or perhaps the Walt Disney movie *Fantasia*?

As the plan was announced, some wondered if Americans would be receptive to this relatively unknown opportunity.

“Eventually, we had to turn away hundreds and hundreds of well-qualified candidates,” said Al Crook, Zurich North America vice president of human resources and business partners, still sounding a little stunned by

the turnout. “That shows just what a great entry point it is to employment.”

The apprenticeship program resonated across a diverse talent pool: People already in the industry, those in school, and workers interested in mid-career changes. And that, said Brian Little, senior vice president for human resources and country head of human resources for Zurich North America, hints at its potential.

“The apprenticeship program shows we can attract people who may not have been on our radar previously,” said Little. “When I joined the company seven years ago, I wondered why the Swiss economy was so good; most of the people there go through an apprenticeship program. That’s how we learned how effective these programs are, and I always thought if we did that here in the United States, we could change our economy.”



“Every day when I come into work, it’s always something new and different. I think it’s just great being here.”

- Louis Erkins
Zurich Apprentice

Zurich rotates apprentices through its departments so they can learn all aspects of the insurance industry; at the same time, apprentices attend school two days a week. By the time they finish, they will have a deeper understanding of the insurance industry than a typical short-term training program could impart.

Among the first class of apprentices are Laura Hanselman and Louis Erkins, who embody the diversity of workforce the program attracted.

“I was a stay-at-home mom for more than 17 years,” said Hanselman. “Now that my kids are getting ready to go to college and I know that cost is there, it was

time for me to go back into the workplace.”

Hanselman worked as a claims adjuster after college and liked the insurance business. But after nearly two decades out of the industry, she knew things had changed. So she enrolled at Harper College where, one day, she received an email about the apprenticeship program. And she had a light bulb moment.

“I liked the idea I would be returning to school two of the five days [per week] and I’d be earning a business degree, as well as getting some insurance credentials,” said Hanselman. “That was very appealing to me, and something I thought would be a good fit for my family.”

Erkins, on the other hand, graduated with a sociology degree just two years ago. A friend who had worked for Zurich told him it was a great company, and Erkins was looking for something that would fit his skills and help him grow as a professional. But when he heard about the apprenticeship program, he was initially confused.

“I thought apprentice programs were more for blue collar work,” said Erkins. “It was definitely something new to me.”

New and, it turned out, a perfect fit. While both he and Hanselman are currently on the claims rotation, the fact he’s not settled into one department is a big part of the appeal to Erkins.

“Every day when I come into work, it’s always something new and different,” he said. “I think it’s just great being here.”

Erkins says he is quick to tell his friends and contemporaries about the apprenticeship and what a great opportunity it has been for him. In fact, he is pleased to be an ambassador for the program.

“I wish I could’ve gotten it straight out of high school,” he said. “I hope I can go back and tell my story, how I went back to school and gained knowledge and a corporate apprenticeship with on-the-job training. You can always go back and learn more.”

Hanselman echoed those sentiments, and said her participation in the apprenticeship program is providing a good example to the next generation in her own home.



“I liked the idea I would be returning to school two of the five days [per week] and I’d be earning a business degree.”

**- Laura Hanselman
Zurich Apprentice**

“It makes me feel good that I am preaching to [my children] that whatever you decide to do, you have choices, you’re not stuck on one path,” she said. “If you want something, you’ll go after it and have choices. It’s up to you to make things happen. I think that’s a good example for my kids to see.”

Zurich’s Little found similar interest among his company’s corporate peers at a recent meeting in Chicago with the U.S. Deputy Secretary of Labor.

“[There were] a number of officials and executives from companies we normally compete with who were actually trying to work with us to start programs like this one,” he said. “As Zurich increases the amount of apprenticeships, that’s great. But in all reality, the industry needs to have apprentices – to create not just hundreds of jobs but thousands of jobs; not only to build a pipeline for us to be successful, but also what’s good for communities and the United States.”





CONNECTION

Community Matters at Mercedes Benz Financial Services

DAIMLER
GLOBAL HQ: GERMANY

It's not surprising for your employer to send you back to school. But then, it's not usually grade school.

In 2014, Jai Kately was a contractor for Mercedes Benz Financial Services, the captive financial services provider of Daimler AG in the United States. When he heard about the company's annual Week of Caring, which gave team members the opportunity to volunteer for organizations in their communities, he was pretty impressed. Learning that the opportunity also included contract staff exceeded his expectations.

"I was honored to be able to participate in this volunteer activity as a contract employee," he said. "Then I saw Sagamore Hill Elementary on the list and I said, 'Hey, I went to Sagamore Hill!'"

So Kately found himself back in his old neighborhood, passing the house he grew up in, and walking into his old school, where he helped build bookshelves for the students to take home and read to a pair of second graders, Luis and Angel. Within a few weeks he was hired on by Mercedes-Benz Financial Services, and just as he has continued to volunteer at his old school, the company has continued to support that volunteer work.

It's one example of the broad commitment Mercedes-Benz Financial Services has to corporate social responsibility, both in the cities where they have their main presence— Dallas/Fort Worth and Metro Detroit — as well as in their field operations throughout the coun-

try. Greg Ruvolo, manager of community relations, said the company's philanthropic philosophy focuses on four areas: arts and culture; community enhancement; diversity and inclusion; and education.

"As a company, we believe that it is our responsibility to make a difference in the communities where we live and work, said Ruvolo. "We look beyond just sponsorships to build true collaborative partnerships with non-profit community organizations. Equally important is empowering our team members to get involved and contribute to helping the people and communities they serve."



"When I walked in there, my life changed.... I felt like I had come to this school for a reason, there was something I needed to do here."

**- Mary DiGennaro-Latina
MBFS dealer relations manager**

This is why Mercedes-Benz Financial Services often lets its employees have an active voice when it comes to selecting the organizations the company supports. While there are primary partners the company works with – Habitat for Humanity, City Year, the Sphynx Organization in Detroit and Real School Gardens in Fort Worth to name just a few – Mercedes-Benz Financial

Services also understands that its field agents located across the U.S. are invested in their communities and know where the greatest impact can be made.

"We are committed to creating life-changing experiences, not only for our employees but for our community partners and beyond," Ruvolo said. "Volunteers are often very moved by their volunteer experience. Whether it's packing food, planting trees or using a skill set from their professional experience to support an organization – for example, financial literacy programs – many of our volunteers return to the community partner on their own time to get further involved."

Last September during the annual Week of Caring, nearly 1,100 employees of the two main campuses volunteered 7,000 hours of service, organizing 40 projects with 23 nonprofits. In addition to this, every employee also has the ability to use a paid “Individual Volunteer Day” to work with a community organization of their choosing.

But the volunteerism is certainly not limited to just these activities in the main business locations.

Mary DiGennaro-Latina, a dealer relations manager in the Northeast Region for the Philadelphia and Baltimore market, has been with the company more than 16 years. Last year, she was invited by a local City Year group to see how they’d been using previous Mercedes-Benz Financial Services donations at Beeber Dimmer Middle School.

“When I walked in there, my life changed,” said DiGennaro-Latina. “I went through the tour and these 22-year-olds were telling me how they try to motivate the kids to come to school, how they stand outside and cheer them on. I felt like I had come to this school for a reason, there was something I needed to do here.”

She went back out to her car and called Ruvolo, told him about her experience, and he simply said: “What can I do to help?”

DiGennaro-Latina swung into action, getting friends and family to help fill backpacks the company provided with school supplies to be distributed in the area.

She reached out to brand partner Mercedes Benz USA to arrange a career day at the

school, and organized Pi Day activities for students on March 14.

Her efforts did not go unnoticed. DiGennaro-Latina was nominated by her coworkers for the company’s annual volunteer recognitions and she was presented with the President’s Award for Volunteer of the Year. That award came with a donation to a charity of her choice, and she chose the Children’s Hospital of Pittsburgh because a coworker’s daughter had received treatment for cancer there. The recognition and the opportunity to give funds to another deserving cause are still cause for a little amazement to her.

“I can’t believe we have an award for this, because it’s something I do from my heart,” said DiGennaro-Latina.

Ruvolo said the work of employees like DiGennaro-Latina and Kately is inspiring. For the employees, the same can be said of the backing they get from their company.

This is the third year that Kately, who is a subject matter expert in commercial vehicle collections, to go back to Sagamore Hill Elementary. He has kids of his own the age of the students, and he remembers what it was like growing up in a disadvantaged neighborhood. He’s pleased to be able to give the current students a chance at opportunities he didn’t have growing up.

“It’s pretty amazing to be able to give back to the community I was raised in for 25 years, where my mom still lives,” he said.” For my company to support me in doing that, it really means a lot.”

DURING MBFS’ PREVIOUS WEEK OF CARING, 1,100 EMPLOYEES FROM THE COMPANY’S TWO MAIN MBFS CAMPUSES VOLUNTEERED 7,000 HOURS OF SERVICE, ORGANIZING 40 PROJECTS WITH 23 NONPROFITS. BUT THE VOLUNTEERISM IS CERTAINLY NOT LIMITED TO THOSE TWO METRO AREAS. TOP: JAI KATELY, HELPS A SAGAMORE HILL ELEMENTARY STUDENT WITH AN ART PROJECT.



BRIGHT FUTURES

Genentech Makes Learning Fun in South San Francisco

ROCHE
GLOBAL HQ: SWITZERLAND

The huge landmark sign on the hill reads, South San Francisco is “The Industrial City.” It is where See’s Candies are made but today is also known as the birthplace of biotechnology. But there’s been somewhat of a disconnect between biotechnology and the residents of the area, with Highway 101 effectively dividing the homes and schools from the campuses of high-tech companies that call the area home.

So when Genentech, a U.S. subsidiary of Roche, a Swiss global healthcare company, was looking for a way to invest in its community, it decided to bridge that gap by partnering with the South San Francisco Unified School District to create an education program that would inspire K-12 kids to pursue a career in STEM.

Futurelab provides powerful mentoring for students along with hands-on learning experiences, and gives teachers the curriculum, professional development and resources they need to bring STEM concepts to life in an engaging and impactful way.

Starting in elementary school, students are offered a 1:1 mentoring program.

Lise Dumont, a senior manager for corporate relations, mentored one student from the third through fifth grades and is now mentoring a second student, a third-grader. She calls the experience “powerful and inspiring.”

“It’s great to see the world and science problems through a child’s eyes,” Dumont said, “I am also reminded of some of the challenges of learning.”

Dumont has enjoyed the experience so much that she has joined the advisory committee of Gene Academy, one of Futurelab’s programs, and is helping to develop the program so it is even more appealing to the students.

“We came up with a three-year plan so they get a variety of offerings from us,” she said. “This year we visited the Innovation Center of Excellence on the Genentech campus, a place custom-built for brainstorming and vetting ideas. We brought kids in and had a mini-brainstorming session for them.” They also brought the students to visit the Founders Research Center and the robotics lab.

“I found myself imagining being in my dream job as a scientist,” said one Gene Academy student in her 5th grade program graduation speech. That really hit home for Dumont.

Those kinds of opportunities have not always been available to students in the South San Francisco Unified School District, where Sara Shayesteh has been a teacher for six years. Compared to neighboring communities, SSSFUSD spends 31% less per student, and only 30% of high school graduates attend a 4-year institution. 40% of students come from families living in poverty and 65% of elementary school students are English language learners.

“The Futurelab program is a fantastic and innovative partnership,” Shayesteh said. “It has been invaluable to our district.”

For one thing, she’d never been able to take her students on field trips until this partnership was established because of lack of funding.

“Genentech has made a commitment that for every science class in middle school and high school, every student goes on a field trip every year,” she said. “This is huge! Our students typically don’t go on field trips, especially science-related field trips.” And for a lot of her students, these trips have been their first visits to places like the Monterey Bay Aquarium or the California Academy of Sciences, despite the fact both are nearby.

Futurelab has also allowed Shayesteh to bring a four-week biotechnology unit to her high school, incorporating a more hands-on approach than students were accustomed to in the past.

“The biotech unit triggered such a shift in student engagement and behavior,” she said. “We really saw all the students invested in participating.”

Another part of Futurelab is the Helix Cup, a science competition for all eighth graders in the district that helps students develop problem-solving, teamwork and science skills, coached by Genentech employees.

Shayesteh says the full impact of Futurelab in the district can’t yet be calculated. Middle schools are in their second year of the Helix Cup science competition, high schools are in their second year of the biotech unit, and a buzz of interest is growing throughout the district. That makes Shayesteh, as a teacher, extremely grateful.

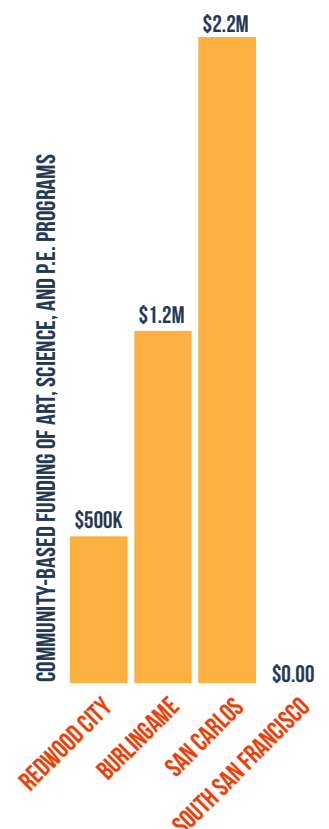
“It makes me so happy to see this growing opportunity for our students. I think our kids and community welcome that opportunity, and what better partner to do it with than Genentech? They’re right here and have such a strong presence. How wonderful they’re investing in their backyard,” said Shayesteh.

The next big project for Futurelab is Science Garage, a state-of-the-art 7,000 sq. foot biotech classroom facility that is being built on the South San Francisco High School campus. The Genentech Foundation is funding the building, with a \$7.8 million donation and its Site Services team is overseeing construction.

For Dumont, working at a company that puts this kind of investment into the local schools and community is a huge point of pride. She sees it beyond her own volunteerism through Futurelab. “I’m also a big sister through Big Brothers, Big Sisters,” she said. “[My Little Sister] is currently in seventh grade and I’m so excited because next year she’ll be able to participate in the Helix Cup, and by the time she gets into high school in 2017, we will have opened the Science Garage. When you think about all the kids that are impacted by what we are doing, I know we are making huge and lasting difference in their lives.”



ABOVE: THIRD GRADE STUDENTS AT SPRUCE ELEMENTARY, ONE OF 16 SCHOOLS IN THE SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT, WHERE MORE THAN 44 DIFFERENT LANGUAGES ARE SPOKEN IN THE CLASSROOM AND 40 PERCENT OF STUDENTS’ FAMILIES ARE LOW INCOME. RIGHT: A COMPARISON OF NEARBY COMMUNITY SUPPORT FOR THE ARTS AND STEM EDUCATION PROGRAMMING.



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