

Innovate Michigan!

2024 Co-Learning Plan Series

A Regional Model for Small Business Referrals

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U.S. ECONOMIC DEVELOPMENT ADMINISTRATION

A Regional Model for Small Business Referrals

An Impact Study of Networks Northwest's Business Programs

Michigan State University

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EDA University Center for Regional Economic Innovation

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INTRODUCTION

Small businesses are often synonymous with a strong community. They contribute to the local social and economic fabric in many tangible ways. Yet, in an increasingly globalized marketplace, small businesses more often need access to resources at each point in their life cycle: inception, growth and during periods of hardship. These resources may come from a variety of funding sources, trainings, partnerships and opportunities for exposure, yet business owners tasked with the day-to-day operations of their expertise can, at times, miss out.

This paper studies the Networks Northwest model, which is a formalized, collaborative, regional approach to assisting small businesses in garnering referrals. Specifically, the authors analyze three programs. These include Northwest Michigan Works! Business Services program and Apprenticeship program, as well as the organization's APEX Accelerator program. The argument described in this paper contributes to the oft-referred claim that collaborative approaches to resource networks yield timely and tangible returns to participants. The organizational structure of each program individually and in coordination with one another is meant to help guide similar initiatives throughout Michigan. By bringing various programs with a non-profit structure and similar vision under one roof, Networks Northwest is able to effectively assist small businesses in a globalizing and sometimes unpredictable economy.

EXPANDED REACH OF THE NON-PROFIT SECTOR

The intent of this document is to provide evidence that non-profit programs function more efficiently and sustainably under one collaborative entity. This is done by expanding on the mission of the organization so that non-profits with similar but diverse deliverables can formally work with one another. This paper describes three separate business referral programs and their mutually beneficial relationship to encourage replication in other areas of the state. To do so, the authors provide descriptive information of three Networks Northwest programs that serve the 10-county Northwest Michigan region. This includes staff position descriptions, funding mechanisms, client bases and the scope of services for each program. These descriptions are included specifically to assist other regions interested in supporting programs that build small businesses using a collaborative approach. The authors also include a survey of client businesses to better understand the programs' impacts on their operations.

SMALL BUSINESSES AS LOCAL CONTRIBUTORS

Both authors of this paper are professional community planners who have worked with urban, rural and suburban municipalities, discussing a range of issues. When we ask about commercial uses, and especially downtowns, we almost invariably hear from residents that they want more locally-owned small businesses. In addition to this sentiment, they often state distaste for large box stores and chains. This is true of small and large towns, those with ample resources and those struggling to retain their populace. According to an article from Pew Research, "Most U.S. adults (86%) say small businesses have a positive effect on the way things are going in the country these days..." (Leppert, 2024). For one reason or another, planners frequently hear that their towns need more small businesses.

There are various known reasons why planners and local officials are told that there are not enough small businesses. Many of these are quite obvious but are worth noting. First, local businesses keep money in the local economy. Dollars spent at a small local business are economically sustainable in two key ways. First, the income earned is spent again locally on other products and services; there is less leakage due to a corporate headquarters being located in another city, state or country. This in turn

supports more demand for products and services locally. Second, communities with many small local businesses have a more diverse economic base than those relying heavily on one large employer. Especially if the large employer is a national or global brand, the employer may feel less inclined to consider the locality, favoring a move elsewhere for cost savings. The automobile industry in Michigan is one example. Small businesses contribute to economic sustainability.

Second, small businesses play a role in local identity and investment. It is no accident that the craft brewing and distilling industry has expanded so rapidly in Michigan. The state has a key geographic advantage in its ample supply of fresh water. In Northwest Michigan, the recreation industry is growing and is a reflection of the area's tourism industry and outdoorsman identity. Small businesses thrive in areas where they match local identity and can also spur changes in the way the community views itself. This cyclical relationship is catalyzed by small businesses. Additionally, small businesses are often more invested in the area in which they are located. Their sponsorship of events, investment in area improvements and participation in the community's social life are highly impactful and contribute to an area's sense of place. Small businesses, more than large corporate chains, establish and reinforce local identity.

COVID'S IMPACT ON SMALL BUSINESSES

The COVID-19 pandemic had a large impact on small businesses across the U.S. Many municipalities were unprepared for this unforeseen event while others were more able to adapt. The authors found it pertinent to conduct anecdotal research in this paper to describe the relationship between non-profit services and small businesses during a recent economic disaster. According to a 2020 article from the Stanford Institute for Economic Policy Research, "The number of [small] active business owners in the United States plummeted by 3.3 million or 22 percent over the crucial two-month window from February to April 2020" (Fairlie, 2020). Michigan was no exception to this phenomenon. The federal relief funding that came from the Small Business Relief Act, the CARES Act and the America Rescue Plan Act (ARPA) took time to reach small businesses after passing through state government, regional governments, counties, downtown development authorities and other economic development organizations.

Because of this, many small business owners were strained. University of Michigan's Center for Local, State, and Urban Policy provides an analysis of the Michigan Public Policy Survey that was conducted in 2021. From their analysis:

"As of spring 2021, 39% of Michigan local officials report that their local economies have suffered significant (33%) or even crisis-level (6%) impacts over the past year of the COVID-19 pandemic, while only 13% say there has been very little or no impact at all to their local economies (Fitzpatrick, Horner & Ivacke, 2021)."

The pandemic revealed the importance for small businesses to diversify their client bases so that, for instance, changes in one region do not mean life or death for revenue. Second, the pandemic led to many Americans changing careers or having to alter their skillsets to succeed in an industry transformed by COVID. Additionally, many businesses found themselves updating their employees' roles and needing to adapt to a changing world. This is not just true of COVID; artificial intelligence (AI), globalization, changes in manufacturing and an increased presence of technology in the workplace have all meant that employers need a talent pool with ever-changing training. It can often take years for colleges to adapt to these changes. This difficulty in hiring talent is pronounced in rural communities in Northwest Michigan.

Each of these required adaptations highlights the increased role and importance of non-profit programs. Small businesses, almost by definition, do not have the funds to hire high-priced business consultants to identify their strengths and weaknesses in a changing marketplace. They also do not have the time nor expertise to make these connections internally. For these reasons, the business programs within Michigan Works! and APEX Accelerator, especially in Northwest Michigan, have grown greatly in the past 10 years. This represents a wider recognition by state and federal agencies, and by local businesses, that regional entities are well-suited as “boots on the ground” actors to provide client-based services to small businesses through government funding. This model, wherein a regional conglomeration of various but similar non-profit programs receive state and federal funding, has proven to be effective in connecting small businesses to resources.

NETWORKS NORTHWEST

TALENT, BUSINESS, COMMUNITY

Northwest Michigan Works!, the Northwest Michigan APEX Accelerator and the Northwest Michigan Council of Governments are formally collaborating to do business as Networks Northwest. This means that Networks Northwest is part non-profit, part regional unit of government. This combination was not done haphazardly. The idea was based on a simple yet very strategic notion: that communities need businesses, businesses need talent and talent needs community. For this reason, Networks Northwest’s programs are broadly divided into these three categories. The Community Development staff make up the council of governments and the Michigan Works! and APEX programs are engaged in talent and business development. While this paper focuses solely on the business aspect of this arrangement, much of the business programs’ success is related to the broader scope of the entire organization. The following paragraphs provide brief descriptions of the community and talent components of Networks Northwest in order to relate them to Networks Northwest’s business programs.

COMMUNITY

Networks Northwest’s Community Development team functions as a regional planning organization for the 10-county region. This entails the management of various transportation programs including the oversight of the Metropolitan Planning Organization, Rural Task Force, Active Transportation Plans, managing byways committees, asset management, acting as a liaison to the Michigan Department of Transportation and providing transportation related data to regional partners. The department also contracts with county and local units of government on planning processes and grant projects.

In regard to talent and business specifically, Community Development facilitates the planning process, collects data and publishes the region’s Comprehensive Economic Development Strategy. This work involves the formation of a steering committee made up of the region’s chambers of commerce, business leaders and other stakeholders in the economic well-being of the community.

TALENT

While Community Development works at a large scale, planning at the municipal to regional level, the talent consortium of Michigan Works! focuses on the individual. The talent team at Northwest Michigan Works! is made up of four main services: Offender Success Reentry, Adult Education, Youth Services and specialists who provide walk-in career services. The Offender Success team helps people who were previously incarcerated to more seamlessly return to the workforce by connecting them with employers and reimbursing employers for on-the-job training. The program also helps with residential stability, providing home and work supplies and connecting participants with health and behavioral services.

The Adult Education program hosts learning labs where participants over the age of 18 can receive assistance and training to acquire a high school diploma, improve remedial skills and increase their employability skills. Each participant is tested at the onset of the training to determine their current skill level and to cater trainings to their personal needs and interests.

The Youth Services team consists of the Jobs for Michigan Graduates (JMG) program and the Workforce Innovation and Opportunity Act (WIOA) program. These programs, and the services provided through the department, are designed to help youth to ready themselves for the workforce. This includes but is not limited to interview practice, connections to local employers, access to wage and labor data and the development of soft skills.

Northwest Michigan Works! also hosts various service centers throughout the region where individuals have walk-in access to many of the aforementioned workforce services. All of the services described for the talent portion of the agency are imparted free of charge through state and federal funding.

NON-PROFITS AT SCALE

The authors include a description of the full scale of Networks Northwest and the Michigan Works! and APEX Accelerator business programs' position within the agency to emphasize the unique structure of the organization. At first glance, it is not apparent how municipal planners, schoolteachers and international tradesmen could fit under one roof. Networks Northwest, which began as the Northwest Michigan Manpower Consortium in 1974, is an example of how a coordinated entity can sustain various non-profit missions under one shared mission. This has various benefits.

First, non-profits are often focused on one specific deliverable. A trail development non-profit focuses solely on trails. A beautification non-profit focuses on landscaping and facades. This is one of the key benefits of non-profit entities: they provide a specific service to the local community. However, this is also one of their main drawbacks. If the service a non-profit provides quickly becomes irrelevant because of a change in technology or consumer preference, the business model must change drastically or disappear entirely. The same is true if the state or federal funding the non-profit relies on changes course. Perhaps the government was heavily focused on coastal sustainability one year but is now shifting funds into retrofitting buildings to meet LEED (Leadership in Energy and Environmental Design) standards. Again, the non-profit's funding is threatened because of its singular focus. In contrast, by partnering non-profit businesses with aligned services, the non-profit model is more sustainable. A formalized collaborative approach to non-profit operations allows for resource sharing, broadened skillsets, greater client bases and stronger innovation.

RESOURCE SHARING

With the simple notion that talent, business and community rely on each other in a cyclical manner, Networks Northwest has been able to merge three individual entities (APEX Accelerator, Northwest Michigan Council of Governments and Northwest Michigan Works!) into one agency that manages dozens of federal, state, regional and local programs. This coordination results in savings for each of the three entities. Covering a 10-county region, the programs are able to cost share on administration, human resources, information technology, office space and facilities, materials and trainings. This resource sharing can be especially important during times like the COVID-19 pandemic. By sharing resources and having expanded service offerings, financial woes in one area of the agency can be absorbed by less affected programs.

BROADENED SKILLSETS

By diversifying skillsets across an agency, the organization reduces the negative aspect of non-profits being too singularly focused. The agency has people with different personalities, professional and educational backgrounds, and organizational knowledge. This has multiple benefits. The most visible benefit is the staff's ability to coordinate on efforts that require different skillsets. For example, when applying for grant dollars, the deliverables may be slightly outside the purview of one non-profit team's expertise. At Networks Northwest for example, the talent end of the agency may have a strong understanding of employer needs in the region but may lack the technical skills to use mapping software to visualize some of these data points. In this instance, the Community Development staff can coordinate with talent, dedicating some time using Geographic Information Systems (GIS) to display their information. By expanding staff and their areas of expertise, non-profits can engage in work more seamlessly without needing to contract work or let funding opportunities slip away.

GREATER CLIENT BASES

Non-profits, and especially localized ones, may be geographically or demographically limited in their scope of work. To reiterate, non-profits by their nature tend to focus on one type of deliverable to a local community. This is typically where they, as opposed to government or for-profit industry, are most effective. However, by broadening their skillsets and sharing resources through a collaborative approach with one or more other non-profit programs, they can scale their work to accomplish more of their mission. Collaborating businesses can garner more referrals by sharing client bases and by having a brand with more visibility due to its expanded reach.

STRONGER INNOVATION

The collaborative non-profit model is more conducive to innovation for the other three reasons listed previously. First, by reducing costs through resource sharing, the organization has more time and funding to think creatively on solutions that meet the non-profit's overall mission. In addition, having a variety of skillsets by its very definition supports innovation. The agency is more likely to have people who have ideas, as well as people with the disposition needed to implement those ideas. As mentioned, Networks Northwest has staff who look at regional data trends, all the way to staff who work one-on-one with those seeking employment or to get job training. The various programs hire people with different experiences, skills and personalities; these can be the greatest difference makers in spurring innovation.

METHODOLOGY OF IMPACT ANALYSIS

One can see that there are many perceived benefits of collaborating non-profit, governmental and for-profit entities into a single agency, when possible. This is happening across the state of Michigan already. While the agencies themselves see the evident benefits of joining their efforts, this paper takes a closer look at how the clients perceive the services offered by a sample organization. For this analysis the authors focus on three programs under the Networks Northwest umbrella: the Michigan Works! Business Services program, the Michigan Works! Apprenticeship program and the APEX Accelerator program.

To understand the impact and operation of each study program, and how they collaborate to increase small business referrals regionally, the authors conducted an anecdotal analysis. First, the researchers interviewed the directors from each of the programs to get a narrative of their deliverables, funding sources, operations and clientele. Because of the assumed impact in operations from the COVID-19 pandemic, the researchers asked for client data dating from the years 2018 to whenever data was most

recently updated. Most relevant to this paper, the directors discussed the interaction between their program and the others housed within Networks Northwest that are part of the business portion of the agency. The authors also provide an organizational structure of each department with the roles of staff briefly described. The purpose of this detail is to help readers understand the scale of funding, staff and client base to spur replication across the state.

The researchers then created a survey instrument sent digitally to 10-15 businesses who have worked with APEX Accelerator, Business Services or the Apprenticeship team. Because the survey instrument sought to understand program impact rather than customer satisfaction, respondents were not chosen at random. Rather, each of the program directors sent the survey to businesses that were illustrative of the work that APEX and Michigan Works! provide. The survey included the following questions:

- Approximately how many employees work in your organization?
- During which years have you worked with [study program]?
- What need were you addressing when you began working with [study program]?
- Please describe what service the [study program] provided to your business specifically. Provide a brief narrative of what the project looked like from your perspective.
- How many times have you worked with the [study program]?
- What difference has the [study program] made to your business?
- How would you rate the overall value that the [study program] has brought to your business?
- Please provide more detail regarding the overall value the program has brought to your business.

COMMUNITIES OF NEED

Seven of the 10 counties covered by Networks Northwest have an ALICE (Asset Limited, Income-Constrained, Employed) rate equal to or higher than the state average. ALICE is a United Way measure that goes beyond poverty data. In summary, ALICE populations are those households living above the poverty line but who typically live paycheck to paycheck and are one unforeseen emergency away from struggling financially. According to the United Way of Northwest Michigan website:

ALICE is a complex term for a population we know too well. It stands for Asset Limited, Income-Constrained, Employed. ALICE is working hard, but barely surviving and definitely not thriving. ALICE is part of our economic engine but ALICE is struggling. ALICE may be a college student, working and going to school hoping for a better life or a senior citizen making a difficult choice between food, housing and prescriptions. ALICE could be a working dad, with childcare, transportation and housing costs that leave very little to provide shoes for his children. ALICE is many of us.

Networks Northwest serves 178 local jurisdictions, many of which have high ALICE and poverty rates. In addition, the rural character of the region can make it difficult for resources to reach small businesses. This is somewhat improved through regional resource disbursements. Across Michigan, urban and rural populations have similar rates of impoverished and ALICE populations. In 2024, fourteen percent of rural Michigan is impoverished with another 29 percent ALICE; this compares similarly to urban populations who are 13 percent impoverished and 28 percent ALICE. Below is a list of Northwest Lower Michigan's 10 county region. The state average for ALICE in Michigan is 28 percent.

Table 1. ALICE by County, Northwest Lower Michigan, 2022

County	Total Households	% Below ALICE Threshold
Antrim	10,741	27%
Benzie	7,173	28%
Charlevoix	12,232	28%
Emmet	14,530	25%
Grand Traverse	39,581	19%
Kalkaska	7,377	33%
Leelanau	9,246	43%
Manistee	9,927	36%
Missaukee	5,816	34%
Wexford	13,167	32%

Source: United Way of Northwest Michigan, 2022

BUSINESS SERVICES PROGRAM

The Business Services Team is a forward facing first line of contact with businesses within their respective service areas. The NW Michigan Business Services Team serves employers in lower northwest Michigan. As a first point of contact, the team facilitates a broad role with staff overseeing programs related to workforce development, business expansion and retention efforts, and grant administration; all while providing the connection to the entirety of the Michigan Works! agency and the additional programs of Networks Northwest.

The staff performs various duties associated with business support, which include meeting with businesses to determine their needs, and providing direction to programs and services that are available within Business Services and other programs within the Michigan Works! agency. The connection to other Networks Northwest programs is one example benefit of the formalized collaboration. Specifically, the team assists with developing and posting job openings, employee recruitment, screening and referral, workforce training and skills upgrading, connection to apprenticeship success specialists and access to Industry 4.0 resources, grants and partner organizations.

Coordination ingrained within the MI Works! agency is also expanded to local and state partners who provide support services and programs. In the case of NW Business Services, these partners include local Economic Development Organizations (EDOs) and State of Michigan partners such as the Michigan Department of Agriculture and Rural Development (MDARD), the Michigan Economic Development Corporation (MEDC), the Michigan Department of Labor and Economic Opportunity (LEO) and entities such as the Michigan Manufacturing Technology Center (MMTC).

Staff members inventory data and maintain the database of Northwest Michigan businesses within Salesforce Software. This software application allows team members to catalog information in regard to a business' interactions with the MI Works! agency, while also maintaining information specific to a business such as employee counts and locations, which allow for a level of monitoring growth. The Business Services Team works with all businesses with most interaction occurring with the industries of manufacturing, health care, information technologies and hospitality.

Business Services Data, 2018 - 2023

Impacts/Year	2018	2019	2020	2021	2022	2023
Services & Activities	8,277	7,719	5,615	4,239	6,342	3,344
Promotional Events	522	449	223	372	219	242
Promotional Events Participation	31,994	19,419	5,242	4,244	4,823	10,049
Job Posts	3,536	7,251	8,706	4,996	3,234	3,952
Job Fills	2,160	5,070	3,528	1,399	943	1,470
*Economic Impact	\$100,224,000	\$235,248,000	\$163,699,200	\$64,913,600	\$43,755,200	\$46,400,000
Retention Visits	66	29	83	46	24	31
On-Job-Trainings	19	16	22	10	17	14
Going Pro Awards	60	56	0	41	30	70

*Based upon yearly average salary.

Granted Funds/Year	2018	2019	2020	2021	2022	2023
On-Job-Trainings	\$33,978.49	\$30,078.52	\$37,452.92	\$17,924.44	\$28,702.07	\$33,396
Going Pro Awards	\$1,170,695	\$1,122,006	\$0.00	\$864,170	\$600,415	\$2,494,765

Source: Northwest Michigan Works!

NORTHWEST MICHIGAN CLIENT BASE

The client base of NW Michigan includes all employers as potential clients of Michigan Works!. The programs and services offered agency wide are facilitated through the Business Services Team. An example is the direct referral of a business via the Business Services Team to the Apprenticeship Program. Employers across the State of Michigan experience challenges pertaining to talent needs and development, business support services for growth, and grant and business investment/expansion reimbursement opportunities provide direct program support to these challenges. As these programs expand, morph and new programs are introduced, the team of experts provides guidance to the small business clients.

STAFF AND OPERATIONS

The Business Services Team is comprised of a Department Director, four Business Services Representatives who oversee different counties within the region, a Business Services Specialist who serves the entire 10 county region and a Business Success Coach who serves Charlevoix and Emmet Counties. The Business Success Coach is a position supported directly by companies from those counties that pay to support that specific program. This position is essentially an extension of the

business' human resources department and is meant to connect employees with resources for housing, health, transportation and other life needs in order to reduce employee turnover.

The Business Services Team oversees a wide range of grant programs. The challenging complexity of program administration is met through the software system 'Salesforce'. This software system is used for the tracking of business clientele information as described earlier but is also utilized to challenge the team to bolster referrals on a quarterly basis. The complexity of the programs administered through Michigan Works! necessitates brief program and grant descriptions which are overseen by Business Services Staff. This will provide an understanding of program oversight. The listed programs are not an exhaustive list, but convey the primary ongoing programs and duties kept under operations and oversight of the Business Services Team.

PROGRAMS

- **The Global Trade Alliance** is a program of MEDC that helps small businesses to export through products or services internationally. MEDC and Michigan Works! coordinate to connect businesses to resources, with MEDC leading international trade tours and setting up meetings between local businesses and international clients.
- **Industry 4.0** is a program of the MEDC which is partnered for administration through the Business Services Team. The program works with manufacturing businesses as defined by NAICS code. The program requires a 4.0 Technology Assessment by the partner agency MMTTC, and the program specifically provides a reimbursement of up to \$25,000 for business technological advancements which are developed or implemented.
- **Going Pro Talent Fund** is a program of LEO which is administered by the Business Services Team. This program assists employers in developing training programs for their employees with a specified credential as the end deliverable. This program is a strong example of the collaboration between Business Services and the Apprenticeship program at Networks Northwest.
- **Pure Michigan Talent Connect** and the maintenance of the 'Job Board' for NW Michigan is supported by the Business Services Team. Staff are acquainted with local businesses and assist with the development of job postings and placement of those postings on the State's Job Board hosted by Michigan Works!.
- **Business Outreach** is a core duty of the Business Services Team. Outreach efforts maintain open communication and seek to keep staff abreast of challenges and successes of the regional business community, while providing opportunities to introduce programs and services of Michigan Works! that can benefit businesses.
- **Career Exploration Events** including Talent Tours are opportunities for a local business to display their operations and need for knowledgeable talent to students who are often pursuing skill-set expansion in the businesses area of need. These tours are cultivated and organized by the Business Services Team. MICareerQuest Northwest is another great example of career exploration. MICareerQuest Northwest is facilitated in part by the Business Services Team and brings together other program staff of Michigan Works! as a coordinated effort of the organization. This large scale event hosts a large number of employers who develop interactive hands-on experiences for career exploration. Students from many different school districts and educational institutions take part and are exposed to multiple industries.
- **Localized Events** are organized through Business Services Staff in coordination with local educational centers and chambers of commerce in support of addressing and advertising the need

for talent. These ‘mini job fairs’ provide an arena for local businesses to recruit talent and for local educational and skill-development institutions to support recent student graduates.

- **Large Job Fairs** with the Annual Career and Employment Fair being the primary example are facilitated by the Business Services Team and Northwestern Michigan College staff as a coordinated effort of the organizations. This large scale job fair hosts a large number of employers promoting direct interaction between students and local job seekers from all across the region.
- **The Michigan Rural Enhanced Access to Careers in Healthcare (MiREACH) Program** is a program of LEO which is administered in part by the Business Services Team. This program allows for reimbursements for training for patient facing employees in the healthcare industry that earn a certification and promotion all while earning a paycheck.

APPRENTICESHIP PROGRAM

Apprenticeship is a talent development strategy to help businesses upskill their employees. The strategy works with the employed population, talent training institutions and businesses to provide on-the-job learning combined with classroom learning and mentorship. The training seeks to provide experts in their field of occupation. An apprentice can have little to no training in their field, or alternatively they can be seeking to expand their knowledge base in an aspect of their field. The U.S. Department of Labor (DOL) oversees Registered Apprenticeship Programs governed by the Code of Federal Regulations (CFR), Title 29, Parts 29 and 30. The code outlines that Registered Apprenticeships are apprenticeship programs that are well-defined and documented, having been approved by the DOL. The Apprenticeship Program of Northwest Michigan Works! is a DOL registered program.

MI Works! Apprenticeship Programs are found throughout the State of Michigan at MI Works! offices. The State of Michigan lists 16 Michigan Works! Apprenticeship Success Coordinators covering all geographic areas of the State of Michigan. The NW Michigan Apprenticeship Program was initiated in 2009 in response to a need for Certified Nurse Assistants across the region. In 2016, a State Apprenticeship Expansion grant was awarded in response to the need of the craft beverage industry. This industry is heavily invested in the region through vineyards, wineries, breweries, distilleries, and grain and malt production. This is an industry that is highly specific with very few individuals having a formal background in this field. Therefore, the Apprenticeship Program has helped local craft beverage employers to train individuals in order to develop a talent pool. Since its inception, the NW Apprenticeship program has grown considerably and now serves many different businesses from a host of industry sectors.

Upon establishing the program, a marketing campaign was utilized to garner program awareness and spread information. These efforts continue with yearly annual reports and reporting of program data. Additionally, a host of functions display the success of the program and seek to make connections with businesses that may be in need of services.

Initiation of coordination across the MI Works! organization occurred upon program establishment through communication sessions with the Business Services Team. This allowed for a thorough introduction of the Apprenticeship Program and an understanding of merits for use by businesses. This would lead to the pattern of referrals and program growth in coordination with the Business Services Team. Again, the formalized collaboration has helped similar but different programs to grow through the sharing of resources and skillsets.

Program growth has been rapid with large demand from employers. The recognized need has led to funding increasing from both State and Federal agencies in recent years. The program grew in enrolled apprenticeships by 845% from 2018 to 2023, with 2024 clients on pace to continue that trend. Funding is provided through the DOL. This funding is transferred to the State of Michigan and combined with State funding and is then administered by the Department of Labor and Economic Opportunity (LEO). Funds are provided from LEO to NW Apprenticeship Program for staff capacity, who provide leadership, communication, monitoring and administration of the program requirements.

Participation of client businesses with the program is voluntary with costs associated with the training needs met by the individual business client for their enrolled employees. Additional support from grant programs such as the Going Pro Talent Fund is made available in some circumstances. These grants to support client staff member enrollment may amount to up to \$3,500 per employee. Full disclosure is provided to the clients on the necessary costs of each specific apprenticeship program.

NORTHWEST MICHIGAN CLIENT BASE

The Apprenticeship Program is made available to all businesses within the NW Michigan region. Referrals for client businesses come from a variety of sources, including the Business Services Team providing oversight of the Going Pro Talent Fund. The structure of the Apprenticeship Program is built around needs at the individual business level. The program leadership and staff do not promote a specific educational institution or trade and skills training partner. Businesses most often identify skill gaps or needs, typically through strategic and succession plans. This part of business planning outlines what will be needed for the business to continue to operate and grow. The majority of enrolled businesses have identified existing staff they desire to enroll in apprenticeship programs; for expansion of knowledge and skills pertaining to a specific need of the business. It is rare that a business is hiring outside of existing staff, but this does occur, and the program supports this type of recruitment and training. Program structure is welcomed by business as it is tailored to the business client. This flexibility of the program is becoming more aware in the business community and additional businesses are becoming clients based upon the successful implementation of the program to meet an individual client's needs. This flexibility is highly desirable to businesses that become clients of the program.

STAFF AND OPERATIONS

Staffing of the program was originally established with one director and three staff members. Through increased capacity needs of the program as displayed through growth, the program now employs a total of seven staff members, which include the Department Director, one Support Specialist, and five Apprenticeship Specialists. The Apprenticeship Team is trained in administration and program oversight. They are also trained in GI Bill Certification, acting as certifying officials for the Office of Veterans Affairs. This allows program staff to guide apprentices who are Veterans in obtaining additional GI Benefits such as housing allowance and additional stipends. The NW Apprenticeship Program was the first in Michigan to receive cross-training from LEO in regard to business needs. The team has been cross trained internally to support apprenticeships and grant administration. This allows cross program support and sharing of responsibilities of program management.

Apprenticeship Program Data

Apprenticeship Statistics	2018	2019	2020	2021	2022	2023	2024
Apprentices Enrolled	11	19	49	61	84	104	78
Average Start Wages	13.72	17.26	15.84	15.18	15.43	19.04	20.02
Average Current/End Wages	16.15	21.63	17.37	21.23	17.33	20.42	N/A
Underrepresented Populations*	4	6	23	23	45	41	43
Number of Employers Enrolled	6	12	24	12	21	40	79**
*does not include youth							
**79 enrolled, 66 with active programs							

Source: Northwest Michigan Works!

The Apprenticeship Program is currently managing 84 occupational titles which range across the employment and industry spectrum from beekeeping to surgical techs, accounting, insurance, and building and manufacturing trades. There are a total of 184 apprentices enrolled within the program as of April 2024. Training currently occurs with 130 different curriculum components. The program provides necessary materials and support to apprentices such as laptops for online learning, fuel assistance, along with materials such as work boots and uniforms. The program provides mentors and coaching to successfully provide full immersion in the apprenticeship field. The programs are structured with on-the-job training but are also augmented with coursework. Coursework is required of each program, with a minimum of 144 hours devoted to coursework in addition to on-the-job training. Program requirements as outlined by the DOL seek to provide that training is comprehensive and safe. All curriculums must conclude with a certification related to the field.

Client business referrals come from the Business Services team, with businesses participating in the Going Pro Talent Fund receiving additional points for employees enrolled in the Apprenticeship Program. The Apprenticeship team handles communications and program administration following the referral. Appointments with businesses are made by an apprenticeship team member. These appointments are held with a business program client at the location of business and are most often held with the business owner or human resources representative. The business is provided the option to work directly with the Department of Labor, with the alternative to work through the MI Works! Apprenticeship Program. By working with the Apprenticeship Program, participants are guided through all federal requirements by trained staff. Similar to the other programs described in this paper, the key benefit provided by Networks Northwest's business programs is hands-on guidance through often complex funding opportunities.

Once enrollment has occurred, the business and employee are provided with a sample Training Plan. This sample or template plan is then modified according to the specific needs of the business, ensuring that the program is tailored directly to the business needs. The Training Plan is then set within a software program so that the program tasks can be tracked for individual enrolled apprentices from that business. The Training Plan includes commitments from the client business, outlining that they are committed to the support of the apprenticeship program in which they are enrolled. The plan must then be certified by the DOL. Program staff work directly with the DOL to gain this certification in support of the business clients. Once certified, the DOL provides approval to the specific client and the application. Following certification, an orientation is held at the job site. This then places the apprentice within the program.

Most Apprenticeship Programs are four to six years in length. Following established occupational guidelines, Michigan Department of Licensing and Regulatory Affairs (LARA) guidelines, the DOL determines program length based upon the specific trade or training curriculum necessary for gaining a skill set. Programs that are longer in length are typically associated with trade programs that develop skillsets and seek professional certifications. Examples include electricians, mechanical professionals and plumbing professionals. Coursework required of the apprentice may be conducted in a classroom setting, but many community colleges provide non-credit courses in a virtual setting through ‘ED2Go’.

Apprenticeship Program Staff perform routine follow-ups with the business at a minimum 90-day interval to maintain monitoring of the business status and needs of the program. Continual contact is also held with apprentices and educational institutions as a part of program administration.

APEX ACCELERATOR

The APEX Accelerator program acts as a connection point between businesses and government procurement activities. This service is useful in helping small businesses to access a large and relatively stable customer base: the U.S. federal government. Companies throughout Michigan create both ubiquitous and niche products and services that are needed by governmental agencies. These can include anything from landscaping services to large-scale defense materials. While business owners may know their product well, they often find it difficult to navigate a customer relationship with governmental agencies, according to Northwest APEX Accelerator Director, Cathy Fairbanks. These agencies issue competitive requests for proposal (RFP) and the administrative knowledge necessary to successfully win and perform under a government contract can detract many business owners from participating in this lucrative market. However, state and federal contract work offers small businesses the opportunity to diversify their client base with a largely stable buyer.

In addition to the relative complexity of engaging in work with government agencies, small business owners may also not be aware of the demand present for their products or services. For example, military bases are typically outfitted with many components that go into any local economy: infrastructure, building materials, landscaping, telecommunications, all the way down to eating utensils and home repair equipment. There are obvious government needs, but many products in demand by the agencies are common items. While APEX Accelerator primarily assists businesses with navigating the federal market, they work across the local, state and federal landscape to help link governmental agencies with private industry.

APEX Accelerator programs can be found across the U.S. They were introduced by Congress in 1985 as the Procurement Technical Assistance Program (PTAP). Northwest Michigan’s APEX Accelerator program includes the 10 counties that make up Lower Northwest Michigan (Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee, Wexford), all of Michigan’s Upper Peninsula. In total, Northwest Michigan’s APEX program serves 25 of Michigan’s 83 counties. The Northwest Michigan APEX Accelerator program is funded in part through a cooperative agreement with the U.S. Department of Defense (DOD) and in part by the Michigan Economic Development Corporation (MEDC).

Because this paper is focused on gaining referrals for small businesses in disadvantaged communities, it is important to note that APEX Accelerator client reporting includes data on the number of disadvantaged businesses, historically under-utilized business zones, service-disabled veteran-owned businesses, women-owned small businesses and other underserved small businesses that a particular

APEX Accelerator program has served. Recent numbers for Northwest Michigan can be found in the Program Impact section of this report.

NORTHWEST MICHIGAN CLIENT BASE

In linking government agencies with local businesses, the APEX Accelerator essentially serves two client bases. On one end, it provides agencies with product and service suppliers who have the accounting, legal and other administrative training to effectively engage with their agencies. On the other side, APEX Accelerators provide market research and administrative training to businesses, large and small, across all industries, to help them find, win and sustain government contract work. This mutually beneficial relationship between public and private entities is expedited by the APEX Accelerator program.

While the Department of Defense (DOD) is the Northwest Michigan APEX Accelerator’s largest client in terms of contracts awarded to the program’s participating businesses, many other federal and state agencies participate in the program as well. The following information is derived from a 2023 report:

Northwest Michigan APEX Accelerator Top 10 Federal Agencies Contracts, Last 5 Fiscal Years

Department of Defense	\$54,177,875,851
Department of Agriculture	\$3,081,896,286
Department of Transportation	\$3,051,400,433
Department of Veterans Affairs	\$1,772,812,242
General Services Administration	\$1,745,572,235
Department of Homeland Security	\$1,227,868,880
Environmental Protection Agency	\$587,024,913
Department of the Interior	\$371,078,345
Department of Health and Human Services	\$191,573,928
Department of Justice	\$159,260,044
Department of Commerce	\$114,588,937
National Aeronautics and Space Administration	\$61,054,006
National Archives and Records Administration	\$42,507,946
Social Security Administration	\$21,247,615
Department of State	\$21,205,990
Department of the Treasury	\$17,549,043
Department of Energy	\$10,250,132
Consumer Product Safety Commission	\$1,210,241
Export-Import Bank of the United States	\$1,041,107
Department of Labor	\$920,697

Source: Northwest Michigan APEX Accelerator

STAFF AND OPERATIONS

The Northwest APEX program consists of three key staff roles. The department has a Regional Director who oversees the program and reports directly to the agency’s Chief Executive Officer (CEO). The director oversees APEX Accelerator Procurement Counselors and APEX Accelerator Department Coordinators. These two positions differ, one being more directly interactive with clients and another

being more administration focused. At the time of this writing, the Northwest program has a director, four procurement counselors and one department coordinator.

The Northwest Michigan APEX program uses a variety of methods to help connect their business clients to governmental contacts. To begin, a company will register to work with APEX and get a baseline understanding of what the program offers. APEX then gains an understanding of the client business, their capabilities and capacity, what are their goals, and their government readiness level, as well as extensive market research in the government's previous and future purchase of their product or service they provide. The important questions APEX is trying to answer at this stage is, "Does the government buy what you sell; how do they buy it; who are they buying from now; how much are they buying; when will they be buying it again?" This is followed by an explanation of how the government buys certain products, how the contracts function and how purchases are made. This helps the client to understand whether or not they want to participate in this particular marketplace. In summary, APEX studies the agency, translates the specific requirements to the client business and helps the client to decide if this governmental relationship is worthwhile. Once the client is ready to submit a proposal, the APEX team reviews it to make sure the structure and deliverables match the request. The program also offers free bid match which provides the client with a daily list of possible government opportunities.

In addition to reviewing a new client's fit with local, state and federal agencies, APEX Accelerators also provide training aimed at making businesses adept at generating government contracts independently. The program gives trainings on how to effectively meet governmental contractual obligations, how to identify opportunities, how to respond to opportunities and how to market to the government. Where there are instances in which greater expertise is needed, Northwest Michigan's APEX program subscribes to Govology, a program that allows APEX to bring in subject matter experts for trainings in areas such as law and accounting. This is an important difference between business consultants and non-profit programs like APEX and non-profits generally: the goal is to make the client self-sustaining rather than dependent on the service provided.

CROSS PROGRAM COORDINATION

The MI Works! and APEX programs' partnerships with local, State and Federal agencies provides for resource sharing, broadened skillsets, greater client bases and stronger innovation. Acting regionally, the programs share a broad-based mission under the Networks Northwest umbrella that allows them to increase the number and types of small business referrals they help facilitate.

The internal structure of the organization is such that the front facing Business Services Team is most often the initial point of contact with a client. This team is well versed in the program structure of the agency and is able to direct clients to specific programs based upon the determined needs of the client. The programs outlined within this research paper provide direct coordinated efforts with one-another. The Business Services Team refers clients directly to the Apprenticeship Program, while the Apprenticeship Program supports efforts of gaining points towards a businesses' Going Pro Status. Further coordination of grant efforts in supporting business apprentices is also provided by Business Services.

Similarly, the Business Services Team monitors a business' need and provides referrals to any available program within the agency including to the APEX Accelerator program. The APEX Accelerator program isn't wholly reliant upon referrals from Business Services and will make referrals to other MI Works! programs through Business Services if they see a particular need of a business that can be met by a MI Works! program. This cross-coordination includes all programs of MI Works!, and the larger umbrella organization of Networks Northwest.

Outside agency coordination and hosting of programs from entities such as the MEDC helps to expand program referrals and provides a more holistic approach to working with client businesses. The Global Trade Alliance, a program of MEDC, hosted within Networks Northwest, performs business support in coordination with the Business Services Team. Referrals to the Global Trade Alliance from Business Services representatives, and partnerships to bring together and support participation in events, is a common practice. This outside agency coordination continues with agencies such as LEO, LARA, MDARD, local EDOs and others, as Networks Northwest and MI Works! agency staff coordinate and support program administration for these agencies while also sharing partner program information with business clients.

Efficiencies for coordination across the Networks Northwest organization extend beyond the referrals of clients and knowledge of various programs. At a base level of operations, the agency hosts regular Department Director meetings. These meetings offer an opportunity to discuss current on-goings of the agency as a whole, and in turn each department as reported by respective leadership. These meetings are structured as a coordinated learning and sharing process, where leadership share successes, challenges and what is new in regard to opportunities for program growth, expansion or processes. This maintains growth of the support network of the organization, and also allows for directors to report to their individual teams the status of partner agency departments. The next question, then, is whether these benefits are perceived by the client small businesses.

IMPACT SURVEY RESULTS

The researchers asked the directors from the Business Services, Apprenticeship and APEX Accelerator programs to send a survey instrument to 15-20 businesses that they had worked with or are currently working with. The survey was administered online through Qualtrics and yielded 26 responses. Some companies like Bear River Electric and B & P Manufacturing, Inc. answered surveys for multiple programs. The survey yielded a total of 29 responses: seven from Business Services clients, 17 from Apprenticeship clients and five from APEX Accelerator clients. The businesses represented a variety of industry types, sizes and locations. Three of the respondent businesses have locations regionally. All but Leelanau, Missaukee, Antrim and Charlevoix Counties were represented. Kalkaska, Wexford and Manistee Counties, which have three of the four highest ALICE populations in the region were the primary locations of respondent businesses. Business types ranged from manufacturing, plastics and electrical to hospitality, policing and services.

When asked what value the Michigan Works! or APEX program brought to their business, 28 out of the 29 businesses stated that the program brought “high value” to their organization. One respondent stated the program brought “some value.” Ten of the businesses noted that they have worked with their respective program for at least five years. Many of these entities coordinate with Networks Northwest on an ongoing basis. While it was more common for the Apprenticeship Program clients to only use the program once, the Business Services clients used the program periodically, and the APEX program was utilized on an ongoing basis most of the time.

The deliverables represented by each respondent varied greatly, even within the same program. For example, the Manistee County Sheriff’s Office and Petoskey Farms Vineyard & Winery were addressing shortages in the local talent pool for positions they needed to staff. They filled these throughout the Apprenticeship Program. Another business, a local bank, utilized the Apprenticeship Program to retain an employee who had outgrown their current position and was going to leave unless

further training, certification and salary improvement were made an option. One quote illustrative of the Apprenticeship Program stated:

“The program helped us fill a hole in editing video. TV news is a visual medium, and without proper editing skills and judgment, we couldn’t exist. Using this program helped us train, retain and create a job for our apprentice” – 9&10 News

Similarly, the APEX Accelerator clients each described the program as essential to their operations. They especially noted the program’s assistance in registering their business federally to gain access to government contracts, as well as the market research and bidding that must occur to acquire this work. One respondent stated that navigating government contracts is very difficult, and that APEX is invaluable in filling this gap. The Business Services clients discussed upskilling their employees and getting their job postings widely circulated to help fill positions. Similar to APEX, one respondent noted that Business Services helps them to be compliant when working with state and federal programs. In summary, respondents for each program described their relationship with Michigan Works! and APEX as one in which the service provided helped them to operate their small business more efficiently as communication with governmental entities was handled by the regional agency.

CONCLUSION

As society's problems become more vexing, the need for new approaches is necessary. Housing, transportation, aging in place, childcare and sprawl mitigation cannot rely on one entity alone to accomplish each task associated with these issues. This paper proposes that non-profits, which are uniquely structured to address specific issues, are better suited to engage with vexing problems when they formally collaborate with other organizations. This can be accomplished by more broadly defining one's mission so that agencies with seemingly dissimilar deliverables can coordinate and solve in a holistic manner. This paper uses Networks Northwest, a formal collaboration between Northwest Michigan Works!, Northwest Michigan APEX Accelerator and the Northwest Michigan Council of Governments as a case study example. By broadening its mission to the idea that "business needs talent, talent needs community and community needs business", the agency has successfully merged departments and staff that range from regional planners to teachers who work with at-risk youth; from business attraction specialists to those who work with previously incarcerated individuals seeking to reenter the workforce. This model is an example of how formal collaboration can lead to wider deliverables, client bases and efficiency.

This model may be expanded statewide, as it likely is already, to address other issues affecting the quality of life in Michigan's communities. For example, housing advocates include land banks, local municipalities, homelessness non-profits, developers, financial institutions and many more. While these entities certainly must collaborate at this point in time to develop housing, the authors propose that these entities should look for opportunities to formally collaborate when legally feasible. Each may benefit from the resource sharing, broadened skillsets, expanded client bases and stronger innovation described throughout this paper. As issues become more complex, formalized collaborations, especially for the non-profit world, have the potential to address and solve these complexities in a way that they could not otherwise do alone.

To better support this claim, more research into formal collaboration should occur. First, a recurring analysis of Networks Northwest's impact should take place every few years to understand how business' understanding of the studied programs does or does not change given fluctuations in factors such as the local economy, unforeseen events and the roles of state and federal programs. Additionally, future studies should analyze impact for specific industries rather than considering all industries in a particular geography, as this study has. Finally, researchers should draw on other agencies other than Networks Northwest to create a cohesive body of literature on formalized partnerships and their studied impacts.

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IMPACT STUDY SURVEY QUESTIONS

Thank you for taking the time to participate in the study. This research is part of the Regional Economic Innovation! Program, a collaboration between Michigan State University and the US Economic Development Administration. The purpose of this study is to better understand Networks Northwest's program impact on business referrals in the Northwest Michigan region. If you have any questions about this study, please contact Zach Vega at vegazach@msu.edu.

Business Name _____

Your role at the surveyed business _____

Approximately how many employees work in your organization _____

During which years have you worked with the [program name] program?

What need were you addressing when you began working with the [program name] program?

Please describe what service the [program name] provided to your business specifically. Provide a brief narrative of what the project looked like from your perspective.

How many times have you worked with the [program name]?

- One
- Other (please specify)

What difference has the [program name] made to your business?

What more could the program have done to help your business needs? What would you change?

How would you rate the overall value that the [program name] has brought to your business?

- High value
- Some value
- Little to no value
- Unsure

Please provide more detail regarding the overall value the program has brought your business.

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