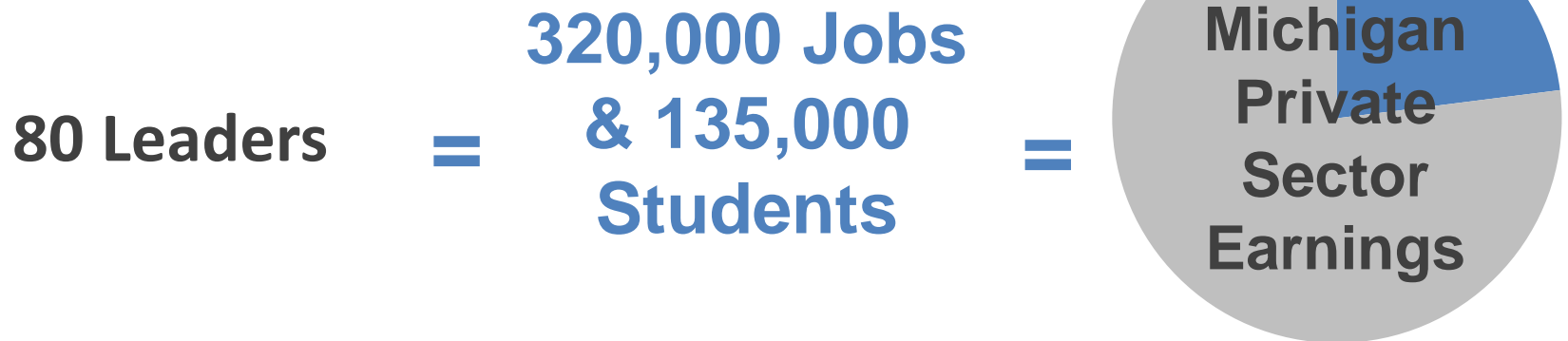




Leading What's Next

Business Leaders for Michigan

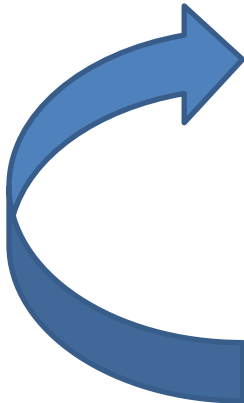


Our Mission

Top Ten for Job & Economic Growth

Top Ten Business Climate Rankers (2006-2010)

Rank	State
1	VIRGINIA
2	TEXAS
3	NORTH CAROLINA
4	UTAH
5	COLORADO
6	GEORGIA
7	IDAHO
8	FLORIDA
9	IOWA
10	NORTH DAKOTA
50	MICHIGAN



Our Plan



BUSINESS LEADERS FOR
MICHIGAN

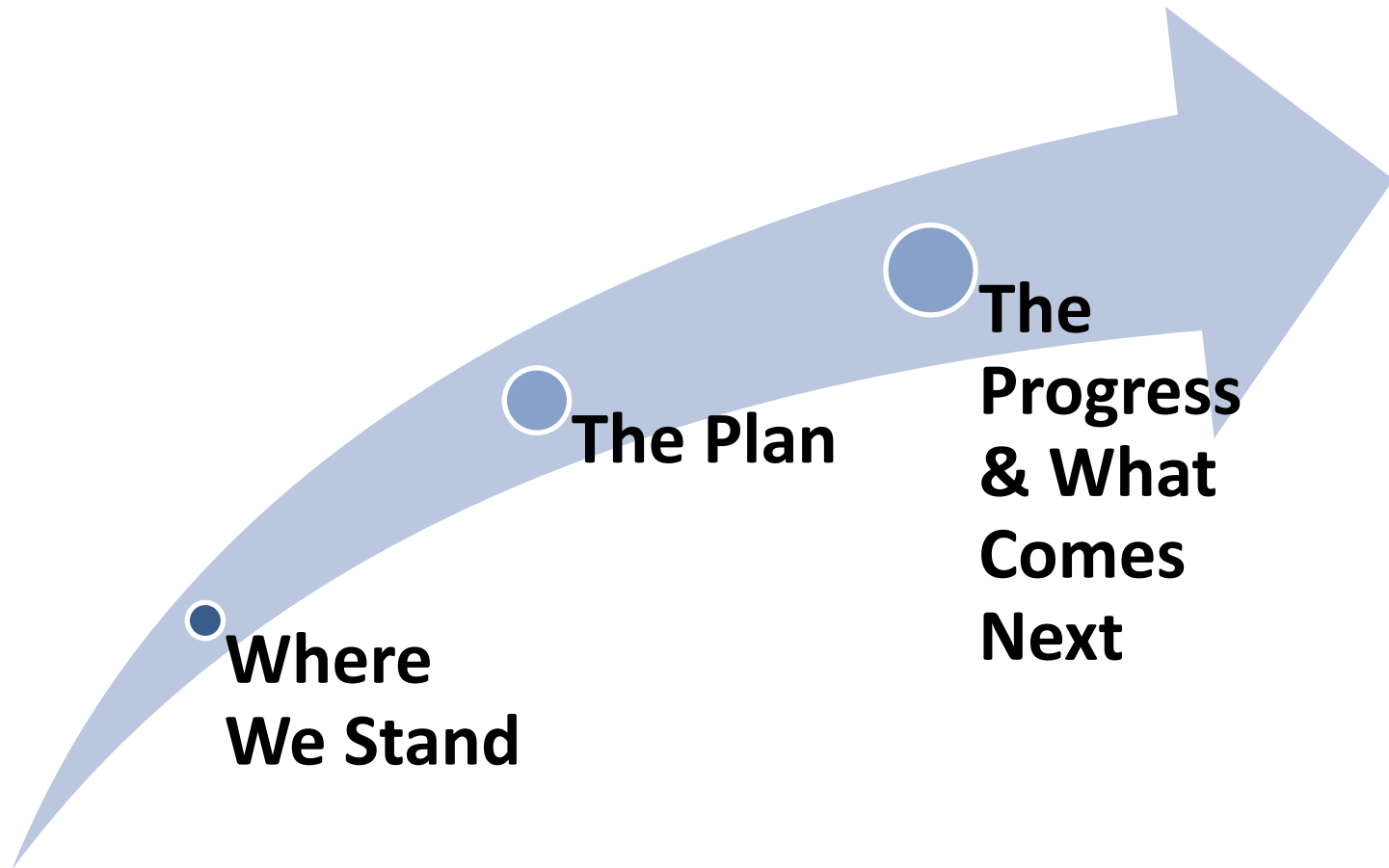
michigan**turnaround**plan

A Plan to Transform Michigan's Economy and Create Jobs
[UPDATED June, 2010]

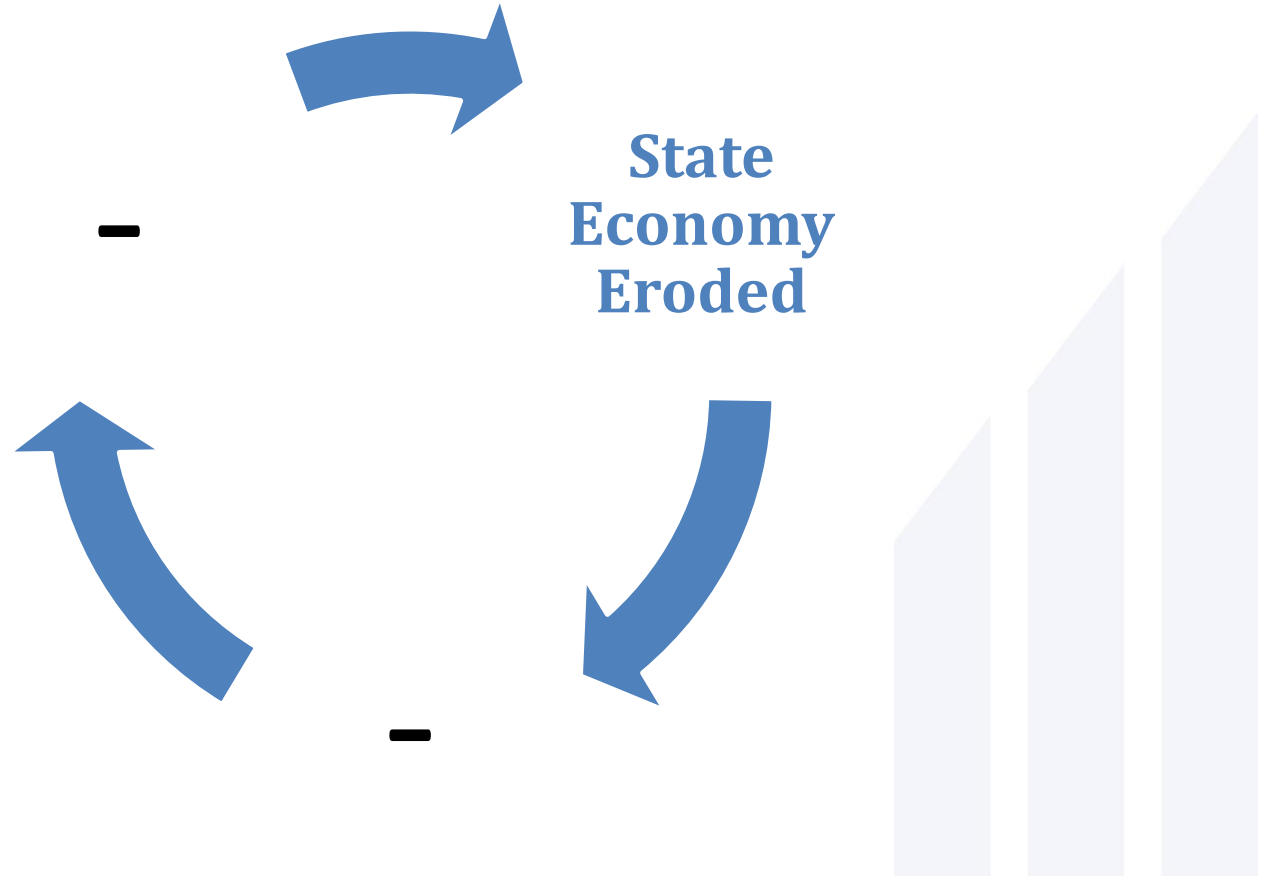
Our Work



Michigan Turnaround Plan

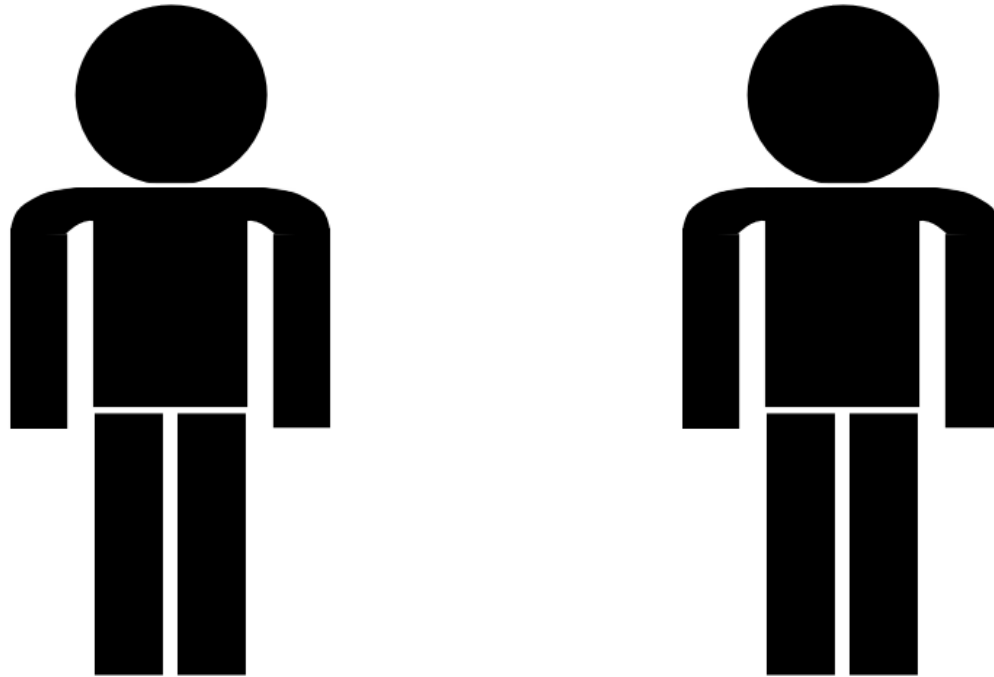


Michigan: How We Got Here



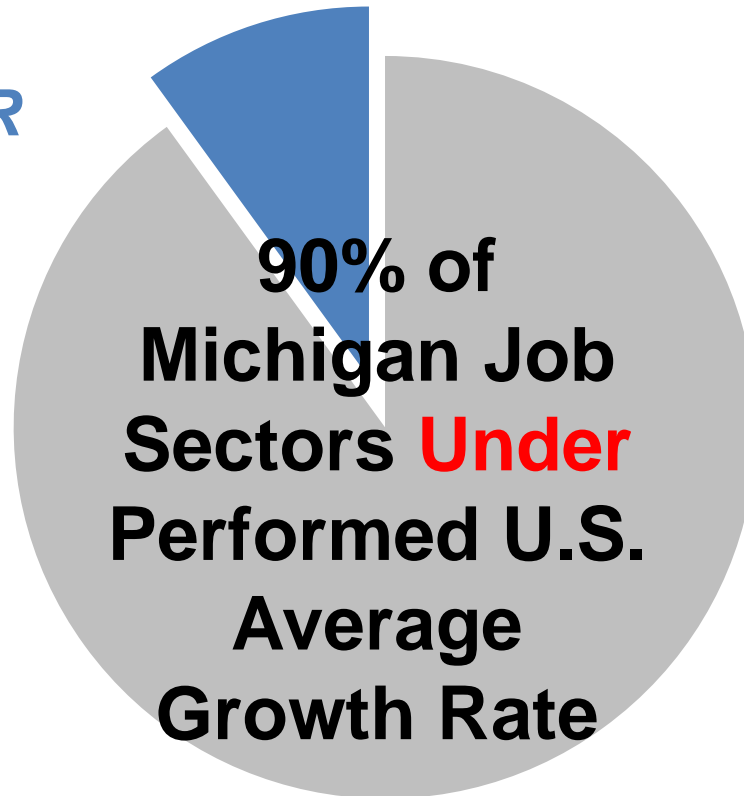
Michigan: Weaker

1 Million Jobs Lost Since 2000



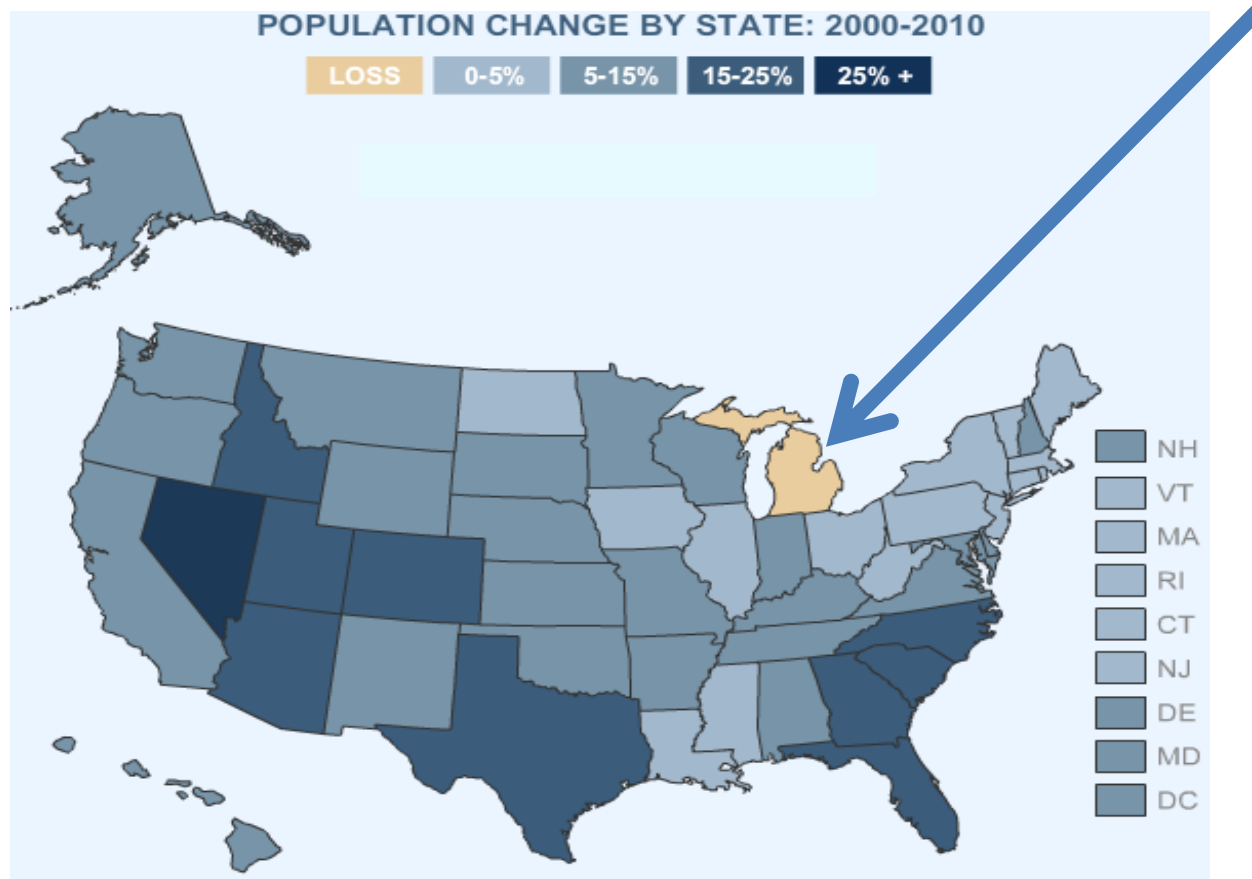
Michigan: Weaker

AUTO SECTOR



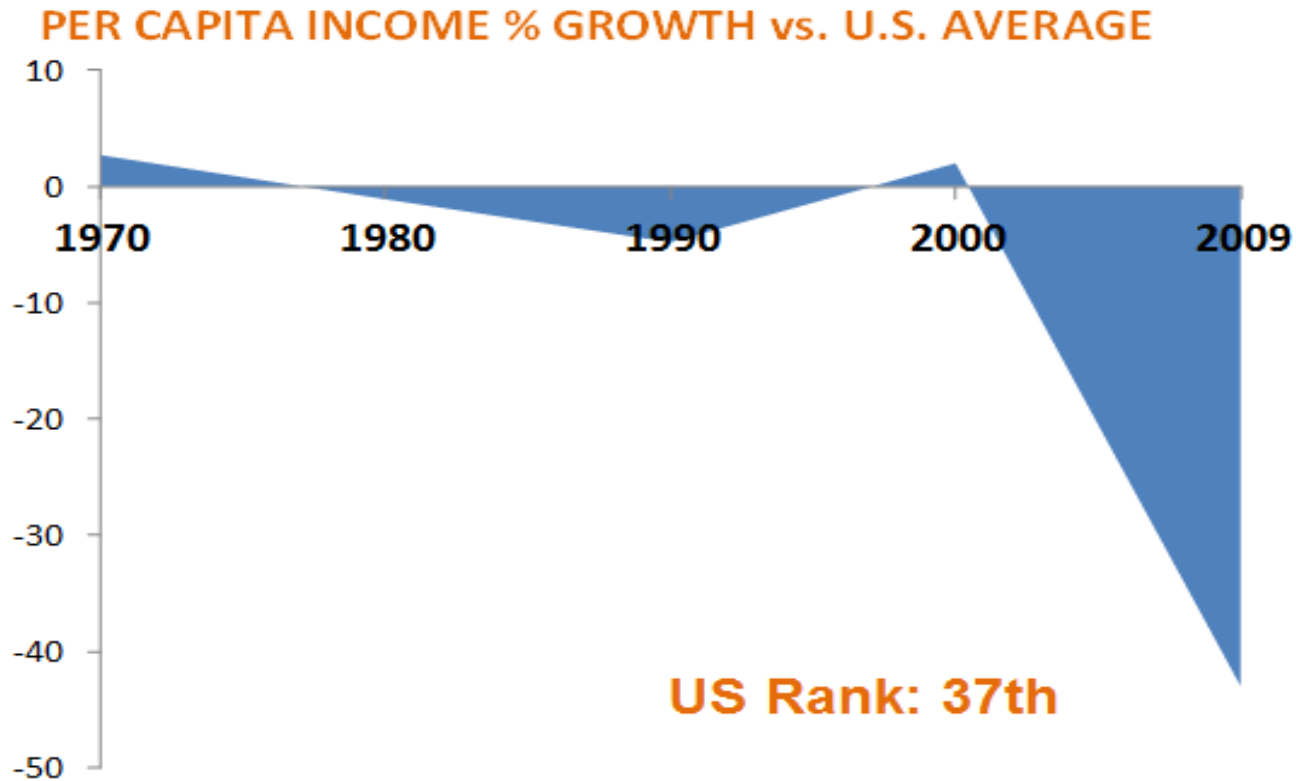
GLOBAL COMPETITION

Michigan: Smaller Only State to Lose Population

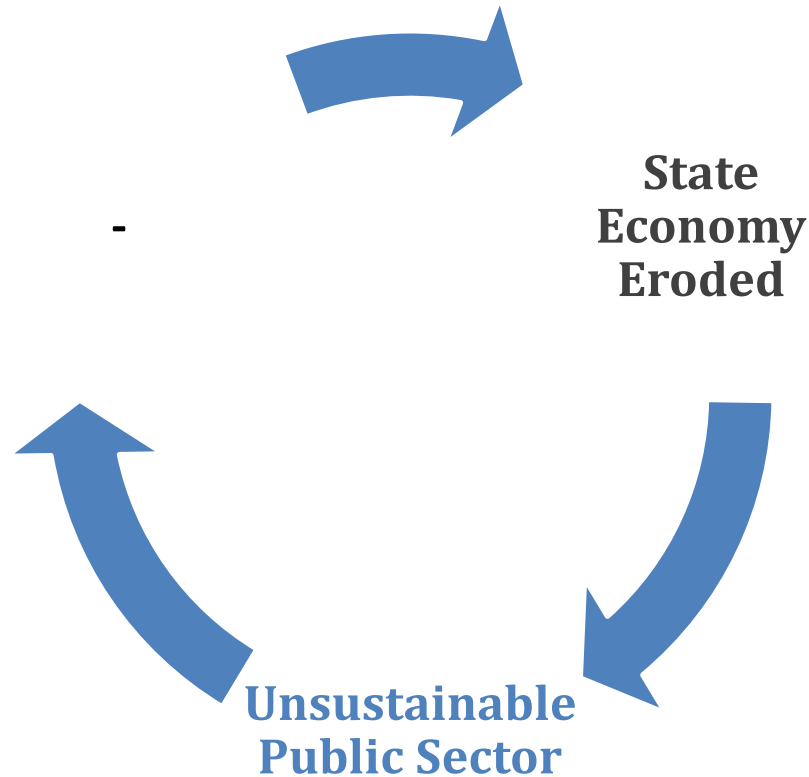


Michigan: Poorer

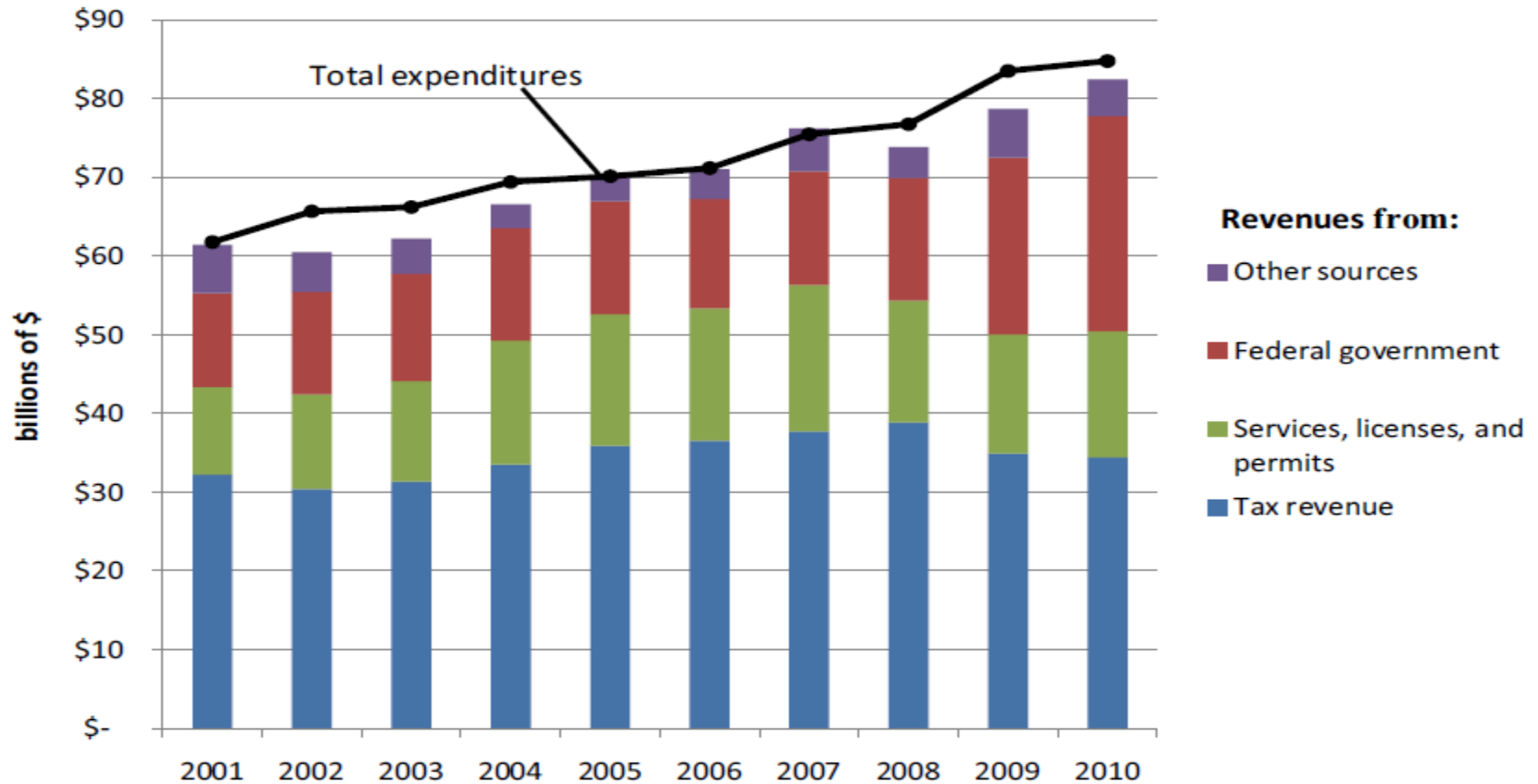
Next to Last in Income Growth Since 2000



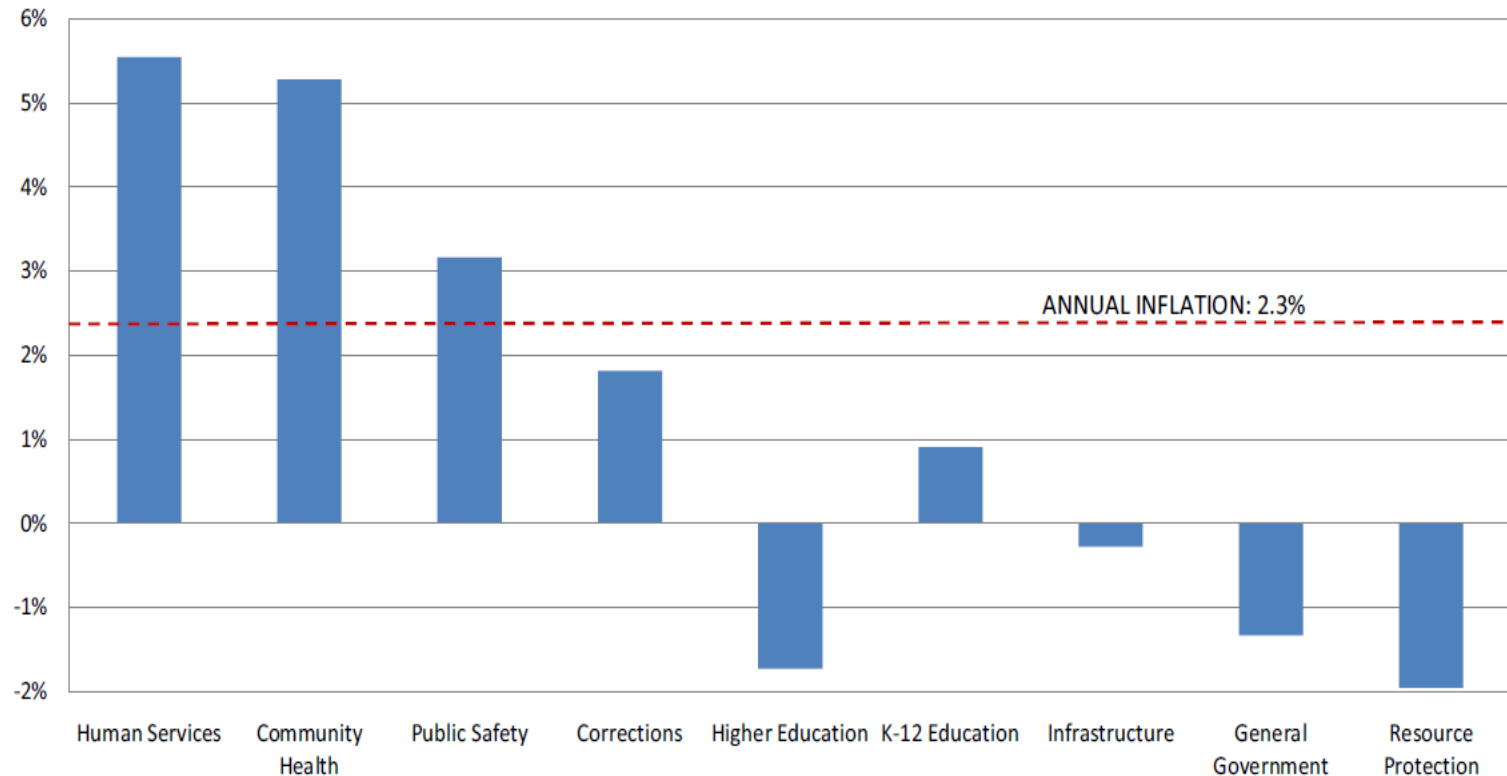
Michigan: How We Got Here



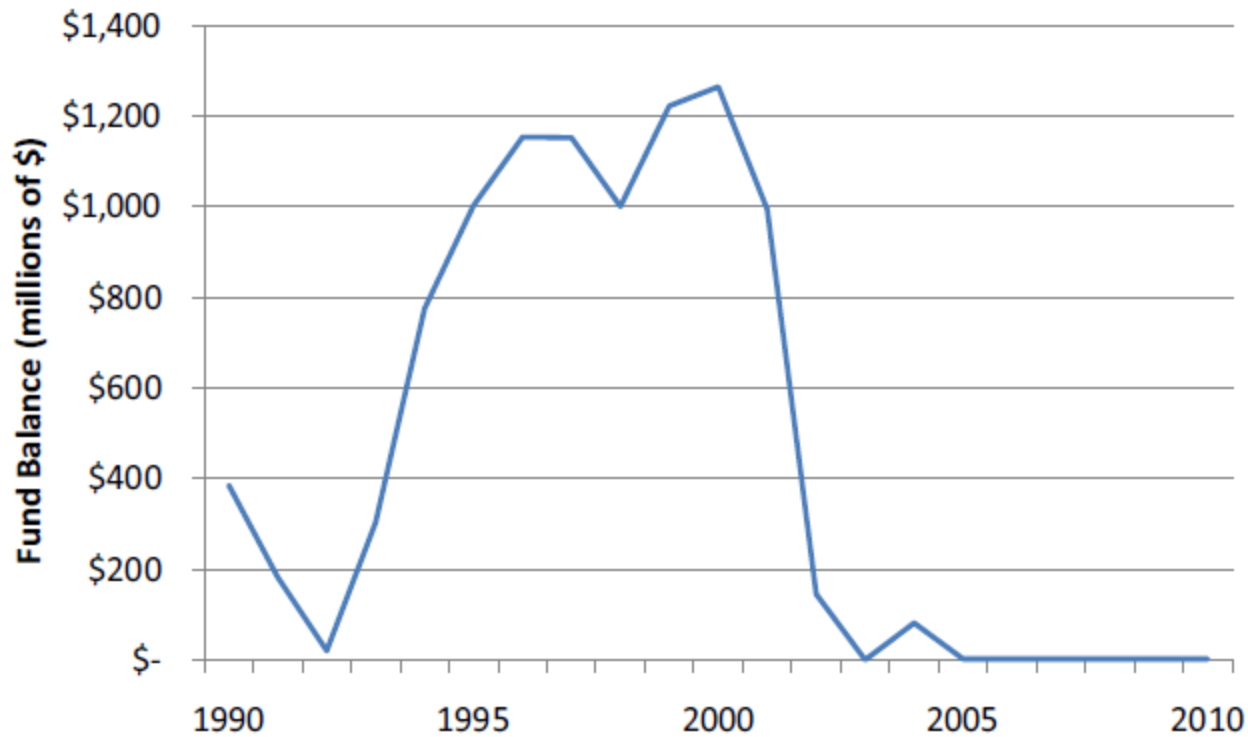
Michigan: Spending > Revenues



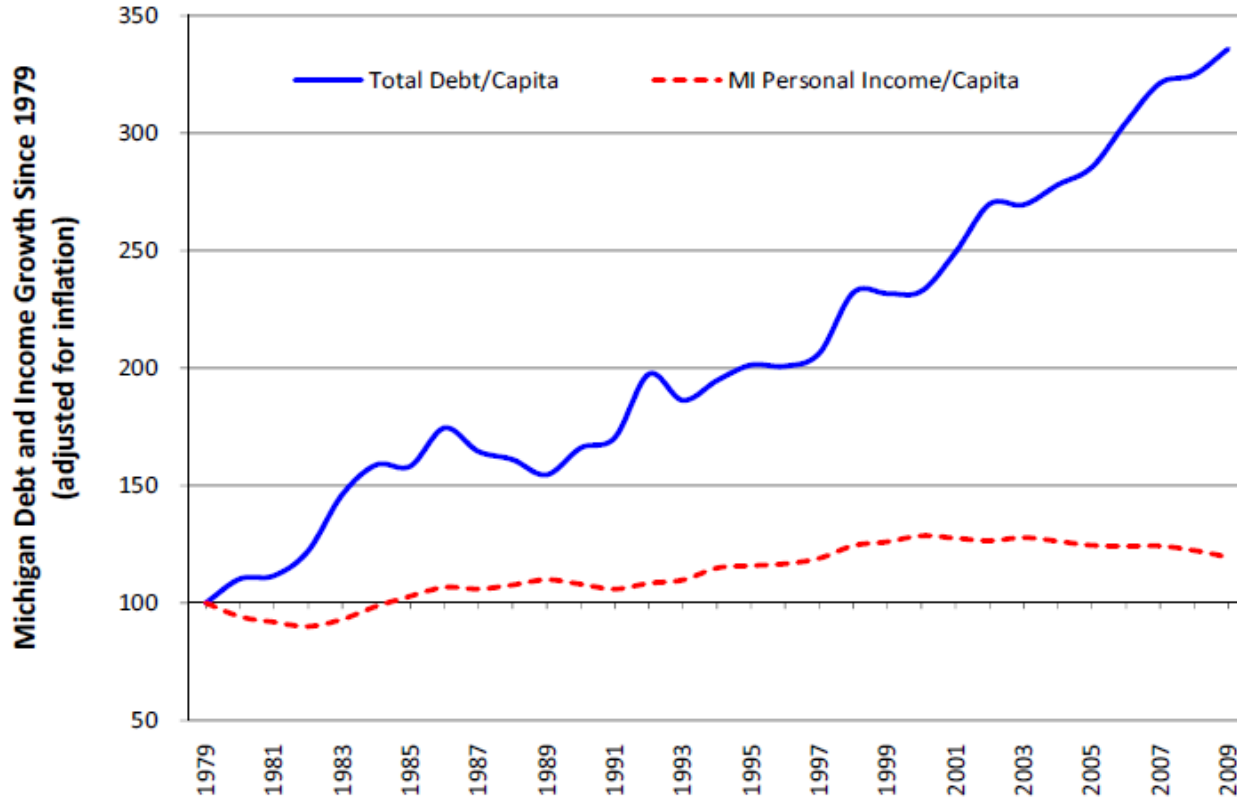
Michigan: Spending Priorities ≠ Growth



Michigan: No Reserves



Michigan: \$70B in Debt

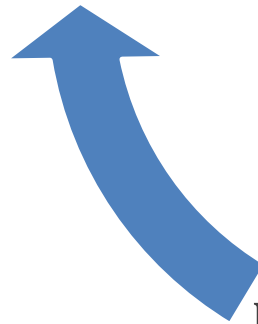


Michigan: How We Got Here

**Uncompetitive
Market Position**

**State
Economy
Eroded**

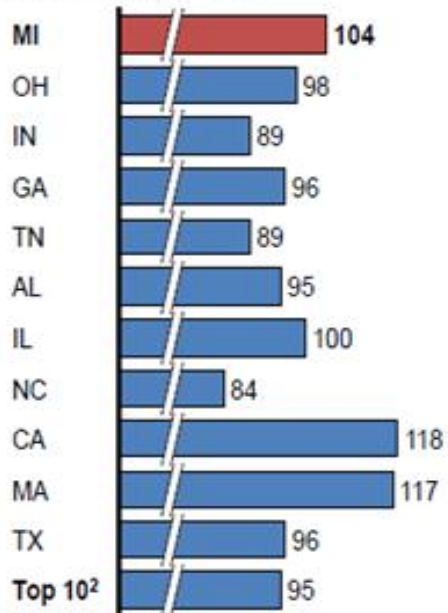
**Unsustainable
Public Sector**



Michigan: Uncompetitive State

Michigan has a cost disadvantage compared with traditional industry states...

Cost of doing business index¹, 2006, US average = 100



... and senior executives and site consultants view Michigan's business climate near bottom of all states

CEO state rankings for jobs and business growth 2009

46. Massachusetts
47. New Jersey
48. Michigan
49. New York
50. California

Site consultant and executive state rankings for "perceived" business climate favorability 2009

46. Massachusetts
47. New Jersey
48. Michigan
49. New York
50. California

"Michigan and California literally need to do a 180 if they are ever to become competitive again ... they are absolute regulatory and tax disasters" – CEO

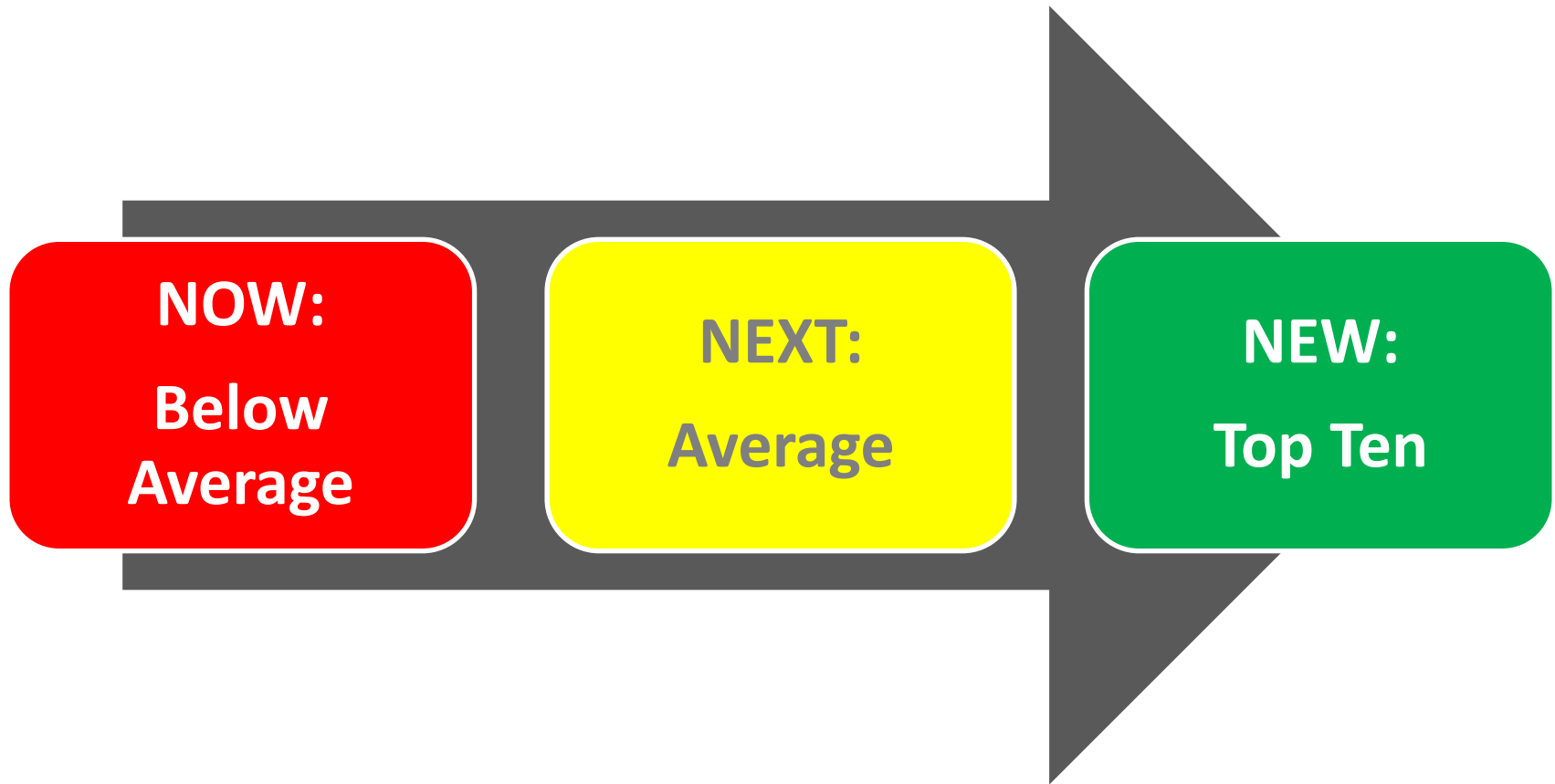
Left Unchanged: Likely to Get Worse



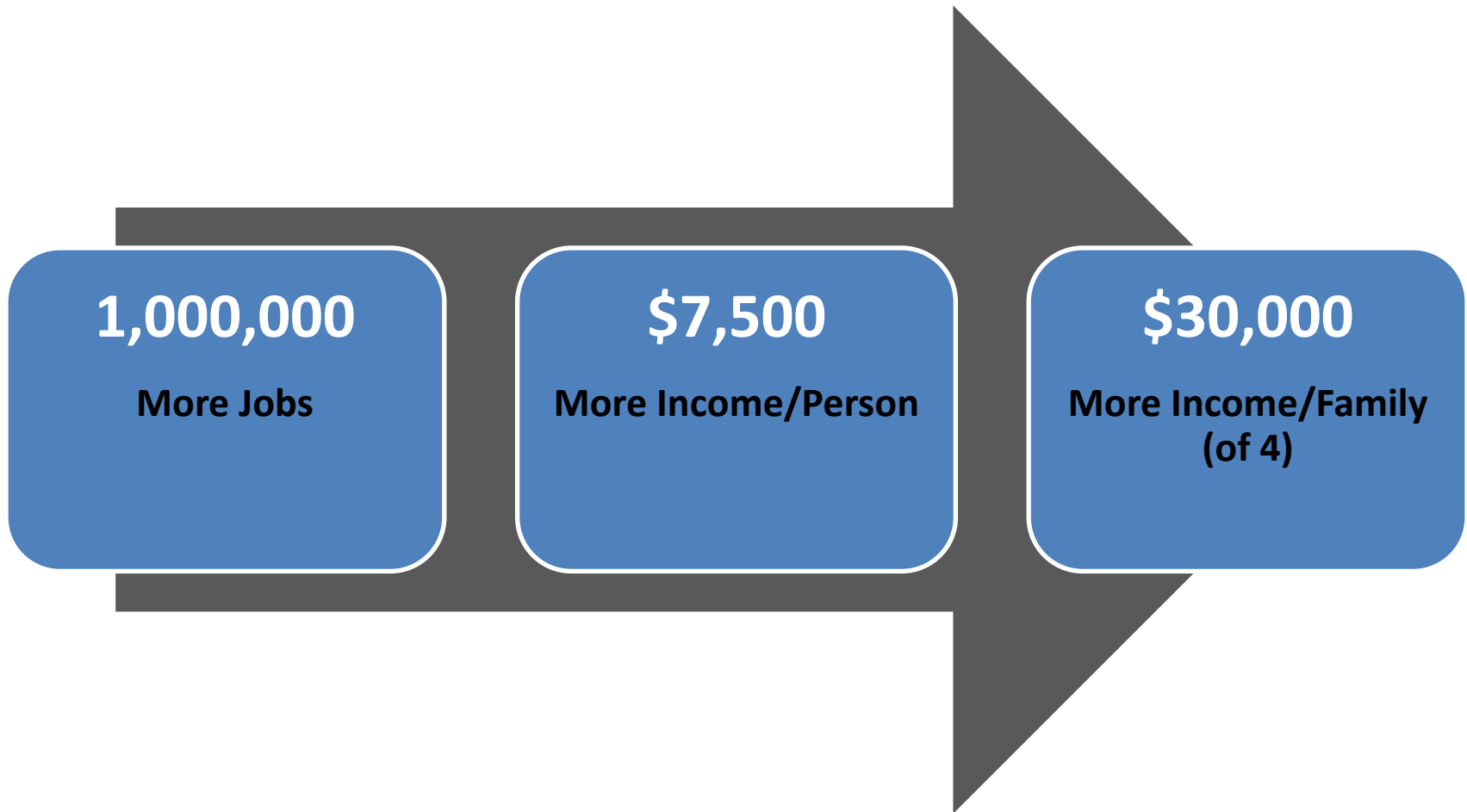
Left Unchanged: Likely to Get Worse



Goal: Top Ten State



Why Being Top Ten Matters



Top Ten Characteristics



The Michigan Turnaround Plan

MANAGE STATE FINANCES

+

RIGHT-SIZE THE BUDGET

+

GET COMPETITIVE

+

INVEST IN THE FUTURE

+

ACCELERATE JOB
GROWTH






TOP TEN
STATE

Step 1 - Manage State Finances




IN PROCESS



-  Multi-year budget
-  Multi-year revenue forecast
-  State annual report

TO DO






-  Independent finance council
-  Zero-based budgeting
-  Strategic plan

Step 2 - Right-size the State Budget




IN PROCESS



-  State employee total compensation
-  School employee benefits
-  Service sharing

TO DO





-  Size of workforce
-  Corrections
-  Schools to defined contribution

Step 3 - Get Competitive




IN PROCESS



-  Move toward Top Ten business tax climate
-  Regulatory reforms

TO DO



-  Personal property tax
-  Fiscal notes
-  Local government business costs

Step 4 - Invest in Future

IN PROCESS





 K-12 Reforms

TO DO



 Higher education

 Infrastructure





  Cities



Step 5 - Accelerate Job Growth

IN PROCESS



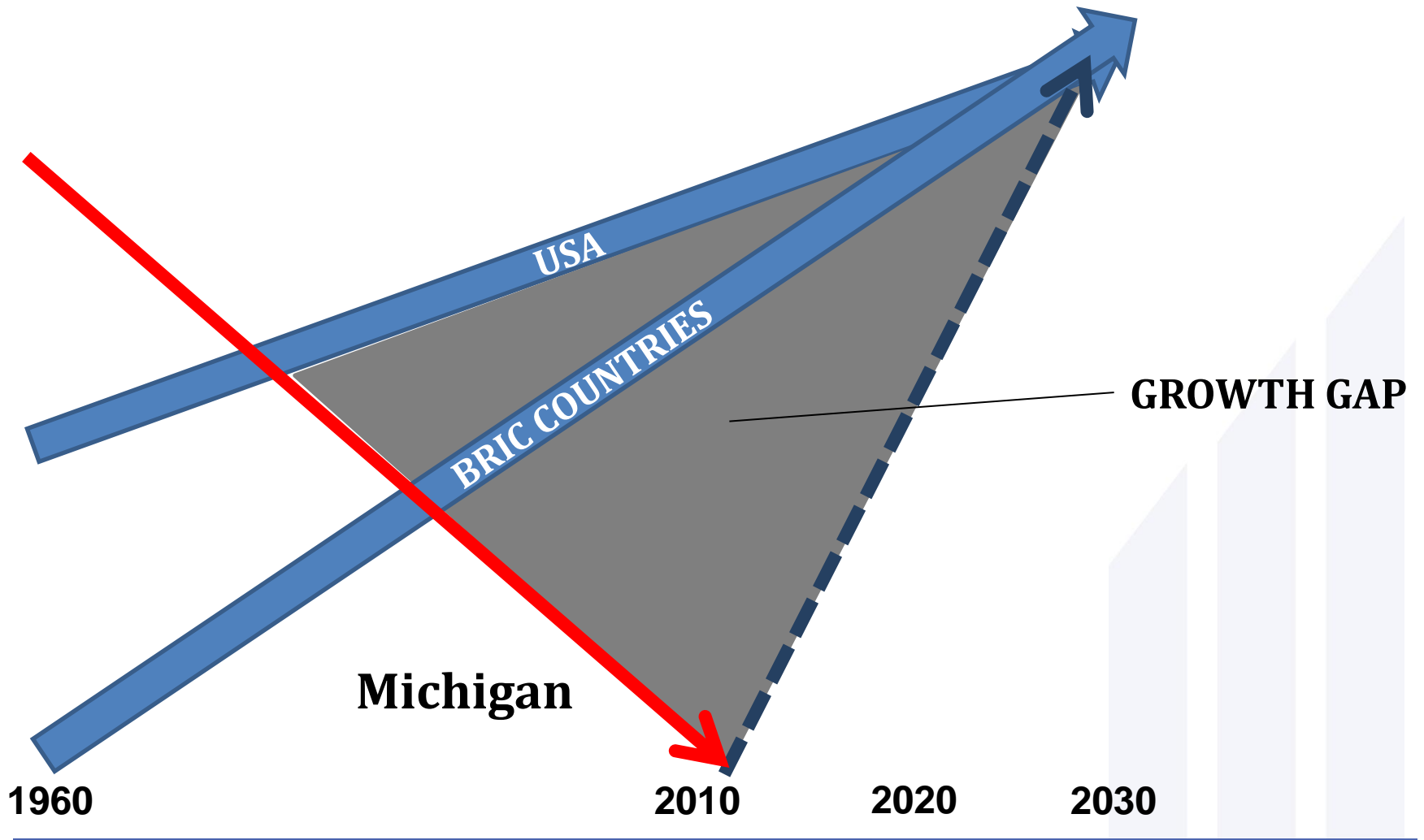
-  De-emphasize target sectors
-  Emphasize entrepreneurship
-   University-business collaboration



The Turnaround Has Begun!

Step 1	Changing the way we manage our finances	
Step 2	Right-sizing & enacting structural budget reforms	
Step 3	Getting Michigan competitive to attract & retain jobs	
Step 4	Making investments that create a great job environment	
Step 5	Accelerating job growth through innovation & entrepreneurship	

A Long Way To Go



Keys to Michigan's Growth

1. Urgency

2. Scale

3. Differentiation



Keys to Long-Term Growth

COUNTIES

4 Year
Term

2 Year
Term

10 - 20 Year Strategy

STATE

2 Year
Term

LOCAL

Keys to Long-Term Growth

**DEMOGRAPHIC
SHIFTS**



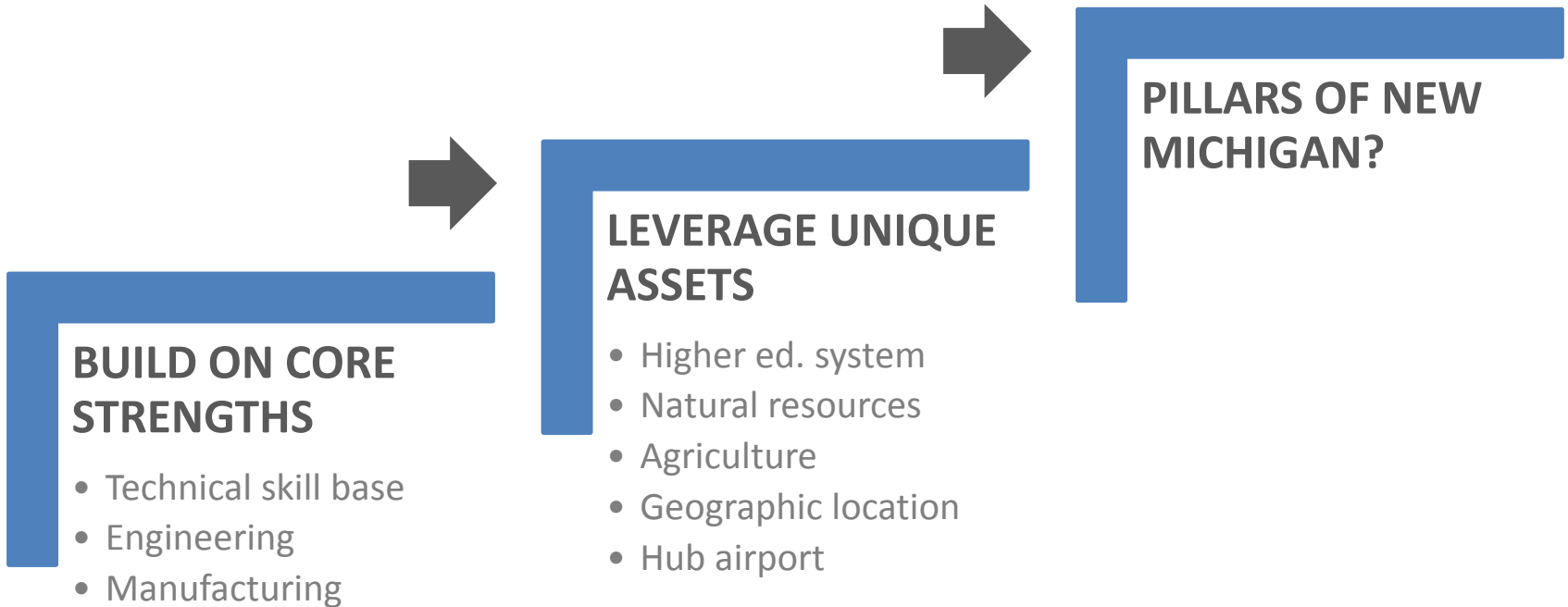
**GOING
GLOBAL**

**SCARCITY
of
RESOURCES**

**INCREASED
PRODUCTIVITY**

**COMPETING
AGAINST
COMPANY-STATES**

Turnaround 2.0



ENABLERS
Vibrant cities – Infrastructure – Higher education

The New Michigan?

GOING
GLOBAL =
**Logistics
Hub**



INCREASED
PRODUCTIVITY =
**Engineering
Cluster**

SCARCE
RESOURCES =
**Water &
Agriculture**

DEMOGRAPHIC
SHIFTS =
**Mid-Career
Destination**

Building the New Michigan



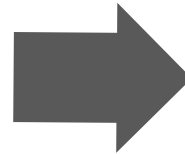
Strategy

- Global trends
- National position
- Michigan competitiveness



Playbook

- Vision
- Pillars
- Mileposts
- Transcend political cycles



The Game Plan



NOW:
Pivot



NEXT: Continually Improve Competitiveness



AND: Build the New Michigan

Building The New Michigan: How You Can Help

1. Go **positive**
2. Think **Michigan** - Act **Regional**
3. Support **leaders** that lead

Business Leaders:

We live here, work here, raise families here





BUSINESS LEADERS FOR
MICHIGAN

www.BusinessLeadersforMichigan.com