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IN THE MIDWEST

KNOWLEDGE ECONOMY

Diversification Is Paying Off

By Gary Anglebrandt

IT WAS A LONELIER TIME FOR A KNOWLEDGE-based economy company in 1996 when Scott Foster began his business helping other companies improve their employees' health.

Foster's Royal Oak-based Wellco develops health and wellness programs for companies and has the proprietary software systems to support them. A hot topic today when prevention and health care cost-cutting have taken on urgency, it was almost unheard of 20 years ago.

However, as Oakland County's knowledge economy has grown, things have gotten less lonely — and better yet, easier when it comes time to hire. It used to be hard to find local talent with both the skills and industry expertise Wellco needs, Foster says. Not now.

"We're not alone in the room anymore. We have colleagues and even mentors, and we can also mentor others," Foster says. "We don't have a problem hiring."

Employment figures in Oakland County's professional and business services category, which captures a snapshot of the loosely defined knowledge economy, show an increase in the number of workers

from 161,000 in the first quarter of 2012 to nearly 174,000 in the same period for 2013. That's well above the 160,000 of the pre-recession first quarter 2008.

Job growth in the category also outpaced statewide figures. Michigan at large showed a 4.9 percent increase from the first quarter of 2012 to the same quarter in 2013, while Oakland County was up 7.9 percent.

The county is seeing the rewards of its Emerging Sectors® program launched 10 years ago to encourage economic diversification, says Deputy County Executive Matthew Gibb. That has pushed job growth for engineering and research activities as well, helping the county add 25,000 knowledge-economy jobs in each of the last two years. Seventy percent of those jobs were in categories where workers earn more than \$60,000 a year.

"Job growth is being pushed by a higher-wage economy," Gibb says.

Wellco employs 16 people, two of them recent hires. Foster expects to add another five by 2015. The company's need for people stems from a surge in demand that began two years ago for wellness programs, he says.

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From left: Christian Fuller of Search Optics' Ferndale office; Deputy Oakland County Executive Matthew Gibb; and Scott Foster, president of Wellco in Royal Oak. Background: Foster addresses a Michigan HR Day audience.

A younger company, Traffic Digital Agency in Royal Oak, has had to hire quickly. Jacob Zuppke founded Traffic in early 2012 with his digital marketing teacher from the University of Michigan-Dearborn, Jeremy Sutton, without relying on outside funding. The Web development and marketing business already has more than 40 clients, including Cottage Inn Pizza and 18004Blinds. It gets half of its new business from referrals.

In late 2013, Traffic was in the process of adding a 14th member to its staff and looking to add several more by year's end. It also keeps contractors busy, cutting a total of 30 paychecks between staff and vendors every week.

Also in fourth-quarter 2013, Danlaw Inc. opened new headquarters in Novi. A multifaceted software and engineering firm, Danlaw made the move because of growth in its telematics, engineering services and engine control business units.

"Our growth and job creation has continued to progress at a rapid pace," President and COO Thomas Rzezniak says.

San Diego-based Search Optics has also seen a continuing need for people in the office it opened in

Ferndale in 2010. The company tracks and measures sales directly resulting from online marketing campaigns that use such tools as Google AdWords. Mainly serving automotive manufacturers and dealers, the Oakland County staff has grown to 65 — 15 were added in 2013 — as more manufacturers send dealers to Search Optics for marketing work.

Search Optics hasn't had a hard time finding the right mix of skills and industry expertise locally — not with the automotive industry in its backyard. Christian Fuller, an executive vice president based in Ferndale, expects to have 100 employees by the end of 2014.

"We needed that frontline understanding of what we did, so that person can convey what we do in a snippet," Fuller says. "We need to have people ready to go and trained on Day One."

Gary Anglebrandt specializes in business news and communications. His work has appeared in *Crain's Detroit Business*, *Automotive News*, *The Detroit News*, *Detroit Free Press*, *MiBiz*, *The Korea Herald* and *Rosebud* magazine.

Photos: From left, courtesy of Search Optics; Oakland County; and courtesy of Wellco. Background, courtesy of Wellco.