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PRESS

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Kauffman Foundation helps minority auto suppliers diversify

May 5, 2010 / Sherri Welch / Crain's Detroit Business

Four months after starting a foundation-driven effort to help them diversify their businesses, 15 local minority automotive suppliers are actively seeking contracts in new industries.

The suppliers are among 35 manufacturers in various stages of working to diversify their business through the Urban Entrepreneur Partnership Detroit 150, a program of the Ewing Marion Kauffman Foundation.

The program aims to help 150 local minority suppliers diversify to other industries in three year's time.

It is operating with a \$3 million grant from the New Economy Initiative and assistance from the Michigan Small Business & Technology Development Center, the Michigan Minority Business Development Council, the Michigan Economic Development Council, county economic groups and regional business accelerator organizations.

Kauffman expects to round out its first-year cohort of 50 companies in the Urban Entrepreneur Partnership Detroit 150 program by July, said Lena Rodriguez, director of development, expansion and government relations for the Kansas City, Mo.-based foundation.

The 15 suppliers that began the program in December were the "hungeriest" and most ready in terms of financial solvency, buy-in from senior management and available manufacturing capacity for diversification, Daryl Williams, director of research and policy at Kauffman and CEO of the UEP, told Crain's in January.

Most of the 35 suppliers in the program currently have revenue in the \$500 million to \$748 million range, Rodriguez said. But there is a supplier or two with revenue as low as \$1 million.

UEP Detroit 150 is tapping business coaches to work with suppliers on a one-to-one, customized basis to help suppliers assess their financial health, manufacturing capacity and opportunities for diversification before helping them retool and bid for work in new industries.