

### Leveraging Social Media Platforms in Business-to-Business Endeavors

Newsflash: social media is all around us, and it isn't going anywhere any time soon. It's proven to be a powerful platform that should not be ignored. Top social media platforms can provide astronomical exposure.

According to Facebook's company info page, there are 1.39 billion monthly active users as of the end of the fourth quarter of 2014, with 1.19 billion mobile monthly active users. Needless to say customers and potential customers can be reached anywhere at any time.

Twitter reports 284 million monthly active users. On average, 6,000 tweets are sent out every second (*Real Time Statistics' "Worldometers" project*). This is interesting because it illustrates Twitter is relentless. It also makes one contemplate the perfect time to send a tweet—do it at the wrong time and your 140 character message may be lost in a sea of other tweets.

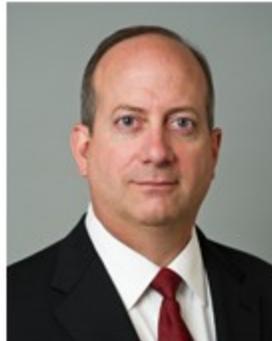
Instagram is an increasingly popular platform for posting photos and videos. With more than 300 million active monthly users, Instagram users have shared more than 30 billion photos and average 60 million photo posts per day, according to Instagram's press page.

With that many users on each platform, it is a sure bet that the right businesses and contacts you need to generate more leads and sales are among them. The trick is getting

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### Supply Chain Experts Provide Insights for 2015

Q&A with Alicia Masse and Greg Coppola of Alderney Advisors



**Gregory G. Coppola,**  
Co-Managing Director



**Alicia B. Masse,**  
Co-Managing Director

**Q: Analysts and industry-watchers are predicting another round of consolidation in the automotive supplier industry as we move further into 2015. How do you see the trend developing and why?**

**A (Alicia):** We definitely agree with that outlook and several studies indicate the same. One recent study says we'll see a 13 percent increase in 2014 over 2013. Another notes that global investment in deals \$50 million and greater rose dramatically in 2014 – many experts expect this trend to continue throughout 2015.

**Q: Not too long ago we had over-capacity and companies in the automotive sector were closing their doors. What's driving this interest in M&A growth now?**

**A (Alicia):** Well, the industry is strong and financing is available.

There are other drivers at work too: the industry cut back significantly in 2008-2009, some might say too deeply. Capacity, R&D, engineering – these were hit hard and as sales growth has been sustained, a degree of confidence has returned. Car sales are strong and consensus is they should remain so for the foreseeable future. Suppliers have confidence they'll see a return by adding to their operations – be it capacity, capability, or expanding geographically to better serve OEM customers.

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#### Inside Scoop:

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# Southeast Michigan is a Great Option to Build a Business or Headquarters

More and more businesses—both large and small—are finding homes in southeast Michigan. While Michigan was hit hard by the recession, business is beginning to pick up again, and companies are taking notice.

Harman International Industries is one. A juggernaut in the fields of audio, visual, information and enterprise solutions. The company broke ground for its new North American automotive headquarters in late November—a 188,000-square-foot building in Novi, Mich.

***"Metro Detroit is the epicenter of the automotive industry. This strength, combined with the exceptional technical talent in southeast Michigan, made Novi a compelling destination for Harman's new North American automotive headquarters," Dinesh Paliwal, chairman, president and CEO of Harman said in the company's official press release.***

Since Detroit put the world on wheels, it isn't surprising that the city and its metropolitan areas are a hotbed for automotive businesses and a desired location for those in the industry. However, southeast Michigan offers benefits for those in all fields.

Besides the obvious Detroit automotive companies, southeast Michigan is home to many well-known national companies, in a variety of industries. Companies such as Carhartt, Art Van Furniture, Illitch Holdings, Inc., Big Boy Restaurants, Quicken Loans and many more all reside in the mitten state.

The question that remains is this: are there more companies that will follow a big name like Harman and set up shop in the metropolitan area, or city of Detroit itself? A second question is, what are the benefits of building a business here—tax breaks, location, a high volume of skilled workers in the area?

Oakland, Macomb and Wayne Counties are among the most populous—and popular counties for businesses in Michigan, making these areas highly desirable for both established businesses and new entrepreneurs.

Wayne County, the most populated of the local counties, offers many incentives. The Economic Development Growth Engine (EDGE) works hard to bring new business to the area.

**Renaissance Zones are designated tax free zones, and a compelling incentive.**

Businesses in these zones are exempt from virtually all state and local taxes within the zone for a certain time period. Federal government taxes, local bond obligations and other special assessments still apply.

**The Renaissance Zones are to be created in areas that need economic development—blighted areas, distressed areas, etc., and are given to businesses whose products support the local or state economy.**

Many projects and startups are constantly in the development stage in Wayne County, not just in Renaissance Zones, but all over the county.

***"At any given time we have 30 to 40 projects we are working on. The good news is there is always something coming up," said Bryce Kelley, director of EDGE.***

Kelley explained why he and many others see Detroit as the area's focus point:

***"We have the City of Detroit with all of its diverse residents. We poll from a population of 5.2 million and have over 60 research and development labs. We have offices of world-renowned universities. We have an economic development team that attracts new businesses and continue to help established businesses grow."***

Other Wayne County tax-incentive programs include SmartZones for technology-based businesses (businesses in Pinnacle Aeropark and Detroit's TechTown), brownfield sites and alternative energy businesses.

Oakland County offers many incentives for businesses looking to move to or grow in the area. Such benefits include: tax incentives, film and digital media incentives, financing programs, job training incentives and assistance to redevelop brownfield sites.

The Oakland County Brownfield Redevelopment Authority, under state law, is a way to access Tax Increment Financing. Tax credits, loans and grants are all available to those businesses that use contaminated, functionally obsolete or blighted properties and rebuild them.

Among the many other incentive programs Oakland County offers is the Alternate Energy Tax Credits incentive program, where

businesses engaged in research, development or manufacturing of alternative energy technology are offered tax credits.

The Federal Historic Tax Credit Program encourages private sector investment in the rehabilitation and re-use of historic buildings, and offers tax breaks for those who do.

Macomb County also offers a variety of incentives and benefits for business owners. Property tax exemptions or "Tax Abatements," which are offered solely at the discretion of the local unit of government, are a commonly used tool to attract businesses here.

The Macomb County Planning and Economic Development (MCPED) is the authorizing source for identifying which property tax exemptions are available and help business owners secure them.

Similar to Oakland and Wayne Counties, Macomb County also offers an incentive for businesses on brownfield sites with its Brownfield Tax Increment Financing program. The Macomb County Brownfield Redevelopment Authority is the centerpiece of Macomb's economic development strategy of steering development away from farmlands and "greenfields" and targeting the re-use of older urban properties.

With the variety of programs, incentives, tax breaks and assistance southeast Michigan economic development programs offer, it is really not a question of "why move to the area" for businesses, but more of a question of "when?" Michigan is working hard to reestablish its economic prowess and attract business.

For more information on economic development and incentives in the aforementioned counties, please visit the following websites

1. Wayne County: [www.waynecounty.com/edge/854.htm](http://www.waynecounty.com/edge/854.htm)
2. Oakland County: [www.advantageoakland.com/Incentives/Pages/Incentives.aspx](http://www.advantageoakland.com/Incentives/Pages/Incentives.aspx)
3. Macomb County: <http://www.macombcountymi.gov/BusinessDevelopment/incentives/>

# Consolidation and Mergers & Acquisitions Q&A (Continued from Page 1)

**Q: Do you see M&A and investment activity confined to specific areas of the industry or affecting the various types of suppliers differently?**

**A (Greg):** Each segment of the automotive supply chain has unique characteristics and so there is variation in needs and approaches to fill them. But the big drivers are the same for everyone and they're simple – business is strong, financing is available, and this is a cyclical industry – so it's probably a good idea to take steps now that can help solidify and grow suppliers' positions.

**Q: Do you see any additional things impacting the supply chain in a fundamental or strategic way that might shape M&A and investment activity going forward?**

**A (Greg):** We counsel clients to factor in several often-overlooked areas when considering growth activities and longer-term ROI, especially in our present-day industry.

Geo-political stability is one, and if you look at what's happening in the world today it's not too difficult to imagine how capital investment in a developing region might be adversely impacted by instability.

A number of similar things come to mind: world-currency shifts, on-shoring, changes in U.S. tax code – these are big things we can't control but need to think about to an appropriate degree.

**Q: Are there any specific due diligence areas you focus on for M&A clients?**

**A (Alicia):** Market viability is another area we like to explore thoroughly, especially for middle market-sized companies. Sometimes we see the temptation to follow customers outweighing due diligence. Questions like whether a middle market supplier with defined growth parameters should expand into a new region, or should it use the funds to expand capability in an existing region, are not asked.

Another area that often does not receive the rigorous due diligence it deserves is the profitability of the existing book of business and the quote process. We

have seen too many instances where buyers assume the volume looks great, plants are full (sometimes too full) and margin profitability is overlooked only to deliver painful news in the future.

**Q: Finally, where is technology leading us?**

**A (Alicia and Greg):** Advanced manufacturing processes are bringing greater efficiencies to manufacturers everywhere and technologies like 3-D printing are potential game-changes. Increasingly integrated automation is affecting everyone from small machine shops to OEMs.

Car makers will see continued pressure to meet stringent fuel economy standards. So – powertrain, and chassis suppliers need to be mindful of how their customers are working to meet them.

Customers accustomed to new consumer electronics and the pace at which they're brought to market demand ever-newer conveniences and features. So, body electronics and interior systems suppliers need to keep up by looking ahead to new technologies and developments, as well as how their customers are responding to them.

We think those suppliers that thrive long-term will be those who make ongoing investment in R&D, engineering and manufacturing processes.

## Three Key Takeaways from Alderney Q&A session:

1. Alderney professionals and other experts in the field expect the Mergers & Acquisitions frenzy to continue throughout 2015.
2. Several factors shape M&A and investment activity that need to be considered. Such factors include geo-political stability, world-currency shifts, changes in tax code and more.
3. Looking ahead to, and being aware of new technologies and developments are important to the future of M&A activity.

## Leveraging Social Media

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is really not a matter of how many users are on each platform, but rather how to engage with them. As business executives and marketers learn how to leverage this information, they will increasingly differentiate themselves from competitors who don't use social media as a communications tool. Here are a few suggestions for business-to-business social media strategies:

1. First, building brand awareness is key. This may sound elementary, but a lot of companies focus on an interaction-based approach. While there is nothing wrong with that, and it certainly should be an area of focus, you need to first ensure that businesses, customers and others understand your brand and what your business or company can offer them. You also need to understand what those you are targeting can offer. This will help build the relationship with those you may approach for sales and partnerships. It is vital that your brand and logo is being seen and understood.

2. "Promoting" posts on Facebook, Twitter or LinkedIn for a small fee is a cost effective way to get your

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**Looking for business tips, facts or just a good read? Check out the Business Bestsellers from the New York Times (listed below)**

### **New York Times Business Best-Sellers: As of January 2015**

**MONEY: MASTER THE GAME**, by Tony Robbins (Simon and Schuster, \$16.80). Finding financial security and creating an income for life in seven steps.

**THE INNOVATORS**, by Walter Issacson (Simon and Schuster, \$21.00). Beginning in the 1840s, this book studies the people who created computers and the internet.

**OUTLIERS**, by Malcolm Gladwell. (Little, Brown, \$27.99.) Why some people succeed—it has to do with luck and opportunities as well as talent—from the author of "Blink" and "The Tipping Point."

**THINKING, FAST AND SLOW**, by Daniel Kahneman (Farrar, Straus, Giroux, \$19.26.). The winner of the Nobel in economic science discusses decision-making in business and personal life.

# Leveraging Social Media (Continued from Page 3)

message across. This is a solid option because sponsored posts show up on the newsfeeds of your targeted audience. Tailor your messages to convert exposure into engagement, and to get new followers of your company or business. This provides good visibility. Social media users are much more likely to purchase your product or service if they have pre-awareness.

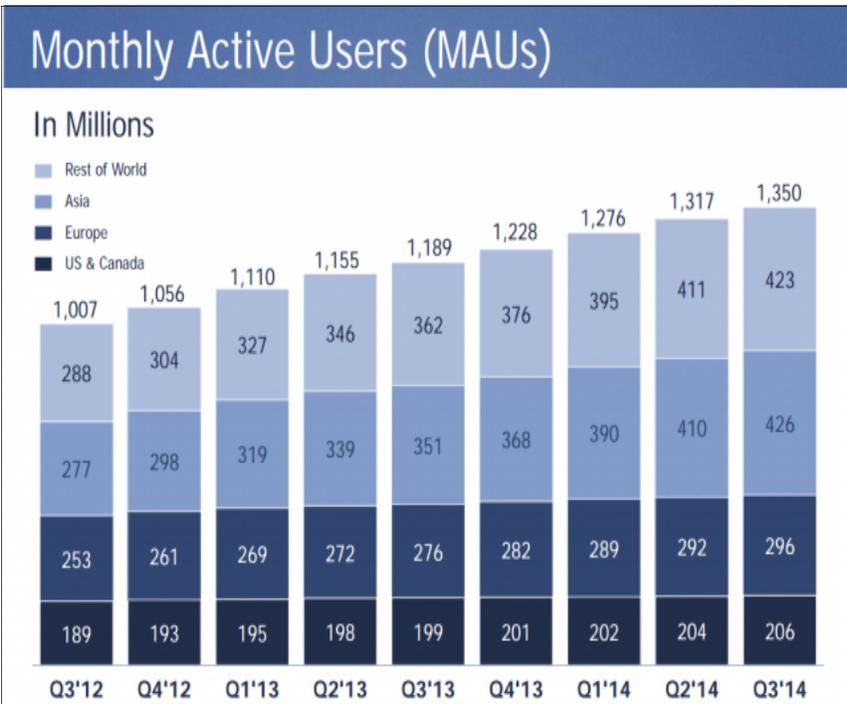
3. Demonstrate to people in the industry that your company or business is an expert in its field. Realizing that social media isn't just for casual use, a lot of people turn to social media feeds for news and trends—especially in the business and marketing realms. Picture yourself as an artist, and social media sites are your various canvases. Post articles, statistics, trends and news from your company and your field. Again, this builds trust and credibility

4. Use your social media audience for feedback, ideas and trials. You have an opportunity at your fingertips to reach a huge market. Not only does social media provide a great way to test campaign ideas and products before you contact a company for sales, it engages your current followers and allows them to feel like they are part of the team. An example of this would be asking your audience to help name a new product. Analytics and metrics provide additional perspective as well. Platforms like Facebook make it easy to see how your posts are doing in terms of reach and engagement with “Facebook Insights.”

It isn't enough anymore to just have a Facebook page and never update it. Your company should be on several platforms. To increase your reach you need to maintain your pages and update each frequently. Having an online presence has always been important, but now it is easier than ever. Most of the essential uses of social media are free, so there is no reason not to take advantage of it. Investing in social media is worth the time and effort.

## Social Media Quick Facts 2015 (Source: Pew Research Center Survey)

1. Incredibly, 56 percent of U.S. adults ages 65 and older use Facebook.
2. Of all online adults surveyed, 71 percent of them use Facebook.
3. In a significant increase, 56 percent of online adults use two or more social media platforms (up from 42 percent in 2013).
4. Pinterest users: 42 percent of women, and only 13 percent of men surveyed used the site.
5. Adults using Twitter increased from 18 percent in 2013 to 23 percent in 2014.



Above: Facebook Monthly Active Users Chart Q3 2012-Q3 2014  
Sources: Mashable.com and Facebook.com



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