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Dexter-based Bearclaw Coffee Co. won a spot in the soon-to-open Doubletree Guest Suites Fort Shelby partly because of Doubletree's commitment to local companies. Debi Scroggins is co-owner of Bearclaw.

Photo credit: Nathan Skid/Crain's Detroit Business

ECONOMY IN TURMOIL

Locals buying locally: Movement grows as economy shrinks

By [Daniel Duggan](#) and [Nancy Kaffer](#)

Shannon Dunaivent was close to a deal to place a new **Starbucks** store in the soon-to-open **Doubletree Guest Suites Fort Shelby** in Detroit.

She liked the idea, but wanted to find a local company to fill the slot.

"I'm looking at the other hotels in my competition set," said Dunaivent, general manager of the Doubletree. "I wanted something local, because that's important to us, but also something that's going to set us apart from the other hotels."

Enter **Bearclaw Coffee Co.**, an up-and-coming Dexter-based coffee franchise co-owned by Debi Scroggins. Dunaivent liked Bearclaw's pitch; the local company won the business and will open in December with the hotel.

Bearclaw's just one of several Michigan companies the hotel's management opted to use. The Doubletree's office furniture is made by Zeeland-based **Herman Miller Inc.**, and the hotel's chef, Bradley Durr, was chosen in part because of his emphasis on locally grown foods and his plans to host special events featuring Michigan foods and wines.

"It's a philosophy that we've endorsed, to use local products and services whenever possible," said Gene Curtis, one of the hotel's three-person ownership group. "It's something we should all feel obligated to do."

Buying local is a concept that goes beyond altruism, advocates say. With the state's economy sluggish at best, experts say spending locally holds significant potential to boost Michigan's economy.

Since Gov. Jennifer Granholm directed the state to give preference to Michigan-based vendors, billions of dollars have stayed in-state, said Lisa Webb Sharpe, director of the state **Office of Management and Budget**.

"If we look back at last year, about 93 percent of our contract dollars were awarded to Michigan-based vendors," she said. "That's about \$4.4 billion. I think with the state in the situation it's in, there's a growing awareness that every person should be using vendors that are primarily in Michigan."

The state's criteria don't require a vendor to be headquartered in Michigan — Webb Sharpe notes that a Michigan-headquartered business can outsource its jobs — but must create jobs in-state.

"We're not talking about cutting down on quality or paying exorbitant prices, we're talking about competitive business," she said.

Buying local isn't a new concept.

A laundry list of companies from big names like **Domino's Pizza Inc.**, **Wal-Mart Stores Inc.** and **Frito-Lay North America** to local businesses like Ferndale's **Woodward Avenue Brewers**, Detroit's **City Knits** and Warren-based **Produce Palace** make a point of using local goods and services.

Michigan Wal-Mart stores purchase pumpkins, onions and potatoes from local growers, said Tara Stewart, a Chicago-based regional director of media relations for Wal-Mart.

"It's good for the planet, good for the local environment and people enjoy supporting local farmers in the store," she said.

Nationally, Wal-Mart expects to source about \$400 million in locally grown produce this year, Stewart said. Michigan-specific numbers weren't available.

Businesses that don't use local vendors may do so as a matter of habit, said retail consultant Kenneth Dalto of Farmington Hills-based **Kenneth J. Dalto and Associates**.

"I see businesses all over town, and when I look at their vendors, half to 65 percent are out of town," he said. "It's a question of conscience, not that people out of town are better. It's habit, because people have never thought about, 'should I buy out of town or not?' as long as it's American."

Dalto is calling for state and local government, chambers of commerce and other business advocates to step up encouragement of the benefits of buying local.

Lisa Diggs founded **buymichigannow.com** and started the site about a year ago in an effort to help connect consumers with products and businesses with businesses.

Businesses listed on the site are searchable by keyword, category, location and an identification tag that explains whether the business is headquartered in the state, an in-state franchise or operates solely in Michigan.

"We found that businesses would do more if they didn't have to go out and do a search process," she said.

Diggs said her team is working on statistics that would quantify the economic impact of increased Michigan business-to-business spending.

"If each of the businesses registered in Michigan spent a hundred dollars more in-state each year, you start to see how the numbers grow pretty quickly," she said.

Being local won't always get the deal done, but can help a company get a foot in the door. That was the case with Bearclaw Coffee.

Dunavent gave her the meeting on the Doubletree deal because her company is local, but getting the deal was hard work.

"This was no gimme," she said. "We saw it as a good opportunity and we threw the book at it. We fought for it."