

Ep3.03 - Diana Paez

Thu, Feb 23, 2023 6:58PM 22:52

SUMMARY KEYWORDS

michigan, work, mexico, business, evs, transition, absolutely, institute, terms, ecosystem, other places, davidson, opportunities, markets, university, mobility, paris, companies, world, emerging markets

SPEAKERS

Announcer, Ed Clemente, Diana Paez

- A** Announcer 00:01
Welcome to The Michigan Opportunity, an economic development podcast featuring candid conversations with business leaders across Michigan. You'll hear firsthand accounts from Michigan business leaders and innovators about how the state is driving job growth and business investment, supporting a thriving entrepreneurial ecosystem, building vibrant communities and helping to attract and retain one of the most diverse and significant workforces in the nation.
- E** Ed Clemente 00:29
Hello, I'm your host today Ed Clemente and welcome to the show. We're privileged to have Diana Paez, she's the Senior Director of Energy and Mobility at the William Davidson Institute. Welcome to the show, Diana.
- D** Diana Paez 00:41
Thank you so much for having me, Ed. I'm really excited to be here and for this conversation.
- E** Ed Clemente 00:46
Yeah. And I mean, I think it's pretty fascinating, as I've done background, you know, research with you. And I think the thing that is probably important the most is, people have heard the name William Davidson, a lot around the Southeast Michigan around the country, actually. But can you explain a little bit more about what your division does your institute over there, please?
- D** Diana Paez 01:11

Absolutely. Yes, we are fortunate enough to have had, I think the vision of Bill Davidson, who in 1992, established this William Davidson Institute embedded with the University of Michigan. And really, his vision was to help transitioning economies in Eastern Europe originally transition to a market economy. And he was very focused on everything related to business knowledge and business principles. And that's how the institute came to be with the mission to really focus on driving economic growth in low and middle income countries through the power of business.

E Ed Clemente 01:52

And we should mention, too, that it's, you'll get into this some more, but it's obviously expanded way further since just Eastern European countries, because I think that was right around the collapse of the Soviet Union. So that's probably was his initial interest. And now you're pretty much globally Right,

D Diana Paez 02:09

Exactly, exactly. That was the intent of the founding of the institute and since then, for the past 30 years, we have worked in over 60 countries around the world, always in these emerging markets, low and middle income countries, helping businesses and stakeholders, really be successful in business, grow their companies, and drive economic development in this market. So indeed, we work across different sectors, including education and health care, finance, and then energy and mobility, which is the team that I work on.

E Ed Clemente 02:45

Sounds like a perfect guest for the podcast. So yeah, because you hit all the marks that, you know, Michigan is trying to look at diversifying itself, but also show the lens of the global impact of Michigan as well as the global impact on Michigan, you know, so it goes both ways, right?

D Diana Paez 03:05

Exactly. And us, you know, here being at the University of Michigan, so we are affiliated with the university, but we are also an independent nonprofit, we are able to access a lot of the resources of the university and have that academic rigor to do research and consulting with different partners around the world. In in the energy and mobility side of things. And you know, the sector that I work in, as I mentioned, we actually look also at everything that is happening in Michigan being the automotive, you know, hub that it is and mobility leader in the country, and look at the rich ecosystem to try and connect that to a lot of the innovation in companies working in these other markets that are looking to Michigan to learn and see what else can be done as we transition into, for example, in this case, electric vehicles and electrification.

E Ed Clemente 04:00

And I think to that, when William Davidson obviously he was a philanthropist. But I think you are clear to mention, too, to make sure we didn't confuse you with, obviously, the foundation,

right? They're totally different separate things. So I know that you're actually to and you also, I noticed in your notes that you're not, you know, none of you are employees for the university. You're just physically housed there. But you have some overlapping opportunities to do either with I would imagine interns or research students, or whatever, is that sort of the things you guys work on with them?

D Diana Paez 04:37

That is the case. Exactly. And I think it's such a again, it's such a unique, I think, format or unique type of institute that we have that we're able to draw from a lot of the University of Michigan expertise here. We work indeed with faculty, we also engage students a lot in some of our work, and that really gives us a view and an opportunity to serve as a little bit of a gateway to this emerging markets in we are, I should say, very tightly affiliated with the with the Ross Business School. So the dean of the business school is on our board, and we work very closely with faculty and staff at the business school

E Ed Clemente 05:21

Who is the chair of the board, by the way for your division, if you know it off the top of your head?

D Diana Paez 05:27

Yeah, it's actually the current dean of their business school. [Okay. Okay.] Yeah. But we also have members. So the Davidson family, Ralph Gerson specifically.

E Ed Clemente 05:37

That's right. So one other thing, too, I do believe that you must also kind of work with private sector too I don't know, if you do any tech transfer opportunities for international companies is that sort of overlapping this?

D Diana Paez 05:50

We are. Yeah, we are absolutely in the energy sector, working to commercialize technologies, in energy specific solutions, both from Michigan and also in other places and looking to exchange knowledge around innovations, business practices, but certainly most of our clients and partners are actually companies. So we look to work with established companies and also with entrepreneurs. We develop, test and look to scale business models, and bringing this perspective of, you know, emerging markets and some of the challenges that are present there, and also the business knowledge and experience that we can engage in here in Michigan.

E Ed Clemente 06:34

Ed Clemente 06:15

And, go ahead, go ahead.

D

Diana Paez 06:35

Yeah. And then I just wanted to say a little bit more about their work specifically in mobilities. Actually, fairly recent, and it is really focused on the transition to electrification into electric vehicles manufacturing, right. And here in Michigan, I am originally from Mexico, I'm sure we'll get into that and there's a lot of discussion and interest in what opportunities this transition to EVs is bringing for other markets, including Mexico, along with everything that is happening here in the US. And so we're really focused on being able to help companies looking to transition to these type of opportunities, and to really tap into them as we go forward. So we work in a, you know, we have a variety of tools to be able to work with these companies and help them take advantage of this opportunity.

E

Ed Clemente 07:28

And early on when we talked you also mentioned you've done some work with Trevor Pawl at the MEDC too, right?

D

Diana Paez 07:35

Absolutely. Well, he's been he's been fantastic, and many other MEDC colleagues as well, and other organizations in the Michigan mobility ecosystem, as we seek to learn about how Michigan is leading the way in terms of adapting to electric mobility, both in terms of production, and also adoption, so many things happening at the policy level, workforce, infrastructure. So in trying to learn about that, and be able to, as I mentioned, and capture some of this knowledge and be able to exchange with others in emerging markets. Trevor, and many others in the ecosystem have been incredibly generous in sharing some of their perspective as well in connecting with some of our contacts in other places. And that's one of the things I love most about Michigan, you know, that opening to really learning and connecting with others.

E

Ed Clemente 08:27

I'll make sure he listens to this podcast. So the other thing, let's talk a little bit, but you mentioned, you're from Mexico originally. But why don't you at least give a shout out to exactly where you were from? Because I think it's always nice to know Mexico is a huge country.

D

Diana Paez 08:43

yes, it is. I'm from Monterrey in the Northeast, the south of Texas. Yes.

E

Ed Clemente 08:48

And then, I think what's even more interesting is you then went right to the University of Paris, or somewhere in Paris, right? Somewhere in France?

D Diana Paez 08:56

Yes, yes, I did my graduate studies in la Sorbonne in Paris. And so I actually studied International Public Law. That's what I did when I was there. And then future studies. So I did my master's degrees there.

E Ed Clemente 09:12

And then I can't remember the sequencing, but you worked for the IMF too right, the International Monetary Fund or [Actually the bank. Yes.] What do you do for them? That sounds pretty interesting, too.

D Diana Paez 09:25

Yeah, I was working actually at the World Bank Institute, which is the capacity building arm of the World Bank, if you will, doing a lot of projects and programs with actually a lot with government back then, on topics related to public sector reform and economic development. So that was fascinating to be able to do that and of course, working in many different countries during that time when I was in D.C., so from Paris, essentially, I went to D.C. and I was there for over 10 years, working at the World Bank and then different non profits.

E Ed Clemente 10:02

You also, I presume, picked up French? Because it just the three languages or do you have more?

D Diana Paez 10:11

Yeah, the three languages. And it's actually very helpful for this line of work. Of course, as I'm sure you know, being able to work with partners, you know, it was Africa and other places really all around the world. And of course, in Latin America.

A Announcer 10:26

You're listening to The Michigan Opportunity, featuring candid conversations with Michigan business leaders on what makes Michigan a leading state to live, work and play. Listen to more episodes at michiganbusiness.org/podcast.

E Ed Clemente 10:42

So let's drill down to one let's just focus maybe anecdotally on what you're doing with Mexico right now.

D Diana Paez 10:48

Absolutely, yes. And of course, always happy to talk about my home country, even though I've been in the US for a long time now. So our recent project, actually with Mexico is with the state of Chihuahua. And that is a state in the north, on the northern border of the United States. And it is focused on really helping the state prepare for the transition to manufacturing electric vehicles. And this the entire supply chain for electric vehicles. So of course, this is a very hot topic, as you know, and something that is very, very important, and generally for Mexico at a national level, because it's so dependent on the automotive industry. And there is so much automotive manufacturing, both in terms of auto parts, and also plants across the country. So in Chihuahua, we are helping the state government there develop a roadmap to look at those opportunities that the transition to EVs is bringing, what are the main business opportunities? What are the areas along the supply chain where they could really compete? And how can they prepare the businesses and also, you know, make entrepreneurs, nascent entrepreneurs really aware of these opportunities? So we're looking at everything from mining and raw materials to different ways of designing vehicles, auto parts that will be needed versus not. What is the potential impact on economic development and growth for the state based on these changes? In also, what are the main aspects of the ecosystem locally in Chihuahua that the government can help support to be able to enable this transition, whether that is from a policy perspective, or workforce perspective, or infrastructure? So these are some of the things that we're really delving into. And we found that there is, of course, a lot of interest, both in terms of other states in Mexico, but also in other emerging markets that are looking at the same thing: How can they compete in this new reality in terms of producing EVs, and also, of course, in terms of supporting adoption of EVs down the road?

E Ed Clemente 13:05

And I know this, I don't know if they have community colleges in Mexico, but is it the same, I don't know if it's the same system. So I would imagine a lot of that sort of vocational training is a big issue there, too, right?

D Diana Paez 13:18

Absolutely. And we do have a figure similar to that called, essentially technical schools, you know, but very, very similar. And that is actually one of the areas that we're looking at as we look at workforce training, as in Michigan, and many other places. Same thing. So what are those skills that are needed? What are those opportunities? And how can we get that talent pipeline, right, ready faster. And this is something that a lot of other markets are looking at, as well, in our work here at the William Davidson Institute, we look at, you know, what's happening in other markets. So we actually did also a study looking at Brazil, South Africa, India, for example, and also China in terms of what they're doing. With regards to the EV transition.

E

Ed Clemente 14:08

And I would like best practices, right. So would, what other countries have you actually worked in besides just Mexico? I'm sure you've been in other places? [Oh, yeah.]

D

Diana Paez 14:19

No, we have we do a lot of work in different countries. You know, as I mentioned, West Africa, Senegal is one where we've done some case studies related to the energy sector, but for mobility specifically, right now we're focused on Mexico and looking at a few other places in Africa. And India, as well to be able to compare, do some of that comparative analysis that really can give us more insights about what is it that companies are doing, what is it that the government is doing to be able to support, and also academia, right, in terms of that preparation of the future pipeline. So it's a fascinating topic, I think, because it encompasses so many different aspects in players of a given ecosystem or context.

E

Ed Clemente 15:05

Just a side question. But do they really see, you know, Detroit and Michigan, and I know we do, but do other places still see Michigan as the hub for a lot of these things.

D

Diana Paez 15:20

Oh, absolutely. And that was actually the the origin story, if you will, of our project with Mexico was that there are many, many ties for automotive, you know, across North America, really, the supply chain is tremendously integrated. And so the origin story a little bit was them reaching out to say, we want to learn what's happening in Michigan and in Detroit, as we move to this huge transition. And so that was part of, you know, the curiosity and the interest because they recognize the importance and the standing of Michigan as this hub, and also, I think everybody's looking at all of the actions that are being taken to really maintain that leadership.

E

Ed Clemente 16:04

Well, we're gonna get a few more questions in for you. But this one, if there's any other, I know, you've mentioned quite a few stakeholders and partners. But if you have any other ones you'd like to plug, it's a good time to do it. And also, what you might think in some future trends for your industry, too, is you obviously are constantly evolving, I'm guessing.

D

Diana Paez 16:25

Absolutely. Here, you know, in terms of our partners, we work really across the University of Michigan, different colleges, College of Engineering, learning a lot about, you know, all of the recent developments pertaining to EVs and training and faculty doing both research and more application of these type of findings. So certainly, that is a big part of, you know, the work that we do, and we draw a lot on that. But in terms of the Michigan ecosystem, as I mentioned, not

only MEDC, Ann Arbor SPARK, you know, many other organizations as well, the university research corridor and some others, but also companies, we've been engaging with companies, whether that is Ford, GM, Lordstown motors, many others that are able to share some of the insights and really share some of what they're experiencing firsthand. What are the decisions that they're making? And how are they going about that? When you start thinking about, you know, again, the transition to EVs and those opportunities, so I think a lot of that is what makes this ecosystem so rich in something that we seek to tap into. And again, kind of bring it back and exchange with what's happening in this other emerging markets. So I'll say that in that regard.

E Ed Clemente 17:45

Yeah. And I would imagine, especially when you're doing the sort of comparative global anatomy of the world, you can actually see opportunities to leapfrog over some technologies that you don't really, that are already getting sort of redundant, or, you know, technology-wise, older. Right?

D Diana Paez 18:01

Exactly. And that's something that we really look into for these other markets, what are the types of innovations whether that is in other segments, different technologies. What is working that can be, as you mentioned, you know, they could there can be some really significant impact there. And why not shed a light on that as well. So that's really the core of our work right now.

E Ed Clemente 18:24

And so the last couple of questions for you. One is, even though you've probably had a very great career, I'm really envious of what you've done. But [Thank you.] that's all right. But like, what advice maybe would you have given a high school class or yourself even at 17?

D Diana Paez 18:43

Yeah, I think this is obviously based on what I've lived and my experience, but I think it would be certainly try to cultivate a global mindset. Especially now we can learn about other cultures, other places, other markets so easily through, of course, reading, movies, podcasts, if not traveling, right, traveling is ideal, or spending time in other places. Truly so. But I recognize that it can, of course, you know, it takes resources and time, etc. But one can cultivate a global mindset in many different ways. And I think that's really important, especially in a globalized world, right, where we have diverse teams and lots of different perspectives. So I think that's very useful and also great for personal development as well.

E Ed Clemente 19:33

You know, that's one of the things you said to me so, politely, is that was one of the reasons you liked the podcast because you thought it had a bit of a global tinge to it. Right?

you liked the podcast because you thought it had a bit of a global tinge to it. Right?

D Diana Paez 19:42

Absolutely. Because I really admire all of the traveling that you've done and also hearing from some of the other guests as well in previous episodes when they talk about their experiences internationally, and how that also helps so much develop a broader perspective. So I think they the greater ability to be able to, you know, prioritize a wide range of experiences, whether that is volunteering at a local community that is, you know, different or has specific needs or benefits, and especially here in Michigan, I think there's, you know, there is an opportunity to do that, as well. And I love that. I love that we can get to Dearborn and have a little bit of a taste of the Middle East and go to Mexican town and have really good tacos, you know, etc. So I think that makes for a very rich place in a very rich, yeah, in this case, community.

E Ed Clemente 20:35

Both of those that are within 10 minutes of my house, so I'm there all the time. So obviously, you've lived around the world. I know Michigan, you haven't, well you've been here how many years now?

D Diana Paez 20:50

Eight years now.

E Ed Clemente 20:51

Oh, eight. Okay, so what do you like best? I always like to hear from people that move from other places here. What do you like best about living in Michigan?

D Diana Paez 20:57

Yes, many things. I love nature here. And I've grown really, really attached to spending more time in nature, and taking advantage of the beautiful scenery and greenery here in Michigan and the lakes as well. And the quality of life and the pace of life, you know, is different and it's very, I don't know, I just I just find it very suitable to, you know, this time in my life and to raising a family. And it's also very well connected to everywhere, so I don't feel isolated. And yet it is a slower pace of life from, you know, say D.C. or Paris where I live before. And even Monterey, my hometown. Certainly, this is smaller, so it's a little slower, and I really, really enjoy that. And truly, the people, it's a great community. I have absolutely no complaints and I feel very lucky to be here.

E Ed Clemente 21:59

Well, Diana, you've been a great guest, and I really appreciate all the nice things you said about the MFDC as well as about the podcast. But thanks again for doing the show today.

about the MEBC as well as about the podcast. But thanks again for doing the show today.

D Diana Paez 22:10

Thank you so much for having me. This was fun. Thanks.

E Ed Clemente 22:13

And again, our guest was Diana Paez. She's the Senior Director of Energy and Mobility at the William Davidson Institute. Thanks again, Diana. [Thank you.] Join us next week. We're very fortunate to have Dr. Alec Gallimore. He is the Dean of Engineering at the University of Michigan as well as a member of the National Academy of Engineering.

A Announcer 22:35

The Michigan Opportunity is brought to you by the Michigan Economic Development Corporation. Join us and make your mark where it matters. Visit michiganbusiness.org/radio to put your plans in motion.