

Ep.3.12 -Brian Calley

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SPEAKERS

Announcer, Ed Clemente, Brian Calley

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 Ed Clemente, your host, and today we're fortunate to have former Lieutenant Governor Brian Calley, President CEO, for the SBAM, Small Business Association in Michigan, and a friend of mine when we serve together in the legislature. Welcome to the show, Brian.

B Brian Calley 00:45

Hey, Ed, great to be with you. Thanks for the invitation.

E Ed Clemente 00:48

Well, I mean, you've done great things your whole career, and it's nice to have seen how you've done a lot of advancements. But SBAM is really fascinating to me, because I think you might remember, I used to be the president of a chamber of commerce, too. So we used to work with SBAM quite a bit when I was at my chamber, too.

B Brian Calley 01:08

Yeah, it's a great organization, the Small Business Association of Michigan, not to be confused with the Small Business Administration of the United States federal government.

E Ed Clemente 01:16

Right, it sounds like you've had some confusion there.

B Brian Calley 01:19

Yeah, yeah, we get some calls for them sometimes. But it's a private sector association. But it's pretty unique, it's just for small business. You can't join unless you're small. It's really meant to zero in on the interests and services and advocacy for second-stage businesses. And really, if you look at the ecosystem of our economy across Michigan, the economic infrastructure, in most communities, is largely built on small businesses, entrepreneurs, and they make all kinds of exciting things happen, responsible for about half of the jobs in our state and a lot of innovation and just creating opportunity across the board. So it's a wonderful organization, serves about 31,000 members, and they're in every industry you can think of, probably a lot of industries you never thought of, and also spread across literally all 83 counties in Michigan.

E Ed Clemente 02:26

Yeah, I would imagine, too, that 30,000 members, I would imagine you must be hoppin' all the time. Everywhere you go, you probably run into one of your members, it seems like.

B Brian Calley 02:38

All over the state. It's important for us to be on the ground while we're an unusually large small business association, the largest state-based small business association in America by a lot. [Oh, wow.] It's still important for us to be present and on the ground with people. And so we do find ourselves on the road quite a bit myself and the team. And spending time with our members, whether we're talking about energy efficiency, or different changes in government policy, it might be compliance, education, could be best practices, peer-to-peer learning, love the peer learning stuff, where you put business owners together and just magic happens. So there's a lot of different things that we do in the association in addition to the suite of insurance benefits and trying to create a pathway where a small business can offer a benefit package to their employees, that feels every bit as professional and robust as a big business would offer. When you think about the talent war out there, and the challenges that people have in finding the right talent and what the demographic challenges that we face here in Michigan, it's a really important component to what we do so never a dull moment, across the board. There's so many different doors to our organization, so many different ways that people get involved and reasons why they join. But at the end of the day, it's all about small business.

E Ed Clemente 04:12

Yeah, and we're gonna break that down a little bit further. But, just because I know you

personally from our legislative days, but originally you were in banking. Are you from Ionia? I forgot what city you're from.

B

Brian Calley 04:26

Yeah, from Ionia County. I live in a little town called Portland. And I spent about 10 years in the banking industry before I got involved in politics.

E

Ed Clemente 04:34

Well, in fact, obviously, that was very critical when we were in the legislature because I remember how good you were on sort of bipartisan issues, because we were in that committee when the real crisis was hitting back in 2008 and 2009. And it was a real challenge. And I know our friend Andy Coulouris was the chair of that committee, but it was really a nonpartisan challenge back in those days.

B

Brian Calley 04:59

Yeah. It was a real crisis-type situation, the Great Recession, in the way that just hit Michigan really hard. And it required a set-aside of some of the partisan rancor that exists so much in our system to deal with the types of challenges that our citizens and businesses of all sizes and schools and local governments were facing. So it's always been an honor and a privilege to serve in a lot of different ways. But I think that spirit of bipartisanship is something that really attracted me to in post-politics to the Small Business Association of Michigan because it is an intentionally and strategically bipartisan organization, because we really do believe that small business has support across the political spectrum, people that are very liberal to people that are very conservative. There seems to be an understanding and a support for small businesses and a recognition of the importance. It's not just a nice to have but it's essential for there to be a thriving entrepreneurial culture and environment in every corner of our state.

E

Ed Clemente 06:20

Yeah, you probably don't remember, but I grew up in a small business, my family owned a bar and a restaurant, a bowling alley. So we were, I can remember my family being really strict about "never talk politics" when you were working, right? And so we really were pretty apolitical because you never wanted to upset the customers or anything like that. And really, most businesses think that way still to this day, politics is not exactly their primary focus. Policy might be a different exception. But the politics part, most of them try to avoid at least from what I can tell.

B

Brian Calley 06:59

Yeah. And that's one of the one of the important roles that sometimes local chambers, or that an association like ours can play. We want to make sure that anybody who wants to be at the table to talk policy, whether they're from the left side of the political spectrum in the middle or

on the right side, if they own a small business, then they feel at home at SBAM. Because we're not about the party. We're not about the partisanship, really it is to the extent that we're engaging with the government, it's just focus, what's good for small business, what's good for entrepreneurs, what do we need for success, and we're going to stay in that lane, and we're going to be positive and productive and respectful in our interactions, it's just an imperative. There's kind of a breakdown in the system and communities that happens when partisanship goes ahead of everything else. And that's the beautiful thing about small business and the culture among small business owners is that they're ingrained in their communities. They want to be respectful and responsive to their communities to be inclusive and welcoming to customers and potential employees. And I think that it's really a beautiful picture of what could be a great lesson in how to engage at a time when it just seems like the world has gotten awfully controversial.

E

Ed Clemente 08:23

Well, I mean, even you know, your former county commissioner, but more at the like city council, township board, usually, those people are pretty nonpartisan themselves, it's because their issues are really more like sewer, water, you know, basic infrastructure challenges most of the time, so they can't afford to, if they are representatives a different party, they still got to work with them.

B

Brian Calley 08:48

Yeah, and that's really where the rubber meets the road when you're responsible for delivering direct services that people need in order to survive and to be successful things like making sure the roads are plowed and to have the water and sewer system work and to have the trash picked up. All the things that are just essential services, policing and, and fire services at the local level, it really does usually require people to work together across the political spectrum. And I think it's a it's a good picture of just, small businesses are also important local community members that are very much focused on their constituency, their customers in a way that sets the partisanship aside. So it's a I think it's a good example at a time when rancor has taken over the political landscape.

E

Ed Clemente 09:56

Well, in fact, it's funny, but when I was growing up, just about all the city council's, like I live down river Detroit area, most of the people on the council were small business people. The person who has sold the washing machines or the person that did tile or sold furniture. And I think it's really gotten away from that now, because people are just afraid to run for office sometimes anymore.

B

Brian Calley 10:19

Yeah, you know that. Right. And that's, that's an important role that, that local business associations and statewide business associations like ours can play is kind of that, that that shield young still get involved, but not in a way that's kind of in your face, to be at a table to

speak into the policy system to let people know, here's how this proposed policy would help or hinder small business owners without it being kind of under the label of the business itself. Because I think that most most business owners these days still do want to steer clear of politics. It's not what they do. They're out there serving their customers and creating opportunity in their communities. And the idea of offending or turning away people because of political activities, is not something they would normally be interested in doing. But yet the policy decisions have a big impact on their overall success. And so it is important that business owners, they tend to be very involved in things that are important to their community. But one thing I've noticed, while I can't exactly point to where on the income statement balance sheet, it helps to be highly engaged in your community. And policy discussions. I have noticed that very successful people in business tend not to be bystanders, they tend to be involved, tend to understand how decisions get made, who makes those decisions, why they're made, and how to speak into those processes where decisions are made. That's just a hallmark of very successful businesses. And it really does start with local community involvement.

E

Ed Clemente 12:11

You know, I mean even simple things like balancing a bigger budget than your own domestic budget, right? You look at things differently, because you have to look at strategically financing, how you're going to survive as a business in the future. And you sort of applied that sometimes to the public sector when you can like on zoning commissions or building committees and things like that.

B

Brian Calley 12:32

But yeah, it is a good insight, just the idea of balancing a budget, and there's got to be a reasonable relationship between money coming in and money going out. But sometimes you have to spend money to make money, you have to make investments in things in order to set yourself up for success. These are all things that, generally and in one way or another apply to the public sphere, too. But I think it's also, as we look at the bigger challenges that face small businesses these days, a labor force participation rate has been trailing off for a while now, a little less than 60%. And that means that business owners have got to be more, really got to be more creative. So sometimes it's offering more flexibility. Sometimes it's everything from childcare options or assistance with transportation, in some cases, criminal justice reform plays a role in this, too, supported employment for people with disabilities, in addition to what we would consider kind of the typical or standard employment relationships. We see small businesses and entrepreneurs that are getting more and more engaged in workforce and labor force development, and understanding what are the hurdles that exist in getting people back to work and then also being engaged in involved in upskilling of people? So, it's one thing to say, Hey, it would be nice if I could just post for a job and people that were qualified applied for the job, but in a lot of cases, that doesn't work that way, at least not anymore. And so more and more businesses are looking for partnerships with organizations like the MEDC and labor and economic opportunity that have workforce development programs where they can kind of take ownership and charge of upskilling their own employees. So making the time, the resource allocation for them to to grow in their career so that not only are they moving up the economic ladder, but they're also providing a tailor-made, if you will, workforce for that business.

E**Ed Clemente 14:44**

Speaking of tailor made it's too hard to ask you about your experiences, Lieutenant Governor, but why don't you maybe just sort of filter that a little bit of how being Lieutenant Governor helped you for this position at SBAM.

B**Brian Calley 14:59**

Being Lieutenant Governor, working in the executive office and yes, that job has been in some administrations ceremonial but it was a workhorse position in the Snyder Administration. So it was just part of the management team and I had a portfolio of work, it included a couple of major rounds of tax reform, some transportation issues, including the Gordie Howe Bridge, which is now under construction, connecting Detroit and Windsor. But focused in on the health care system, particularly health care from the neck up. So brain care, a lot of disability advocacy, mental health, addiction treatment, so it was a broad portfolio of work. And it gave intimate exposure to a lot of different areas of state government. Virtually every area of state government. So now as I work in SBAM, well, a lot of what we do is really not connected to the government. But the part that is, where we want to make sure that we're speaking into the policy making system and explaining what small businesses need in terms of an environment of success, and how proposals would help or hurt small businesses. It really has given just a wide breadth of context and knowledge and just how the mechanics work. And then that is leveraged to give small business owners a seat at the table. Now, I love to advocate myself for small businesses, and I've got a team of people that are really good at that, but what we really love to do is equip people to tell their own story into the system. I think that's where really some of the magic happens, which is a person who tells their story, and it connects into the policymaking system so strongly compared to a kind of sterile explanation of an impact more broadly that a policy might have.

A**Announcer 17:08**

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E**Ed Clemente 17:24**

We should probably get a little bit to one of the reasons we wanted you to be on the podcast was Small Business Week coming up. Why is that an exciting time, especially for an organization like yours?

B**Brian Calley 17:38**

It's just a time where the the world can take all this goodwill and understanding the importance that small businesses play and to just elevate it to have a week and say you know what, this week we're going to go a little bit more out of our way to do business with more small businesses, we're gonna go a little bit more out of our way to recognize the needs, challenges, the contributions, and to celebrate that. Next week is actually or I guess, as this is being

broadcast this week, the 50 Companies to Watch from Michigan Celebrates Small Business are unveiled on this Small Business Week and it's a great opportunity to look at these, a lineup of these businesses that are doing amazing things, exciting things, and to imagine what the future could hold, even in a state like Michigan where we've got corporate giants that live here, but all of them started as small businesses, too. That's the exciting thing, you know, Dow and Kellogg, Gerber, Ford, Stryker, those might be like big multinational corporation names to people around the world. But here in Michigan, those are family names. Those are entrepreneurs that started a small business and they ended up changing the world. So it's exciting to think, not every small business wants to get big like that. But it is really exciting to see in the Small Business Week and the 50 Companies to Watch are unveiled to wonder which of those are going to be going to end up making it big like that?

E

Ed Clemente 19:14

Well, just to speak from the restaurant-pizza business, if we knew a pizza wasn't selling, we just quit making it. You know, it's a lot easier to pivot sometimes, too, at a small business. Because you can see you don't have to wait for the bell curve to kick in to realize customers aren't buying something versus like a big chain sometimes. And it always helped us out to constantly be - everything was temporary. We had to keep adjusting all the time in small business.

B

Brian Calley 19:41

Yeah, innovation is so important in business. And that's one one of the strengths even with the big companies in Michigan that they have supply chains, which include a bunch of nimble, innovative smaller companies. And that's in many cases, the secret to the success of the bigger company. They can move faster, they can develop things faster, they can try things and see and pivot. That's a really important part of it, whether you're talking about the corporate giants all the way down to somebody just operating in a very local way on Main Street, that ability to innovate and change quickly is an important strategic advantage and a great service to the citizens.

E

Ed Clemente 20:21

Yeah, this question probably is a good time to ask it, too, during Small Business Week is, what trends do you see for small business? Obviously, like I said, they're not exactly an algorithm. But I think you probably in your position, probably see trends strategically, a little bit after talking to all your members, I would guess.

B

Brian Calley 20:44

Yeah, so a couple of things. First, is that the biggest constraint does tend to be people. So not enough people like I could grow, I got this opportunity, I can't find enough people. That's why we're leaning so hard into a people agenda at the at the Association, just expanding workforce participation. And in the state, that's definitely top of mind, the rising cost environment has been a challenge. A small business owner, it doesn't have a lot of pricing power as a buyer or a seller. And so that's an important factor to get that under control. And it does seem like maybe

inflation is starting to show some signs of normalizing here in the future. I think that'll be really important for small business owners. But one exciting trend that has happened is they're just more new business starts since the pandemic, we have seen an uptick and new business starts. And I think that's the most exciting I've seen, like in the news talk about, Oh, they built a factory, a new plant here or there. But what's more exciting to me than that, is that, in some months, literally 1000s of new small businesses being formed. And nothing is more exciting to me for our economic health and future than that.

E

Ed Clemente 22:05

Yeah, and sort of like, as we wrap up a little bit here, but obviously, with 83 counties, you have members in every county, and you do get around a lot, I'm sure in your gig, as you said, but what do you like best sort of as you travel around the state? I mean, obviously, you've looked at state many different angles now. Why do people like to live, work and play and stay in Michigan?

B

Brian Calley 22:34

Well, Michigan has everything. It's got cities, it's got rural areas, it's got coastline, it's got an abundance of freshwater, it's got four seasons, and I mean, whatever you want, Michigan has it. And that's what's great is people that are looking for all different types of lives can find it here in this state. So that's what I think serves us well is the diversity of the landscape, the diversity of the communities, the diversity of our people. And so we've got a thriving immigrant population, we've got a thriving multi-generational population here that are all participants in the economy and built into our DNA is this entrepreneurial spirit. So we see optimism still, even among challenges and uncertainties in the economy, more generally speaking, still among entrepreneurs very, very much optimistic about the future. And I think that really speaks to the strength of our communities more than anything else.

E

Ed Clemente 23:41

Yeah, it's funny you say that. I'm working with an intern who's from Slovenia, right over in Europe. And he said, that was his number one thing he noticed about Michigan, is how much we're constantly like, kinda like not necessarily being fast, but how we constantly realize we can't wait for stuff to happen. And so we're constantly innovating. And that's funny. He just said that. He's only been here like three weeks. And he says that already about us, compared to Europe, I guess, at least where he's from. But it's obviously good comparative anatomy when you get to hear those things. So anyway, I know once again, I want to thank you again. You're president of the SBAM, Small Business Association of Michigan, Brian Calley, former Lieutenant Governor and want to thank you again, Brian, for taking time to talk to us today.

B

Brian Calley 24:31

Pleasure to be with you, Ed, thank you.

E

Ed Clemente 24:33

Join us next week, where I guess is going to be Neil Hawkins. He's the president of the Fred and Barbara Erb Family Foundation.

A

Announcer 24:42

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