

Ep.1 - Gerry Anderson_mixdown

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SPEAKERS

Ed Clemente, Gerry Anderson, Podcast Intro

- P** Podcast Intro 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 00:28

Welcome to the Michigan Opportunity brought to you by the Michigan Economic Development Corporation. Today, we're fortunate to have Gerry Anderson, Executive Chairman DTE Energy Corporation. Thanks for being here today. Gerry.
- G** Gerry Anderson 00:41

Oh it's a pleasure to be here.
- E** Ed Clemente 00:44

And I know you wear so many hats. I'm afraid to give them all I know DTE is the primary

one. But then I know for a couple and let's just get to one I think is sort of hot is, still the Michigan Economic Recovery Council. And I believe you're still very actively involved with that one, because we're not out of the woods yet with this sort of pandemic. And being a former Chamber of Commerce guy being someone that's been involved in small business a lot. What has been the biggest challenge for you guys on that committee, or commission?

G

Gerry Anderson 01:16

Well, that one has an interesting history, Ed; And it was March 12, a year ago, was the last in person board meeting we had with DTE, and I remember saying at that board meeting, boy, this thing feels like it's gonna wash over us and change everything. And that turned out to be an understatement. About three days later, we sent everybody at the DTE home who could go home. And, you know, it wasn't long after that, that the economy in Michigan sort of folded up except for what was absolutely necessary. And then that wicked spike of cases and deaths back in remember in April and May of last year. And I remember the first move we made was to get in touch with companies that had overseas operations, and had seen this hit them a month or two earlier, and just started to learn from them. And, you know, nobody in the US knew what it meant to operate safely with this around. And so we kind of have to make it up as we went. So that was step one. But then it began to dawn on all of us that we were in the midst of a once in a lifetime confluence of an economic crisis and a healthcare crisis simultaneously. And we had no playbook. And it felt like the state could sit frozen for some time. And so it was then that I approached the governor and said, You know, it feels like it would be a real service to you. If we pulled together leaders of health care and public health, or university leaders and our business leaders, and gave you the best advice possible on how to simultaneously deal with the health crisis, but get the academy reopened. And I have to tell you Ed, for a couple months that followed, were some of the most intensive my career actually, as we worked our way through that.

E

Ed Clemente 03:11

And you were a consultant. I mean, so you've probably tried to help people turn around businesses. And that's at a micro level with individual companies. I could imagine a macro level statewide, especially when you're looking at Europe. I had a lot of cousins in Italy. And they already had quite a few deaths in their family way before it even hit us. I remember that.

G

Gerry Anderson 03:33

Well, you're exactly right. And some of the early calls that I took were from utility executives in Italy, who essentially said "Get ready, you don't know what's about to hit you. This is a big deal," and coached us. So yeah, it was it was intense. And you're right. I actually did go back to some of the skills I built as a consultant early in my career, because we had to think through risk by industry type. And so we ended up breaking the state up into a whole array of industries. But that vary geographically to and how people moved around, told us that we needed to deal with this, both on a regional basis and on an industry basis. And we spent a long time trying to quantify that. And then work with experts at the University of Michigan and in public health and Epidemiology and risk to cross that health risk with economic sectors with regional parameters. And then sort of backed away from that to think about, okay, how do we stand things back up, and it was intensive. We had a lot of good participation from the leaders I mentioned, but also from a team of industry volunteers and some consulting volunteers who worked long hours to help the state think that through.

E

Ed Clemente 04:49

Well, I get time I was still on the Liquor Control Commission as a commissioner and I headed up the task force to reopen restaurants as you probably know, my family had a restaurant Italian restaurant, down river. And but I mean, I know exactly what small business restaurants were going through. And that was just the tip of the iceberg. But you could imagine how many small businesses because this is one that really impacted small business, I think more. And that's where most of our jobs are, you know, are in the small business economy.

G

Gerry Anderson 05:21

Yeah, in the end, the large businesses figured it out and got back on their feet and ultimately got back to a very healthy place. The federal stimulus helped with that. But it was a small businesses, especially the small businesses with a social dimension, that were hit hard and still are hit hard, frankly. And, you know, that, over time became a place that I had, by far the most sympathy. And, you know, we worked hard to try to help them. But if it was a tough one, when you were crossing, you know, people being together with this disease that loves to spread, when people get together, those were the places that it was tough.

E

Ed Clemente 06:04

Yeah. And you did two other unique things, which here, you're in a unique position, because you're actually the chair of three really large sort of organizations beyond the

one we just mentioned, but also business leaders for Michigan and for the Detroit Regional Partnership. But even more unusual for both of them. You had to go through job searches during both of them. And that must have been interesting, you know, interviewing top level candidates digitally, virtually, without actually because you the read a person in person, right. So that must have been a big challenge for such a high level positions for both of them.

G

Gerry Anderson 06:40

Well you're right, business leaders for Michigan, in my first year, leaving that Doug Rothwell who'd been there forever. And was well known in the state left; then we ended up with a great replacement, Jeff Donofrio; But it wasn't the same as doing a search, as you said, when you could have people come in and visit and shake your hand and read them the way you normally do. And that at the Detroit Regional Partnership we also had a transition and ended up replacing the CEO there with Maureen Kraus who's doing a great job there as well. But yeah, that was on top of everything else we were dealing with. We were shifting leadership and two important organizations, which wasn't ideal, but we ended up with great leaders.

E

Ed Clemente 07:26

Yeah, no. And I would imagine, for your other job that actually they sort of, I don't want to use the word synergy because you think it's overused, but there is a synergy, I think for all three of those boards somewhat that probably ended up helping you on each one of them and your other board members and executive directors, the governor, you know, I would imagine that most of all sort of helped clarify some things, too. It would seem like.

G

Gerry Anderson 07:53

They were all very connected you're right. So Michigan Economic Recovery Council was all about how do we stand up Michigan's economy again and make it healthy. But the Detroit Regional Partnership is all about how do we make southeast Michigan's economy vibrant and what do we do to strengthen it and of course, business leaders for Michigan takes on much the same challenge at the state level. And so they were very connected. And it turned out to be helpful for the Michigan Economic Recovery council work to have the flow from business leaders for Michigan and Detroit Regional Partnership really helped understand what we were facing as a state.

E

Ed Clemente 08:33

And I would imagine some of the board members were the same as well, which also you didn't have to preach the same sermon to like a wholly 100% new audience each time. So they actually sort of became sort of team members and helping you tell people these are these are the things we got to do now before it's too late, I would guess.

G Gerry Anderson 08:53

Absolutely right, we had a heavy flow board members from BLM who volunteered to be part of Merck. And there were members of both who ended up in the Detroit Regional Partnership. And so there was real continuity of leadership across the efforts.

E Ed Clemente 09:07

Yeah, and the one thing about business leaders for Michigan, I think that's, um, you know, I live in Southeast Michigan, but the board members for business leaders for Michigan or across the state, and I also know you're on a... are you still on the West Policy Forum - I went to that a couple times in Grand Rapids, are still involved with them, too.

G Gerry Anderson 09:24

Yeah, I am still a member of the West Michigan Policy Forum, because DTE is very active on the west side of the state in Grand Rapids, we supply all the gas over in that area.

E Ed Clemente 09:34

Yeah, that's the big challenge. I remember even as a legislator, how much I learned how different the state is in its same in some ways, but it's almost like we have four separate states sometimes like the up the northern part, the West and then Southeast Michigan. And it makes it a challenge even like not only symbolically and geographically, but even culturally sometimes. So it's a delicate tightrope. I'm curious to walk on some of these things.

G Gerry Anderson 10:01

Well, you know, Merck very consciously pulled people from all over the state. So we had great representation from the north, mid Michigan, West and southeast, that was one of the really gratifying things is the way it built teamwork and relationships across the state. But we're getting a real time opportunity to build relationships and consensus across the state right now. Because we have a once in a lifetime flow of federal funds that are going to gush into this state. And we can either use those strategically, or we gonna waste them.

And I know, I feel it's critical for the future of the state that we make smart choices. But to ensure smart choices, we really need to build consensus statewide, and the important investments. And so we're working hard to do that principally through business leaders for Michigan in that case. But that's a it's a, it's a critical effort. And I do sense again, the leadership from across the state, coalescing to try to make sure that we give smart advice to the legislature to the administration.

E

Ed Clemente 11:12

I've always been a fan of chaos theory. And, you know, like the old with the Chinese symbol that shows chaos and opportunity, And the show is called Opportunity - this one. But I really think that if you look historically at things, there are pivot points, where you see sort of like a binary major decision that was made. And I feel like we're at one of those points. Historically, I used to teach history in high school, too. But I think we're in a unique time. And I think that you know what you're doing is there anything to that, you know, DTE is always been a huge player in economic development since my days at the chamber and they're such a weird coalescence of everything. And you can make sort of leapfrog decisions at this point. So any future things you think that are going to be helpful for moving us in that direction some more?

G

Gerry Anderson 12:00

I think the pandemic - for all the pain it caused, pushed us to things that would have taken a lot longer to get to, and particularly what it's gonna mean to work in an office, it is, is gonna be really different. You know, we had pre pandemic 3500 employees who would drive into our office building five days a week and spending 10 hours there. That's not going to happen anymore. We sent them all home a year ago, and we've run the business really well. Now, look, nobody wants to spend their entire career working from their home. But I don't think people want to come back to the office five days a week either. And we've learned that that we don't need to have them there. We can work really productively, remotely. And so every business, I know, is rethinking what it means to be in the office place. And as a result, most of them think they're going to need significantly less office space. So there'll be efficiencies there, but also big repercussions for the commercial real estate markets, most of them think they won't have employees driving five days a week. So it's going to have a lot of impact for our roads and transportation systems and use of fuel. And so they're going to be some, I think, some really positive spin outs from a painful experience that lasts a long time and ultimately are good for us.



13:34

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Ed Clemente 13:50

This may not come as a surprise to you. But I listened to lots of futuristic like Wall Street Jr, futures and all these other ones. And but I would imagine from a DTE perspective that even the grid is going to be I mean, I spent a lot of time studying the grid and the legislature. And I would imagine with shifting populations, like you said, people might not be as densely populated, which could cause challenges for you guys, but also opportunities I would guess to is how you're building out electrification of vehicles. All these things are going to really change the game plan, I would think somewhat as we move forward.



Gerry Anderson 14:24

So there's a number of things that are going to really change the electricity future. One you mentioned is post pandemic, where people use their energy is going to change, we've seen a big uptick and home use and a downturn in commercial use, as you might expect, and that changes patterns on the grid and that will persist. I think the second big change driver and one I'm very involved in is the shift to clean energy and the effort and the mandate really to address climate change. And if there's anything that's driving the strategy of every energy provider in this country gets the effort to address climate change. And I'm, I'm optimistic that our sector can, can deal with that. And trailing that really is the once you move past our sector, the way other sectors deal with climate change is to electrify and transportation will be the first big sector to do that through the largest emitter of greenhouse gases. And the answer there, of course, is electric vehicles, and you see one auto company after another beginning to communicate the dates at which their fleet will switch to 100% Electric. Well, we've got a lot in front of us to first get our electricity supply, very, very low carbon, and then prepare to take on the large influx of load that will come from switching the automotive sector from oil to electricity.



Ed Clemente 15:56

Well, the last two questions for you, and I know you if you can, if you can, sort of give a brief but if you were talking and I told you, I taught high school, but I think today kids have such a different experience than I did. Both you and I went to Catholic school. So yeah,

well, different. But like, I think like seventh, eighth and ninth graders now are more aware of career opportunities. What would you say to someone to get into a field, if you could, like pretend this was a commencement speech? But what would you tell kids to kind of take a degree in? And then I'll ask one more question.

G

Gerry Anderson 16:31

Well, I don't know if I'd have advice for kids on on what degree because, you know, I'm a guy who went to college thinking I was going to be a journalist, and came out an engineer and physics major. And I often say that I look back on my career, and it seems like a random walk with all sorts of chance events that shaped it, but it ended up in a place that, you know, I was really happy with. And as I went through all of that, there were sort of two constants. One was that I always look for opportunities to learn and grow. And the second was that I always wanted my work to focus on something that made a difference, or that had a higher purpose than just making me money. And so I kept pointing at those two things, keep learning, keep growing, and keep trying to find my way to something that matters. And I landed where I did, and it, you know, I can literally say that there were three or four events that when I look back on them, they were chance - But if, if I flipped the other way, I would have ended up in a very different place. There's no doubt about that. And so when I give advice to young people, it really is first- Don't sell yourself short, don't have some fixed notion about how capable you are in math, or science, or writing or anything else, we can all be good at whatever we apply ourselves to. So have a growth mindset, know that you can learn and grow. And second look for opportunities to do that. And just grab them pull up the rope, when you're given the opportunity to grow. And as you accumulate, learning and experience, your capabilities multiply, and when your capabilities multiply, all sorts of opportunity that you couldn't have expected opens up for you. So just grab the rope and pull.

E

Ed Clemente 18:16

Yeah, you know, and it's so fortunate. I think the internet allows kids to see so many more things. I know it eats up the time, but exactly all those points you just made. Kids can find way better examples than I guess we could we were in school, but it's a very opportunistic time. The last question I have for you is actually a little bit simpler. But you know, what? Do you even know you're from Toledo? It sounds like a year ago? Yeah. So what do you like best about living in Michigan? Or do you have any favorite spots you'd like to go to or not? Do you want people to show up and ruin them for you, but do you have any, what do you like doing here? What do you like about Michigan?

G

Gerry Anderson 18:43

Yeah. Well, I'll tell you one of the things I like about Michigan, and you're right, I grew up in Toledo. So I have a Midwest mindset. So I appreciate the the style approach of Michiganders, the straightforward, friendly attitude that Midwesterners have and I travel a lot. And it's not the same in other parts of the country. So I really appreciate that. Secondly, this is a beautiful state. I don't know how well people in the state much less people outside the state understand that but to be surrounded by Great Lakes, the way we are in the shoreline around this Peninsula, I go to Grand Haven for cottage there. I mean, I remember first encountering those beaches and saying my god these are world class sand beaches, who would have thought two hours from where I live. And then you head to the upper peninsula and literally have some of the most wild spaces that exist in the continental United States. I've had people from the west who think they know wild spaces show up in the Upper Peninsula and say "now this is really a wild place". Full of Wolf and bear and moose and deer and Fox and Coyote. And you know, it's a pretty unbelievable landscape up there. And so this is a rich, diverse, beautiful, natural state. And I love that about it.

E

Ed Clemente 20:20

Yeah. And that fits into your sort of climate change. Thing is, we really have to know how to preserve that better. And I know DTE is doing that, and I did a lot with clean energy stuff when I was in the legislature and all that's going to feed into keeping Michigan intact, I think, from a natural perspective, hopefully in the future.

G

Gerry Anderson 20:38

You're absolutely right. You know, Ed, I can tell you that when I left, my undergraduate degree at Notre Dame, one of the things that I cared about, at that time deeply was sustainability and I hoped that I would find my way at some point to work on that is things wound along - I've ended up working out what is our greatest sustainability challenge of all, which is how do we tackle climate change - And I hope I can make a lasting contribution to that in the in the time I have left. And so yes, living in a state like Michigan helps you to understand just how important it is that we address challenges like that.

E

Ed Clemente 21:20

Well, anyway, I want to thank again, Gerry Anderson. He's with DTE, and we appreciate you being here today. And thanks for taking time. I know you're on like 80-100 boards, So we appreciate you taking time out from many of those boards just to be with us today. Keep up the good work. Keep working with the governor, we'll get that all solved,

hopefully, and thanks again for being here today Gerry.



Gerry Anderson 21:41

Appreciate it very much. Yeah, it was nice to be with



Podcast Intro 21:45

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