

# Ep.27 - Vicki Selva

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## SUMMARY KEYWORDS

michigan, defense, companies, state, industry, contract, work, government, supplier, building, opportunities, people, question, important, center, partners, general, piece, veterans, michigan economic development

## SPEAKERS

Announcer, Ed Clemente, Vicki Selva

 00:00

 **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.

 **Ed Clemente** 00:28  
Welcome to The Michigan Opportunity brought to you by the Michigan Economic Development Corporation. Hello, I'm Ed Clemente. I'm your host today for The Michigan Opportunity. And today we have a friend as well as a very hardworking individual, Vicki Selva, she's the Executive Director of the Michigan Defense Center, and Senior Strategic Advisor for the Michigan Economic Development Corporation. Welcome to show Vicki.



Vicki Selva 00:52

Thankd Ed, thanks for having me.



Ed Clemente 00:54

Yeah, well, I've talked to you many times off the record, but this would be nice to talk to you on the record. I usually like that because you know, people want to see what you're really all about, what is the Michigan Defense Center? Can you just sort of give what you tell people? If someone's Never heard of it before? What do you tell them?



Vicki Selva 01:12

Sure. The Michigan Defense Center was actually written into Michigan law by the Michigan Legislature in 2006. Its purpose is really to, to help the defense industry in the state of Michigan grow. And so it's taken different iterations over the years. I've been with the Defense Center in one form or another since 2013. And, and we have taken the Defense Center since then, into a larger strategic positioning, so that we can really work on building the ecosystem in the state of Michigan that not only builds the infrastructure and facilities, but also helps Michigan companies do federal contracting.



Ed Clemente 02:00

Yeah. And I think we'll get into that a little deeper later on. But your path to get here, you said you work with them prior even I know, you maybe I didn't know you that well, but you worked for whom before?



Vicki Selva 02:14

I worked for Senator Levin, prior to coming over here to the state I was served with for Senator Levin for almost 10 years, little over nine years, here in Michigan, and in he was Chairman of Senate Armed Services Committee or Ranking Member of the Armed Services Committee, depending on who was in charge who was in the majority. And as part of his team, the state's defense assets were part of my portfolio, keeping an eye out for him and being the contact for some of the DC staff. So So I got to learn a lot about defense. That put that means that I've been in the defense world here for almost 20 years, and built a lot of relationships. And and it was great to be able to bring that over to the state, and have the state start to focus on this from a state level, which had not really been done. It had not been nurtured in you know, in all these years. And so to be able to bring that focus to the state is really a passion of mine.



Ed Clemente 03:24

Yeah, I really enjoyed my time that I did work with Senator Levin, and he was a real statesman. And I always appreciate his professionalism too, and his good grasp and willing to, you know, I don't know if I'd call him a moderate today, but I mean, I think he was willing to work on both sides of the aisle and key issues, right. So...



Vicki Selva 03:44

He was a very pragmatic man. And over and over and over through the years, especially working in defense, you know, there's a lot of conservative folks in defense. And even if they didn't agree with his political stand on some things, they respected his work. And so it was an honor for me to be able to work for someone that had integrity and was, you know, a strong advocate for Michigan. And so, so I bring that to work with me.



Ed Clemente 04:13

Yeah. And I mean, who, like you said, it's a center, but do you have partners do you have stakeholders, like who are who are some of the folks that you work with on a regular basis?



Vicki Selva 04:23

So, it's called the Michigan Defense Center. But it really rolls up under MEDC, we get our funding from the state from the MEDC Corporate Fund. But of course, you can't do anything without partners. We're a small team. And so not only am I partners with my colleagues at MEDC, but we have 50 official partners around the state that our economic development organizations and academic institutions and corporations and national associations and so that's how, you know, we get things done. By working with our partners as it should be, and, and then beside the actual partners are our stakeholders. And so this industry comes along comes with a very passionate and active and robust stakeholder group. And so there are a lot of activities and events and meetings and things to make sure that all the stakeholders know what's going on and stay passionate about this sector here in the state of Michigan.



Ed Clemente 05:30

And I mean, I think for people who, like you don't always think Michigan necessarily defense right, right away. But when you really start showing your numbers, and you add that up, why don't you just highlight a few things we have in the state that I don't think

people realize are here even. I mean, I know they're all over this whole state, but wanted to highlight some of the ones that are closer to you, and then spread out if you like.



Vicki Selva 05:54

Yeah, so, so you're right. The defense industry the defense ecosystem, if you will, has been here really, since World War Two. So since 1941, when they opened the tank plant, which is really one of the first great examples of industry and government working together. So Chrysler, was part of the tank plant. And then of course, Willow Run made the airplanes out there, Ford Motor Company. And so that really became a cooperative between industry, private industry, commercial industry and government. And, and that continues to this day. And so as far as assets go, we have the Detroit Arsenal in Warren, which is a huge economic generator for the state of Michigan, about a \$5 billion in contracts, go through the Detroit Arsenal into Michigan companies, about 65% or 70% of everything the army contracts is contracted through the Army Contracting Command here. And and then of course, we have Ground Vehicle System Center, which is the research and development for ground vehicles for not only the army but but several other branches as well. And Program Executive Offices and it's a whole machine out there of evac activity that goes from acquisition to research and development. And so to be in Michigan means you have more access to that asset. Those folks at the army are very involved in the community. And so there are opportunities to network and and this is a great place to get to know your buyer and turn yourself into a supplier. General Dynamics Land Systems is here headquartered in Michigan BAE has their engineering here. AM General and Navistar have operations here. So this is really your right people don't really think about it as a as a defense state, because we don't have large active duty soldiers, you know, marching out of here, but we do the business and we create the tools and design the tools and our suppliers supply the pieces of the vehicles and the tools that our soldiers take overseas with us with them to protect us while they're over there and to protect them as well. So so it's really important piece of what we do.



Ed Clemente 08:41

And you mentioned a little bit about the manufacturing a little bit in your intro, but I know that when I used to run my chamber of commerce down river, we had quite a few people that were doing small parts for whatever, but they were Department of Defense contractors or procurement I don't know how it worked back then. But they've got to also you know, they apply just like an OEM would for making parts for a car right it's like tiers I would guess as well is that right?



Vicki Selva 09:12

Yes, it is in tiers and and so to become a contractor or supplier, there's, we say that there's three different ways to kind of enter this stream and they can be found in our online resource guide at michigandefensecenter.com and one of them is to be a direct contractor. So so you would be applying for a contract or putting in a proposal for direct contract to you know, the to the United States Government. That would make you a direct contractor. You could also become a supplier, which is what the majority of Michigan companies do and so they are suppliers to the big OEMs. So Oshkosh or as I said Navistar General Dynamics. You know, they utilize a very large supply chain. And the third way is through what they call an OTA, or Other Transactional Authority. So you can actually join a consortium become a member of a consortium. And the consortium goes after the contract, and you get the work through the consortium, which is probably the lowest threshold for entry. You don't have to meet some of the criteria and some of the auditing kinds of things. And, and so that's a really great way for companies to become part of this as well.



Ed Clemente 10:27

Would that be to like, say, they went together a group of people to or organizations to build a vehicle that the military wanted in the field? And then they would together work on the design of the project? Is that what you're kind of? Even different than that?



Vicki Selva 10:42

Yeah, well, the way an OTA works is instead of each company directly contracting, or getting a direct contract, then consortium gets a contract, so if the Ground Vehicle System Center has a project that they're working on, and they need a solution to some, some problem they're running up against, then they will give that problem to the OTA, the Other Transaction Authority, and then the OTA, will go out and find the companies within their membership that can meet, you know, that criteria, those capabilities. And so then they get the contract. So the onus of getting the contract and complying and all that stuff is on the OTA, and not on the company. But it, but it's a great way to to get started and to get some work. And we really recommend to Michigan companies that they look at defense as, as a way to diversify their portfolio. We know that so many of the automotive companies here in the state, do great when when times are good, but like hand in glove, some of your skills and products can certainly be sold to the US Government. And why not do that. That's a good way to kind of ride out, you know, the cyclical economy. And we've in factoring COVID, we just pulled the numbers recently for defense for 2020. So during COVID, Michigan economy was down 8% I'm sorry, down 7%. And the defense economy in Michigan is actually up 8%. So it's really a good way to, you know, to ride out a storm.

And, you know, and Michigan Defense Center has some resources to be able to help or can get you to associations that can help



Ed Clemente 12:33

And and these these questions, I didn't actually run ahead of time to you, but are you focused a little bit on industry 4.0? Is that some of the aspects you guys have to work with to?



Vicki Selva 12:43

Your quizzing means and what you're done?



Ed Clemente 12:45

Yeah, yes.



Vicki Selva 12:47

Industry 4.0 is so important in general, because everything is about modernization now, Just to be competitive, you have to have cybersecurity in order, you have to have some type of digitized audits, you have to have those kinds of basic technologies as part of your company to do to do work. Whether it's for you know, automotive, or for the government, or for any industry really. And so 4.0 is really important. And it's really important that Michigan companies get up to snuff on that, because if they're not, we're going to be left behind. And so I know that the Michigan Economic Development Corporation has big interest in industry 4.0 is, as do a lot of our partners around the state. And so I really urge companies to do that. That's really where industry is heading, and you don't want to be left behind.



Announcer 13:46

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Ed Clemente 14:02

Well, I noticed something in some of your background. There was Michigan Defense CyberSmart, that initiative you did or is that?



Vicki Selva 14:11

Yeah, so that's a brand new program that we're introducing, we're rolling out at the Michigan Defense Center. A backup, not only does Michigan Defense Center work on the strategic level, but we also have created defense-specific resources for Michigan companies. We recognize that we're not going to be able to move the needle and you know, increase the economy around defense unless companies can actually access these kinds of contracts and business. And so we have introduced a suite of resources that are available. One of them is that online resource guide that I talked about. One is called the Bid Targeting System which your company if you are registered to do business with the government, which is a really basic threshold in the sector, we have your information because it's scraped autonomously from federal sources. And so you'll be able to see what a contracting officer sees about your company. And then it also matches you with federal contracts as they come out [with] opportunities. The other thing that we offer in conjunction with that is proposal writing services grant. So the Michigan Defense Center, MEDC will actually offer companies grant up to \$10,000, to help you write use a professional bid writer to write your first contract bid. And then lastly, that's a long way to get to CyberSmart, but CyberSmart, is really a necessity, because the Department of Defense has put in cybersecurity compliance for and it runs the entire tier. So it's not just tier ones, but all the way down. So any little widget you're making for the government, you still have to meet the cybersecurity compliance measures. And we found that that's a very sometimes expensive investment for companies, particularly if you know, 50% of less than 50% of their businesses in defense. And so we created this brand new program that can help Michigan companies, you get access to a qualified vendors list that we've already taken a look at, know they know their stuff. And those vendors have have agreed to only charge \$1,500 to Michigan companies to get their basic gap analysis, which sometimes costs up to five or \$10,000. So it's already a savings. And then from there, a company can go on and, and, and finish up and meet the other criteria themselves if they like, or it may qualify them for a new grant, we just received a federal grant to be able to supply grant money to Michigan companies to then go further and get their CMMC levels. So it's unique, it's a prototype, the Department of Defense thought it was great and put some money behind it. And, and so we're looking to be able to help Michigan companies meet our compliance.



Ed Clemente 17:25

Yeah, and just one last kind of question about that area a little bit. But and I know you've told me this before, but I think you have companies throughout the whole state, right?



Vicki Selva 17:26

We do, there's companies that are doing supplier work direct contracting, in just about every county in the state of Michigan from the UP, you know, all the way down, certainly Southeast Michigan is the hub of it, but there are companies all over the state that are doing defense work. And certainly more companies that are capable of doing defense work, we just need to get to them and show them, you know, the resources that are available to help them get started.



Ed Clemente 18:09

Yeah, and one little word here, I know I hear it a lot, but you might be able to define it. I know you also get involved in aerospace, is that correct too?



Vicki Selva 18:17

Aerospace is actually a really great kind of emerging, burgeoning piece of Michigan's economy. And so we define it a little bit at the defense center as defense aerospace, because there's a difference between Air Force and you know, in some of those activities in commercial aerospace, but certainly we support the aerospace industry here. And, you know, and work towards building that up. It's such an important piece of this, looking forward, diversifying and looking forward.



Ed Clemente 18:52

And that sort of bled into my next question, which is, strategically, what do you think should be some of the direction that you're going forward in or trends?



Vicki Selva 19:02

So this is really an exciting time for defense and Michigan. And, and one reason is because as I said, this is, you know, an old industry here, this is been here a long time. So it's grounded here. And and yet, there is great growth. So over the last, since we first introduced the strategic plan, Protect and Grow in 2016. There's been great growth in defense area. So it's \$30 billion in overall economic activity to the state, and 166,000 direct and indirect jobs. And, and so this is an important piece of the economy that's already here. The second exciting thing is that we're still about middle of the pack nationally. So we don't have those great big bases and soldiers that we talked about. But we're still about 25, ranked 25th in the in the country. And that means that there's room to grow. So we've got the basis and now we've got this opportunity to capture more. And and the last most important thing which feeds into your question, I'm sorry, I take long time to



answer your questions.



Ed Clemente 20:19

That's alright, they're good answers.



Vicki Selva 20:22

The the most important exciting thing about moving forward is that the Department of Defense budgets, and focus is really on modernization, and future technologies. And that's where Michigan plays. So autonomy and AI and robotics and platform cybersecurity, you can't have self driving vehicles until we figure out how they don't get hacked. Right. So that's important. And, and electrification and alternative ways of running vehicles and platforms. And so that's what the department defense is going to spend money on and their focus. And that's who we are in Michigan, and what we're working for commercially. And so Michigan has the opportunity really to leverage those two things and build this nexus here. So it's not just, you know, companies, commercial is, is more focused on short term ROI is right, you got to make the money, you got to pay the stockholders. Where the government has the ability to have a more long range investment plan for research and development. And so we can have, we do have that right here in Michigan, and we can certainly grow that even bigger here in Michigan and create that nexus. So so the two worlds are merging here in Michigan, and we're really excited about leveraging that.



Ed Clemente 21:50

Well, you sort of personally answered the next question. And is that it might be common sense for you, but what would you tell somebody for career advice? Because it sounds like if this is a growing industry, what would you kind of be telling people they should be working or small business people what they should be doing to tap into this?



Vicki Selva 22:11

Yeah, you know, government and defense, hire everybody, from lawyers, to, to business development people, to auditors, I mean you know, whatever you want to get into the government can hire you. And I mean, I'll just tell you Ed, I was in a meeting recently, a week or two ago, with some companies on the forefront of this technology stuff. And one of them said, "I'd hire 30 people today, if I could find them." And the other one said, "Yeah, us too." And so the opportunities are here in the state of Michigan. And, and so if, you know, if our voices get out past Michigan, to folks that are looking for opportunities around the country, come to Michigan, we'll introduce you up. There are there are

opportunities here. And for those of you that are in college, or, or that are, you know, here looking for something new to do, this is a, you know, I keep seeing on the news that this is a time of transition for employee employees, you know, everybody's looking for something new to do coming out of COVID, I would say to take a look at some of these opportunities in these companies, because they're hiring and it's important, it's important work. Because at the end of the day, you can, you know, directly or indirectly, perhaps save a soldier. And so, you know, it's it's any opportunities are there. So,

E

Ed Clemente 23:51

Yeah, and I should have mentioned this, but we're going to wrap up here pretty quick. But, um, you also do, I should mention, you do a lot of work with veterans too, right. I think that's important to mention that.

V

Vicki Selva 24:03

Yeah. You know, companies like General Dynamics, and I don't know, if they have, like 50% or 60% of their workforce are veterans. You know, people want to hire veterans. And so there are certainly possibilities and potential for veterans to, you know, get in on some of this growth. And, and we can certainly put any veteran that comes our way in touch with the Department of Military and Veterans Affairs here in the state of Michigan. And there's all kinds of opportunities there as well.

E

Ed Clemente 24:43

So, um, very last question and you can breeze through this one. But what do you like best about living in Michigan?

V

Vicki Selva 24:52

I love summers and fall. And I like laying in my hammock, particularly in the fall. Watching the colored leaves fall and you know, we just had we just have so much beauty here and, and potential. So that's what I like about Michigan.

E

Ed Clemente 25:12

That's great. Why don't you just give us a shout out one more time for your website again or your what URL you drive people to [michigandefensecenter.com.] And with that again it was Vicki Selva, Executive Director of Michigan Defense Center and Senior Strategic Advisor for the Michigan Economic Development Corporation. Thanks again, Vicki for

doing this today. You did a great job.



Vicki Selva 25:34

Thanks, Ed. It was great talking to you.



Announcer 25:37

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