



# LAKESHORE ADVANTAGE

The Lakeshore Region's GPS—We grow, plan, and solve to ensure a bright economic future

# INDUSTRY TRENDS REPORT

## METHODOLOGY

Lakeshore Advantage and partnering organizations interview over 120 local executives each year to understand growth opportunities and obstacles to growth in Allegan and Ottawa counties. This report includes the analysis of interview responses collected during 2022 and additional data to show key points about the economic health of area employers and the region as a place to do business.

Published December 2022

Lakeshore Advantage  
201 W. Washington Ave., Loft 410  
Zeeland, MI 49464

616.772.5226  
[www.lakeshoreadvantage.com](http://www.lakeshoreadvantage.com)



**60%**

of respondents are expanding in the next 3 years compared to 69% in 2021.



**\$436**

**Million Dollars in Leveraged Funds**

---

Average dollar amount of expansion:

**\$8M**

**33**

**Successful Projects**

---

Average number of net new jobs:

**19**

---

Average square footage:

**53K sq. ft.**

---

Two of the most important measures of economic vitality, our region outpaces the US significantly in sales and business growth.



**91%** reported total company sales were increasing or stable (83% in 2021)

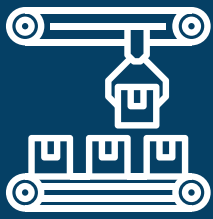


**97%** reported market share was increasing or stable (95% in 2021)



**82%** were introducing new products, services, and/or capabilities compared to 87% in 2021



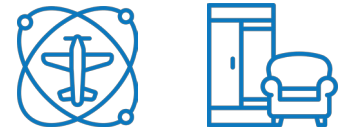
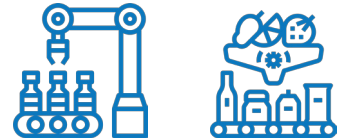


# Manufacturing Matters

Manufacturing job growth is expected to be 2% higher in our region than the US. These manufacturing jobs are important because we know manufacturing's average earnings are 29% more than the overall average earnings across industries. Manufacturing is and will continue to be critical to our regional economy.

## Top Industries in Our Region

- Furniture and Related Product Manufacturing
- Fabricated Metal Product Manufacturing
- Food Manufacturing
- Computer and Electronic Product Manufacturing



Manufacturing accounts for **43%** of Allegan and Ottawa Counties' GRP and **30%** of all jobs are in manufacturing.

## Anticipated job growth in top manufacturing sectors in the next 5 years:

- Computer and Electronic Product Manufacturing
- Electrical Equipment, Appliance, and Component Manufacturing
- Food Manufacturing
- Machinery Manufacturing
- Miscellaneous Manufacturing



## FOOD PROCESSING

Food processing has the largest growth in international sales. The respondents are food processors but also suppliers: cold storage, equipment manufacturing, packaging, etc.

**\$1.5B**

Amount of private investment made by five local food processors over the past 3 years

**\$72k**

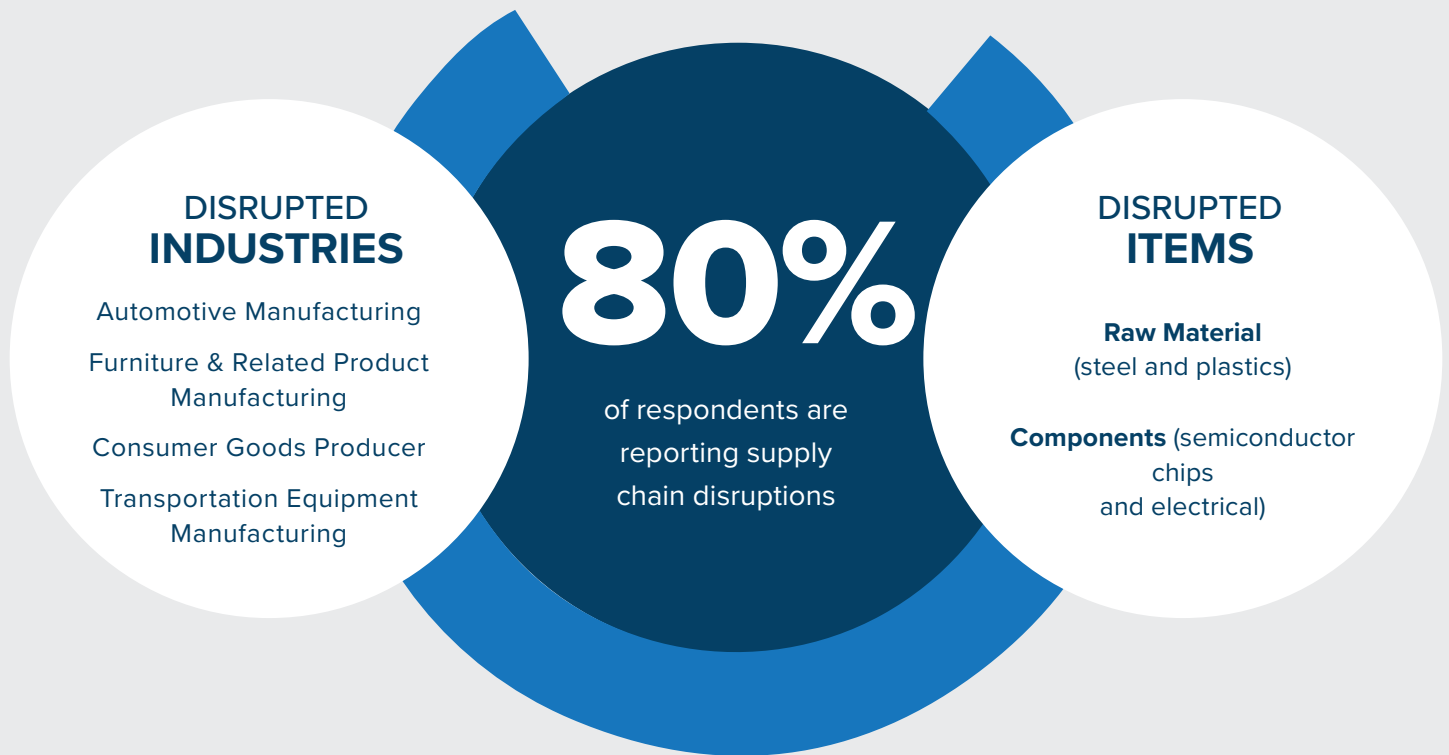
Average food manufacturing earnings per job in Ottawa County

(The national average salary in an area this size is \$65,221)



# Economic Challenges

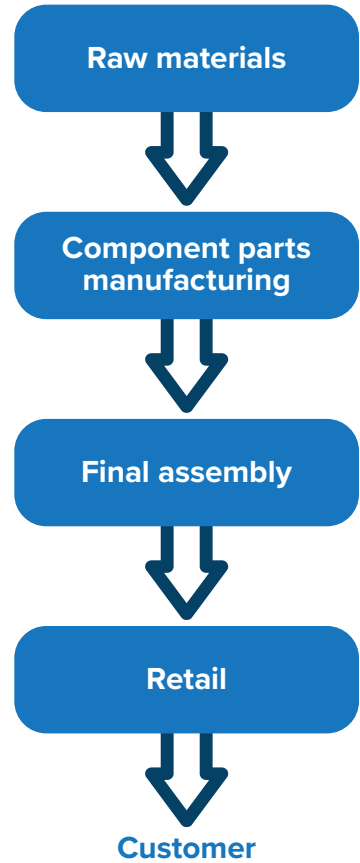
Our team continues to tackle challenges that can restrict growth opportunities. Supply chain distributions have and continue to be a top barrier to growth. This year, the largest disruptions were from regional and national suppliers, compared to primarily international supplier disruptions in 2021.



## Supply chain disruptions reported in 2021 and 2022 were nearly the same, only .5% different.

Why this issue is important: "An acute shortage of talent is holding organizations back in their efforts to accelerate digitization and implement advanced planning systems. Picture of the risks lurking deep inside complex supply networks. Despite progress over the past 12 months, many companies still lack a comprehensive picture of the risks lurking deep inside complex supply networks." - Mckinsey.com

Companies over the last year have shown resilience to supply chain disruptions by bringing outsourced goods and services back in-house. These companies are primarily bringing back the following: machining, painting, and anodizing. Other changes include more vertical integration. Companies are identifying how they can adapt and take more control over their timelines.



The lakeshore region is bringing back

**Anodizing**



**Painting**



**Machining**



**40%**

of those with supply chain disruptions reported bringing outsourced goods or services back in-house.



# Access to Talent

Recruitment problems continue to be a top barrier to growth for companies in our region. The vast majority of responses identify skilled positions requiring certifications, trainings, or degrees in engineering. Nearly double the number of companies (29%) are operating with increased hours compared to 2021 (16%).



# 69%

of companies interviewed reported recruitment problems in 2022 compared to **75%** in 2021.

The most common positions needed in 2022 are skilled positions. The top positions needed are engineers (electrical, controls, mechanical), machinists (tool & die, machine operators, CNC) and general production labor (unskilled).

	29% Increased Hours of Operation	62% Maintained Hours of Operation
Supply chain disruptions	78%	82%
Sales increasing or stable	90%	94%
Sales increasing or stable	100%	99%

For those companies functioning at regular hours, **59%** reported having recruitment problems. Comparatively, for those companies operating at increased hours or overtime, **81%** reported having recruitment problems

Companies with recruitment problems are more likely to offer internship, tuition, and/or reimbursement. These companies are adapting to the labor shortage by offering competitive wages to their employees to attract and retain.

**81%** of those companies with increased hours were having recruitment problems compared to **69%** overall.



# 80%

of workers said that inclusion was important when choosing an employer.

Source: Deloitte



# 40%

of employees said that they would leave their current organization for a more inclusive environment.

Source: Deloitte

## Leading Practices

70% of employers are very or somewhat prepared to implement smart manufacturing technologies into their operations. The top barriers to implementation are lack of staff expertise to implement and cost. Access to appropriately skilled talent is a leading barrier to growth for local primary employers.

The young, emerging and increasingly diverse workforce of tomorrow are those who will develop, operate, and repair new smart manufacturing technologies. Employers who are able to attract, retain, and grow not only today's talent, but our emerging workforce, will be best positioned for success. Those companies who reported investing in DEI were more likely to be bringing new products to market and more likely to be expanding than those who were not.



# 51%

of local primary employers surveyed reported adoption of at least one DEI best practice.

## Board Members

**Neil Boehm** - Chair  
*Gentex*

**Jeff Stutz** - Vice Chair  
*MillerKnoll*

**Jennifer Remondino** - Treasurer  
*Warner Norcross + Judd*

**Mark Schmidt** - Secretary  
*BizStream*

**Scott Brooks**  
*Brooks Capital Management*

**Holly Johnson**  
*Frey Foundation*

**Dave Koster**  
*Holland Board of Public Works*

**Phil LaMothe**  
*fairlife, LLC*

**Scott Lubbers**  
*Fifth Third Bank*

**Nick Nykerk**  
*Lakewood Construction*

**Jodi Owczarski**  
*West Coast Chamber of Commerce*

**Dr. Bill Pink**  
*Ferris State University*

**Steve Ramus**  
*Perrigo*

**Rob Sarro**  
*Allegan County*

**John Shay**  
*Ottawa County*

**Dave Tebo**  
*Ottawa Area ISD*

**Craig Ulrich**  
*JR Automation*

**Jim Vander Kolk**  
*Royal Technologies*

**Kyle Verplank**  
*Shape Corporation*

## Largest Primary Employers

**Gentex Corporation**

**Haworth**

**JBS USA**

**LG Energy Solution**

**Magna Mirrors**

**MillerKnoll**

**Perrigo**

**Request Foods**

**Shape Corporation**

**Tyson Foods**

## RESEARCH PARTNER



## REPORT ANALYSIS



**LAKESHORE  
ADVANTAGE**

Lakeshore Advantage  
201 W. Washington Ave., Loft 410  
Zeeland, MI 49464

616.772.5226  
[www.lakeshoreadvantage.com](http://www.lakeshoreadvantage.com)