



# ZONE Outlook

GREATER DETROIT FOREIGN TRADE ZONE, INC.

## Vol. 2, Issue 1

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*Ford Motor Company*

## FTZ Marketing Takes Shape on the Web

*From the desk of Steven Olinek, Director*

I've concluded that the successful marketing of a product is an imperfect science. Various techniques work from industry to industry, though each is unique and individual. What propels one manufacturer or service provider to the top of the market may bring another to Chapter 11. Yesterday's fashion statement may be today's old hat, irrelevant or worse. While a quality product may well speak for itself, pitching it to potential new users today requires new techniques. Enter e-commerce and the use of the Internet as a marketing tool.

Computer technology has caused the need for people to increase their knowledge of electronics on nearly a daily basis. The fact is that few of us owned personal computers 15 years ago; claimed an e-mail address 10 years ago; or even purchased goods over the internet five years ago. Yet in today's business world, it's inconceivable to not possess at least rudimentary computer skills.

### Marketing the Zone

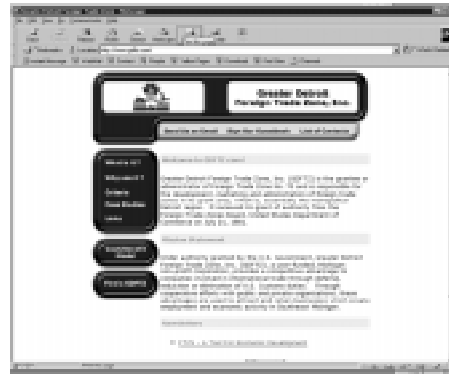
To promote the foreign trade zone program over the years, Greater Detroit Foreign Trade Zone, Inc. (GDFTZ) has held seminars and conducted mass mailings of marketing materials. We've participated on panels, made presentations and speeches, as well as lectured to college classes. We've participated in trade shows, talk shows, trade fairs and even trade missions to foreign countries. We've bought advertising in national publications, sponsored events,

conducted tours, written articles and been interviewed by all manner of media. In addition, we publish this newsletter and will continue to do so to further communicate with our zone operators and others interested in the program. And now, to compli-

ment these marketing strategies, we'll be marketing the program through our new website –

**www.gdftz.com.**

Marketing via the Internet is simply an extension of time-tested, traditional methods used to reach potential customers.



Since the "www" of one's website address stands for World Wide Web, it seems appropriate to use this tool when dealing in global trade and marketing foreign trade zones.

### Interact with the Zone

Unlike our other marketing methods, our website offers visitors the opportunity for interaction. Aside from learning about foreign trade zones, locating zones in Southeast Michigan and contacting GDFTZ, site users can determine their potential cost savings achieved through zone status through the "Cost Benefit Model." On this page, participants can determine their company's FTZ suitability by merely plugging in a few company statistics. Like all of our marketing tools, the website will be revised, improved and, ideally, perfected as time goes on.

Please visit our site and let us know what you think. Welcome to [gdftz.com](http://gdftz.com).



## Board Profile: Eddie R. Munson

*Occupation:*  
Managing  
Partner of the  
Michigan Business  
Unit of KPMG LLP  
and Partner in  
Charge, Assurance,  
for the firm's Mid-  
America Business  
Unit

*Residence:*  
Rochester Hills, MI

*Hobbies:* Golf

**A**s managing partner for KPMG's Michigan office – one of the world's largest independent accounting and consulting firms – Eddie Munson brings an unparalleled wealth of business and financial knowledge to the Greater Detroit Foreign Trade Zone (GDFTZ) Board.

As a board member since 1996, Eddie recognizes the potential growth opportunity FTZs can bring to communities, businesses and potential employees. "The zones provide a competitive edge for companies of all sizes," Munson says. "They provide not only cost savings, but they also benefit communities as a source for job creation and as a maintenance vehicle."

### Zone Views

In the future, Munson will be working with the other board members to increase the visibility of the GDFTZ. "FTZs as a whole around the country need to increase visibility and enhance the benefits through a stable franchise foundation."

Eddie notes that the GDFTZ is taking steps to increase visibility and its presence in Southeast Michigan. He says that recently the board has taken on a strategic planning initiative including a marketing strategy to better position the zone. This marketing initiative includes tactics such as this newsletter, a new website, routine article placements and even a progressive grassroots effort.

Eddie says the highest use of zones currently comes from the automotive industry, but is increasing with usage from transportation companies, technology-based manufacturers and others. While his crystal ball doesn't clearly predict the future, he says the zone should provide a competitive edge for businesses ten years from now and beyond, just as it does today. However, with the trend towards e-commerce, he can't venture a guess as to the role that it will have on the GDFTZ.

For now, Eddie promises that he and other board members will continue to remain aware of and notify others of the services the zone is capable of providing. "If any one has any doubt in their mind as to the benefits the GDFTZ can offer their business, they should contact the GDFTZ staff. They'll be happy to meet to explain the FTZ program in full," he says.

### Community Involvement

Aside from his role as GDFTZ board Secretary-Treasurer, Munson is involved in other community organizations. He is the Treasurer of the Board of Directors of the Community Foundation for Southeastern Michigan; a board member and Vice Chairman-Finance of Detroit Downtown, Inc.; as well as a board member of the Metropolitan Affairs Coalition.



**Annual Legislative/Regulatory Seminar**  
March 5-7, 2000 (Roundtable 3/5)  
Washington, DC  
The Washington Monarch Hotel

**Annual Marketing & Operations Seminar**  
May 7-8, 2000 (Roundtable 5/7)  
Los Angeles, CA  
Regal Biltmore Hotel  
(213) 624-1011  
\$134.00 per night; single/double occupancy

**28<sup>th</sup> Annual Seminar/Conference & Exposition**  
October 14-19, 2000 (Roundtable 10/14)  
Las Croabas, Puerto Rico  
Wyndham El Conquistador  
(209) 863-1000  
\$155.00 per night; single/double occupancy

## Ecorse-based firm is the Port of Detroit's only FTZ

**E**stablished in 1928, the family-owned business of Nicholson Terminal & Dock Company is proud to be the Port of Detroit's only qualified foreign trade zone.

The terminal, which employs 100 locals year-round and up to 250 during the peak season, is a full-service company that provides customer satisfaction through its stevedoring (ship loading and unloading), terminal, warehouse, machine shop and vessel repair services. Added to these multiple services is its designation as a general-purpose foreign trade zone.

As a general-purpose zone for more than ten years, Nicholson offers customers the operating flexibility and cost savings that are vitally important to improving the companies' market positions. According to Rod Scott, Vice President of Sales and Development, as many as five customers use Nicholson's zone status. These customers typically use the docking terminal at Nicholson to off-load freights of steel products, which are then transported by truck to locations in Canada. The benefit this offers is the ability to take advantage of the Port of Detroit's location for cargo unloading, without paying the United States duties and tariffs.

### Customer Service Increases FTZ Attractiveness

On Nicholson's website homepage, it says, "We understand that each customer contract is unique and requires special attention. Every job has different specific details that are important to its successful completion, in a damage free manner." This philosophy, in conjunction with FTZ designation has proven to build additional business for the company.

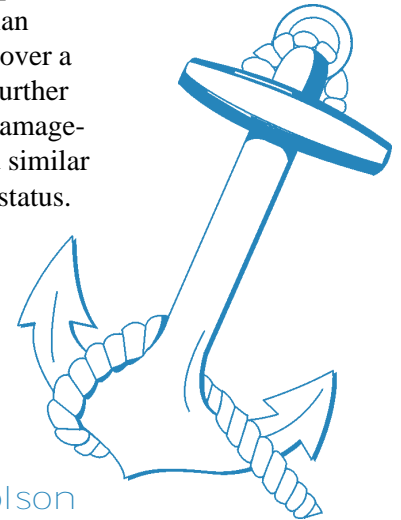
Scott says many of their FTZ customers are Japanese trading houses involved in shipping steel products to automotive manufacturing plants in

Canada. Two of these customers include Mazda and Mitsubishi.

When Suzuki imported components and machinery for its new Canadian operation, Nicholson was chosen over a Canadian port that was 45 miles further north. The reasons: Nicholson's damage-free handling when they provided similar service for Mazda *and* their FTZ status. This also resulted in continued business from Nissho-Iwai (a Japanese trading house), which uses Nicholson to unload and ship approximately five to six trucks of steel products to the plant per day.

### FTZ's Future at Nicholson

According to Scott, he doesn't foresee increased use of the FTZ in the near future. He says this is due to government anti-dumping duties levied on steel products, but if that changes, he predicts long-term increases in the FTZ utilization. Regardless, he still continues to market the zone status and benefits of Nicholson. Not only is there a webpage dedicated to explaining their zone status, Scott mentions the zone benefits to potential customers on his numerous overseas sales calls. "It doesn't take long for the word to spread," says Scott. "I mention it to potential customers and they inform their customers." Rod also mails copies of zone regulation changes to all of Nicholson's customers and potential customers.



#### Visit these related sites:

**Nicholson Terminal & Dock Co.**

[www.nicholson-terminal.com](http://www.nicholson-terminal.com)

**Detroit/Wayne County Port Authority**

[www.portdetroit.com](http://www.portdetroit.com)

**National Assoc. of Foreign Trade Zones**

[www.imex.com/naftz.html](http://www.imex.com/naftz.html)



## For more info

*GDFTZ's Zone Outlook* is published quarterly. For additional information or assistance with your trade needs, please contact:

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# Customs Critical to Zone Growth

*Information provided by Domenick Gambardella, President, Nat'l. Association of FTZs*

The dramatic increase of zones throughout the United States indicates the importance of international trade in local communities, which are the backbone of the zone program. One key success factor to maximizing the benefits of the zone program is the ability to move merchandise quickly and cost-effectively. The processing of this merchandise across our borders is a critical component of the Customs Service.

At the recent 27<sup>th</sup> Annual Seminar/Conference and Exposition held in Hershey, Pennsylvania, the number of attendees was evidence that the FTZ program is strong and continues to grow. This continued growth brings tangible benefits to the local communities in which the zones are located.

Highlighting this year's conference were sessions focusing on several common issues designated as critical to the continued growth and success of the zones programs on the local level. Two key issues that continue to hamper the growth and success of the program involve the Customs Service. These issues – the inability of non-manufacturing zones to utilize a weekly entry procedure and the lack of automation in the admission process – can be addressed and improved

with the help of all operators.

Weekly entry procedures for non-manufacturing zones prove to be an efficient process which reduces unnecessary paperwork and data processing, which in turn, allows scarce Customs resources to be better directed towards other critical responsibilities. Earlier this summer, the necessary language to secure this operational procedure was approved by the Senate Finance Committee as part of S.1388, A Bill to Extend the Generalized System of Preferences. Zone operators' support in obtaining final approval of this procedure is crucial.

As efforts continue between NAFTAZ and Customs to emphasize the importance of automation in the FTZ admission process, you will receive progress updates. The initial importance of this issue was brought to your attention in H.R. 435, which became law on June 25, 1999, (P.L. 106-36) thanks to the support of concerned operators. Work is continuing with Customs to achieve automation of the process by the required deadline of January 1, 2000.

For more information on these or other issues, please call the National Association of Foreign Trade Zones at (202) 331-1950.

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FOREIGN TRADE ZONE, INC.

