

By Guest Columnist, Marty Abbott, President of The IM Group, Inc.

Most people in business view government as a morass of bureaucracy and taxes. What isn't so obvious is that state, county and local governments truly would like to see your business prosper. And most governments are willing and able to put their pocketbooks behind their good wishes. Even in these tough economic times, state governments are providing over \$400 million in training grants each year to businesses to encourage more and better training. Although each state training grant program is different, it is usually a basic requirement that the training being funded provides significant skills upgrades, as occurs with external consulting fees for kaizen events such as those conducted by TBM.

#### How the Process Works

An application is filled out providing specifics about the company and the training program, with special emphasis on demonstrating why the training is critical to the company's success. When a company does this in-house, the application process takes about three or four months, in our experience. From anecdotal evidence, it appears there is a this-is-a-pain-in-the-neck process with a dropout rate of about 67 percent, meaning that two-thirds of companies that start the application process never finish it.

The state agency that receives the application then takes a couple of months to review it. Approved companies receive a grant notification letter with an approved

dollar amount. Depending on the state, only about 25-50 percent of requested grants are approved. Next, the company does the training and requests a reimbursement. Within a couple of months of each reimbursement request, a check is issued to the company.

An alternative to do-it-yourself applications is to hire a consulting firm to manage the process for you. At our firm, we complete 100 percent of applications started and have a 99 percent approval rate (with 97 percent first-pass yield; three percent are re-submitted and two thirds of those are subsequently approved). We attribute our approval rate to (a) our expertise in knowing how the state wants the application prepared and (b) our work pre-selling the application by getting together with senior state personnel.

#### An Example in Action

As an example of how we do it let's look at Owens Corning. This is one of our largest clients and a large client for TBM. At Owens, over \$600,000 in training grants have been acquired over the past year, averaging about \$500 for every person trained. The largest training component was TBM kaizen events.

At the Owens plant in Kansas City, a grant of \$405,000 was obtained to cover 100% of the costs for three years training for 350 employees. This included a 100 percent recapture of TBM kaizen event costs.

At the Owens plant in Santa Clara CA the state provided a grant to train employees in lean manufacturing. The grant was for \$196,400 for two years of mostly lean training including predominantly kaizen events. ■

#### How Can I Learn More?

Contact Marty Abbott at The IM Group for additional examples. Call 203.256.9494 or visit [www.the-imgroup.com](http://www.the-imgroup.com).



**Marty Abbott is the Founder and Chairman of The IM Group.**

His business career began after he received his Bachelors from Providence College and his MBA from Columbia University Business School. His first company was General Foods Corporation followed by Richardson-Vicks, now part of Procter & Gamble.

Following his corporate career Marty began an entrepreneurial career that included founding and eventually (successfully) selling his own company and buying six U.S. businesses for a British public company.

He has negotiated some large incentive packages over the years for companies such as American Standard, Trane Air Conditioning, Hubbell, Energizer and more. Over the years he has met with many economic development leaders, state heads of economic development and with the Governors of Arkansas, Colorado, Connecticut, Florida, Minnesota, New Jersey, Ohio and Texas. He is a recognized and requested speaker and writer on the subject of state, county and local economic benefits and incentives.

