Drozdiak: Liaison to Germany sees relationship to benefit small and medium-sized businesses
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By WisBusiness staff and contributors

A top liaison between Germany and the United States sees a lot of potential for small and medium-sized businesses in Wisconsin.

And not in the way you may think.

While economic development officials often have thought of foreign trade as the way to help Wisconsin's export-driven economy, direct investment or purchase by a German company may be another way.

That's according to William Drozdiak, the president of the American Council on Germany. He's also the former executive director of the German Marshall Fund and a former editor and world correspondent for the Washington Post.

“A lot more can be done in reaching out to small and medium-sized enterprises. If there would be a way to establish a better connection between Wisconsin and these smaller companies in Germany it would enhance the standards on both sides of the Atlantic,” Drozdiak told WISC-TV during a recent Wisconsin visit that included a sitdown with business leaders in Madison over breakfast on March 16.

At that breakfast meeting, Drozdiak emphasized job creation through foreign direct investment. He didn't discount exports to Germany as a job-creation tool but said “investment is a practical way to create jobs.”

The American Council on Germany started 60 years ago in the Cold War with a focus on trans-Atlantic security. It now is focused on trans-Atlantic business and financial relationships such as trade and investment.

The ACG has a chapter in Madison, led by Elizabeth Covington, an organizer of the breakfast meeting. She is associate director of the Center for German-European Studies and the European Union Center of Excellence at UW-Madison.

Drodziak observed that Germany’s Mittelstand businesses and Wisconsin’s small and medium-sized businesses are similar in structure and both are important to prosperity. Germany, Europe's economic powerhouse, is fueled by more than 3 million Mittelstand firms of fewer than 500 employees contributing half Germany’s GDP and employing 70 percent of the workers. According to 2009 Wisconsin statistics, Wisconsin has 9,768 manufacturing and 34,220 trade, transportation and privately held utility firms with fewer than 500 employees.
Wisconsin “has a lot of strengths that could be exploited," and “we would like to facilitate this," Drozdiak told the breakfast. He mentioned cultural ties, the University of Wisconsin, and the presence of German companies in the state.

While in Wisconsin, he visited Milwaukee and in Madison toured the UW Research Park and took in a WARF-sponsored presentation on intellectual capital and saw the new Wisconsin Institutes for Discovery.

See a related "On the Record" interview with Drozdiak