

MICHIGAN DEPARTMENT OF CORRECTIONS

MICHIGAN STATE INDUSTRIES GROWTH OPPORTUNITIES STUDY



Office of Management and Information Systems
Department of Management and Budget
State of Michigan

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MARCH 1990

133090

**U.S. Department of Justice
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EXECUTIVE SUMMARY

MSI produces a wide variety of products from janitorial supplies to office furniture and clothing. Over the last few years management has taken several positive steps to enhance operations. MSI management is presently seeking ways to increase its customer base, and sales. With this goal in mind, in April of 1989, MSI engaged the consulting services of the Office of Management and Information Systems, Department of Management and Budget to conduct a market survey. The market study has two primary objectives. They are: 1) to identify new market growth opportunities; and 2) to identify new product development opportunities.

This study was conducted in three steps: 1) sales trend analysis, 2) interviews with existing and potential customers, and 3) a large mail survey. The sales trend analysis examined patterns and trends of existing sales. The interviews involved selected purchasing agents from state agencies and purchasing agents of potential new agencies. Finally the mail survey was distributed to potential new agencies across the state who qualify as customers under MSI's charter.

Two conclusions were drawn from the sales analysis. The first conclusion was that MSI has a very small share of business available to them outside of state agencies and the Department of Corrections, and business from state agencies may be declining. The second conclusion drawn from the sales analysis was that additional penetration of existing products in existing markets is quite possible.

The general conclusion drawn from the personal interviews with purchasing agents from state agencies was that MSI has a major marketing communication problem. There is still a widespread image of poor quality associated with MSI products. The interviews with the purchasing agents of potential customers (hospitals, school districts, etc.) indicated that they had a generally favorable attitude towards MSI, but usually found items were either not price competitive or did not meet specification. Some new product ideas mentioned in the interviews were: janitorial tools such as brooms, mops, buffer pads, etc.; sporting equipment and outdoor recreational supplies, uniforms, protective clothing, plastic products such as waste paper baskets and

weather stripping, and computer disks.

The mail survey results are extremely encouraging. Although MSI has almost no sales penetration into the targeted markets, it is well perceived by those respondents who presently are customers of MSI or who have been customers in the past. A detailed evaluation of MSI's sales call records over the past three years indicated that the present management increased personal selling efforts to these targeted markets by three to four hundred percent over the last two years. The level of penetration identified in the sales analysis though small could be directly attributed to this intensified marketing effort. Limited staff and resources limited the frequency of calls and consequently limited to some extent the degree of penetration. Present management is improving its marketing capabilities as best it can given its resources every year. There is significant evidence that its sales activities have been productive in the targeted markets, just not extensive enough due to limited resources.

Several specific marketing recommendations are provided. The first and most important of these recommendations is that before any expansion program is implemented, MSI be allocated the resources to dramatically increase and improve its marketing capabilities.

In the case when expansion does take place, it is recommended that it take place through increasing sales of existing products to colleges and hospitals.

BACKGROUND

MSI DESCRIPTION

Michigan State Industries (MSI) is a diversified manufacturing operation within the Michigan Department of Corrections. Through MSI, inmates manufacture products and perform services that are in turn marketed within the state and across the country. Under its initial charter, MSI can market its products to state agencies, municipal and county agencies, public schools and health agencies, and all non-profit organizations.

Through the work opportunities provided by MSI, inmates develop positive work habits and skills that will assist them in leading productive lives once released. Along with education, the development of such work ethics and skills is an integral part of the successful rehabilitation of inmates. The importance of this role was recognized recently by the House Republican Task Force on Prison Initiatives Report issued November 1989. The first recommendation of this task force was to create jobs for prisoners that provided marketable skills. Although this task force did not mention MSI specifically, it strongly endorsed the type of activities presently conducted by MSI.

MSI produces a wide variety of products from janitorial supplies to office furniture and clothing. Over the last few years management has taken several positive steps to enhance operations. Efforts were taken to significantly improve quality, expand marketing staff and activities, and introduce new products. Sales were approximately \$32 million in 1989. This represented a growth of almost 10% over 1988 sales.

MANAGEMENT PROBLEM

Despite the impressive growth and operational improvements MSI needs to do even more. A tremendous growth in the number of prisons is occurring and will continue over the next few years. The expanded prison population will require a larger sales volume in order to provide inmates with meaningful work. In addition, a wider variety of products and services are also needed in order to develop work skills that will be marketable upon inmate release. As a result of

these environmental pressures, MSI management is actively seeking ways to increase its customer base, and sales. With this goal in mind, in April of 1989, MSI engaged the consulting services of the Office of Management and Information Systems, Department of Management and Budget to conduct a market survey. This report provides the results, conclusions, and recommendation generated from that study.

RESEARCH OBJECTIVES & DESIGN

OBJECTIVES

This market study has two primary objectives. They are:

- 1) to identify new market growth opportunities; and
- 2) to identify new product development opportunities.

The combination of these two objectives result in four potential ways by which sales could grow. Sales increases could occur for the existing line of products from:

- 1) increased sales to existing customers
{market penetration}; or
- 2) the development of sales to new customers
{market development}.

Sales increases could also occur from the development of new products:

- 3) for sale to existing customers
{product development}; or
- 4) for sale to new customers *{diversification}*.

This study explores each of these potential growth opportunities and recommends the opportunity most feasible for MSI.

RESEARCH DESIGN

This study was conducted in three steps: 1) sales trend analysis, 2) interviews with existing and potential customers, and 3) a large mail survey.

Step One: The patterns and trends of existing sales were examined. This provided insights into MSI's largest customers and any positive or negative purchasing trends that shed light on the type of growth opportunity that should be pursued.

Step Two: The second step involved interviewing selected purchasing agents. State agencies, which represent the largest purchasing group for MSI products, were interviewed. In a similar fashion the purchasing agents of potential new agencies were contacted. The focus of these interviews was to determine the image of MSI, determine opportunities for further penetration, and to get ideas for new products or services that might be provided. Questionnaires were sent to the selected purchasing agents. After receiving the letter, the agents were contacted by the principal consultant and a time arranged for an interview. On a few occasions, the interview took place over the phone. In most cases though, a personal interview took place. The agents contacted, and copies of the letter and questionnaire are provided in Appendix A.

Step Three: The third step involved the distribution of a mail questionnaire. This questionnaire was distributed to agencies across the state who qualify as customers under MSI's charter. The questionnaire sought to determine the potential volume that exists for markets and new product opportunities identified through the interviewing process. The survey also enabled quantitative estimates to be developed for the various growth strategies. A copy of the questionnaire and the accompanying cover letter are provided in Appendix B.

The results from each research step are discussed separately below. These discussions are followed by a summary of the overall implications of the research and a series of recommendations.

SALES ANALYSIS RESULTS

ANALYSIS PROCEDURES

An indepth analysis of MSI sales proved to be somewhat difficult. Only two years of data were analyzed. MSI records showing sales by customer and by product were examined for 1988 and 1989. Ideally, five to ten years would be required for valid conclusions on trends. The analysis was limited to only two years because of technical difficulties.

A computer file was developed containing customer

identification numbers, total units sold in 1988 and 1989, and total dollar sales in 1988 and 1989. This file is provided in Appendix C.

These data are summarized in Exhibit One. A more appropriate representation of MSI's market success outside of the correctional system is given in Exhibit Two. MSI's accounting procedures reported internal factory shipments for work in progress as sales. Transfer shipments represent about 10% of sales reported in Exhibit One. Exhibit Two shows MSI sales for 1988 and 1989 after transfer shipments have been subtracted.

The number of customers is given in Exhibits One and Two in addition to unit sales. This was done in order to provide a better interpretation of MSI's volume for the two years in question. MSI's accounting procedures reported business from their data entry operations in terms of keystrokes. This dramatically inflates the units sales figures. For example in 1988 one account reported 102,423,918 keystrokes. As will be discussed later, data entry was considered to be one of MSI's problem areas by several customers who were interviewed. A decline of one or two jobs could represent several million keystrokes. Given that the price per keystroke was approximately \$.00098, unit sales might appear to decline dramatically as in Exhibits One and Two while revenue might remain the same or even increase. The impact on marketing resulting from accounting procedures is discussed in more detail in the recommendation section.

CONCLUSIONS

Exhibit Three shows the relative share of sales (net of transfer shipments) to key customer groups. These groups are: correctional facilities, state governmental agencies, municipal and county agencies, schools, colleges, and hospitals and other non-profits agencies. This exhibit shows that state agencies and correctional facilities account for 86% of MSI sales. In fact, a detailed examination of Appendix C shows that the average sale for the remaining customer groups is less than \$1,000.

Exhibits Four and Five show sales for major state agencies by employee and sales for major county agencies and school districts by population. The assumption is that the more employees or population an agency or community has the greater need it would have for MSI products. To the extent MSI has penetrated each of these markets fully, sales per employee or person should be high and consistent across different agencies and communities. This can be tested by examining a correlation measure. A correlation is a number that ranges from -1 to 1 that indicates the extent to which two numbers

EXHIBIT ONE
MSI MARKET PERFORMANCE
(Includes MSI Transfer Sales)

Units / Dollars / Customers
(in millions, except for customers)

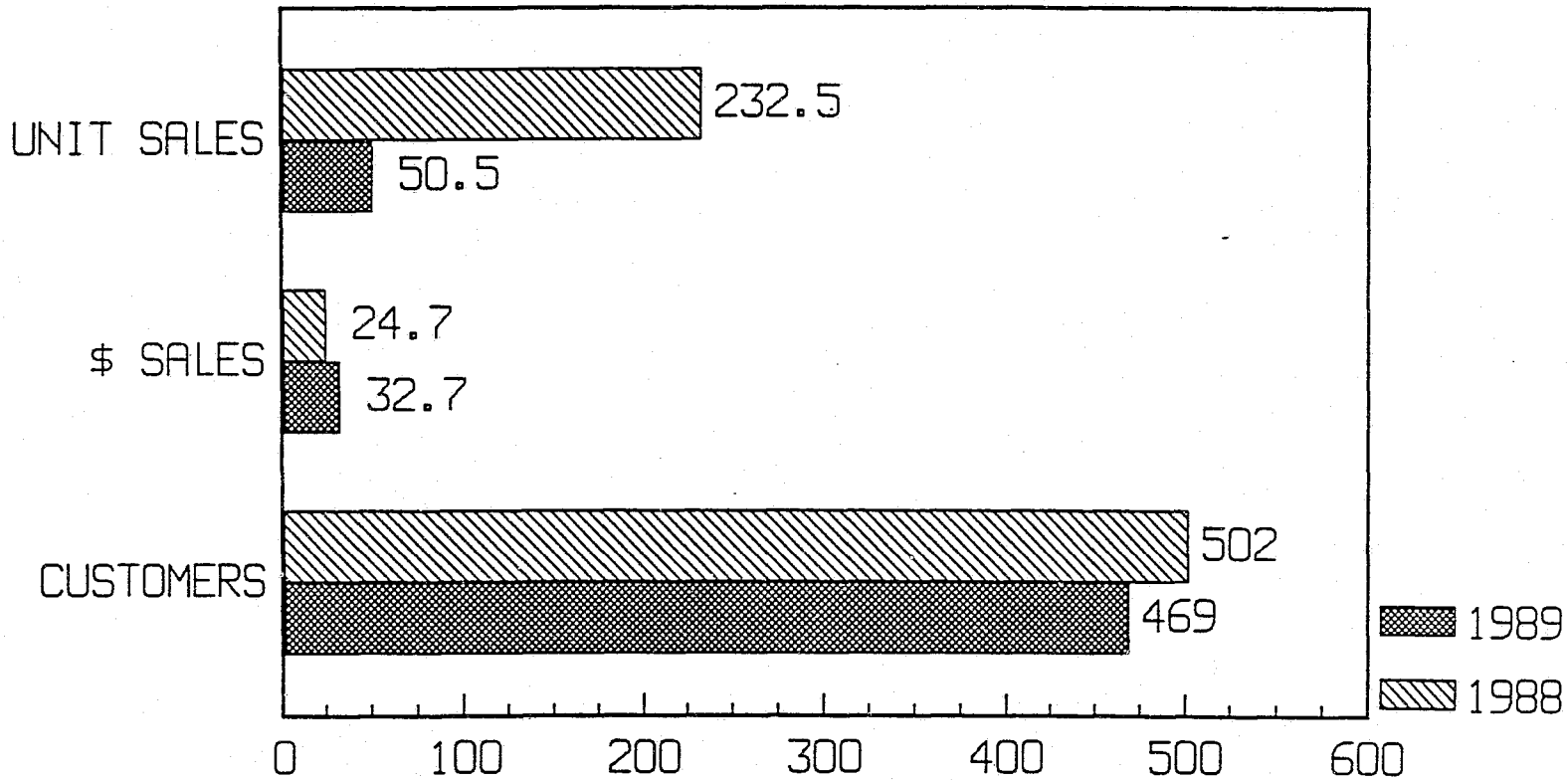


EXHIBIT TWO
MSI MARKET PERFORMANCE
(Excludes MSI Transfer Sales)

Units / Dollars / Customers
(in millions, except for customers)

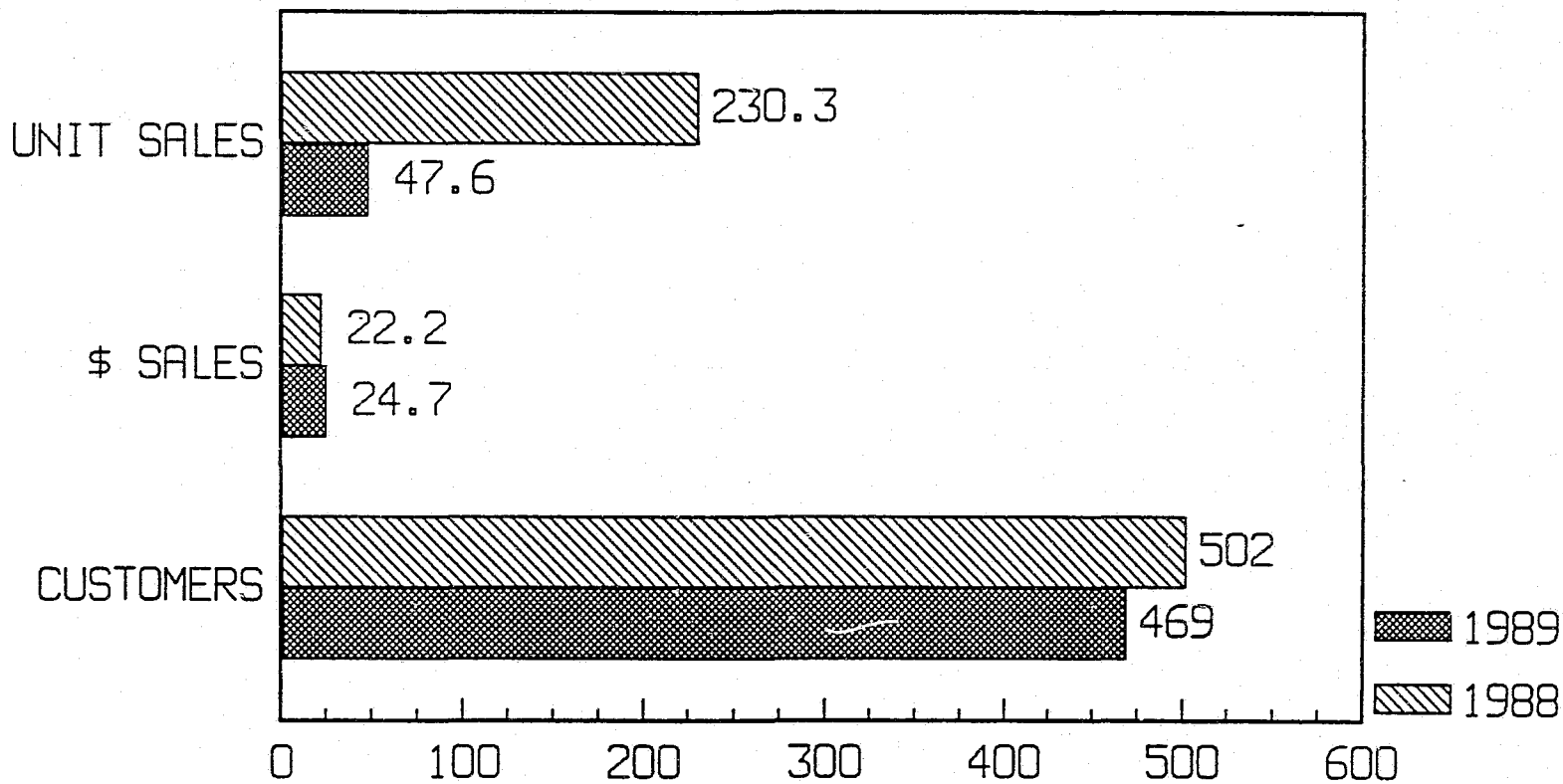
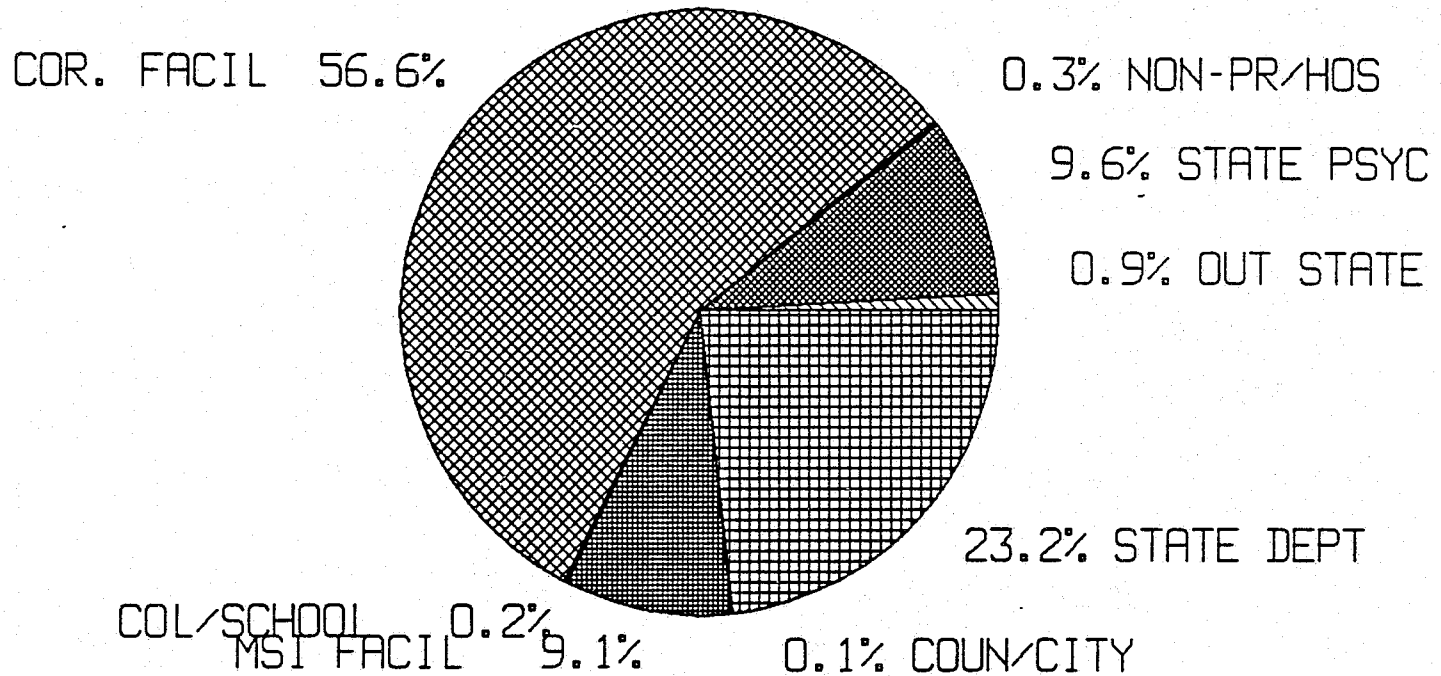


EXHIBIT THREE
CUSTOMER SEGMENT SHARE OF
TOTAL 1989 MSI \$SALES
(Excludes MSI Transfer Sales)



Based on MSI 1989 Customer Sales Report

EXHIBIT FOUR
RELATIONSHIP BETWEEN MSI SALES
FOR STATE DEPARTMENTS AND SIZE OF WORKFORCE

<u>1988</u>	<u>Code</u>	<u>Department</u>	<u>Sales</u>	<u>1987 FTE's¹</u>
	20311	SECRETARY OF STATE	91732	1776.6
	20330	AUDITOR GENERAL	81220	170.4
	20700	DEPT OF MGT & BUD	677563	1409.5
	21100	ATTORNEY GENERAL	54612	449.2
	21500	DEPT CIVIL RIGHTS	13346	223.4
	21900	DEPT CIVIL SERVICE	35220	276.9
	22300	DEPT STATE	2651475	2177.6
	22700	TREASURY DEPT	201503	1530.8
	23100	DEPT EDUCATION	157529	2026.4
	23500	PUBLIC HEALTH	204359	1829.8
	23900	MENTAL HEALTH	63648	11898
	25100	MILITARY AFFAIRS	53035	394.4
	25500	STATE POLICE	295066	3454.2
	25900	TRANSPORTATION	529465	4189.9
	26300	COMMERCE	118232	1876.6
	26700	LABOR	321975	957.4
	26712	EMPLOYMENT SEC.	152076	2489.4
	27100	LICENSING & REG.	41469	331
	27500	NATURAL RESOURCES	169934	3540
	27900	AGRICULTURE	43427	540
	29040	STATE LOTTERIES	26204	210.4
	27903	SOCIAL SERVICES	598684	13627.4

Correlation Equals .01

Source: Annual Work Force Report Fiscal year 1987-1988,
Civil Service Department State of Michigan.

EXHIBIT FOUR CONTINUED

1989	Code	Department	Sales	1988 FTe's
	20311	SECRETARY OF STATE	21481	2205.9
	20330	AUDITOR GENERAL	6914	158.2
	20700	DEPT OF MGT & BUD	587155	1431.3
	21100	ATTORNEY GENERAL	48386	439.1
	21500	DEPT CIVIL RIGHTS	20511	236.2
	21900	DEPT CIVIL SERVICE	119371	276.9
	22300	DEPT STATE	2985632	2205.9
	22700	TREASURY DEPT	114784	1638
	23100	DEPT EDUCATION	106883	1982
	23500	PUBLIC HEALTH	174372	1866.5
	23900	MENTAL HEALTH	61867	11456.7
	25100	MILITARY AFFAIRS	30624	368
	25500	STATE POLICE	339627	3385.1
	25900	TRANSPORTATION	889510	4225.6
	26300	COMMERCE	155297	1874.2
	26700	LABOR	131871	982.7
	26712	EMPLOYMENT SEC.	296074	2582.3
	27100	LICENSING & REG.	38335	355.6
	27500	NATURAL RESOURCES	270410	3418.3
	27900	AGRICULTURE	40354	567.3
	29040	STATE LOTTERY	70290	215.5
	27903	SOCIAL SERVICES	468164	13339

Correlation Equals .18

EXHIBIT FIVE
RELATIONSHIP BETWEEN MSI SALES
FOR COUNTIES² AND POPULATION

1988	Code	Department	Sales	1988 FTe's ³
	30201	ALGER SHERIFF	2187	8800
	30301	ALLEGAN SHERIFF	153	85300
	30401	ALPENA SHERIFF	296	31100
	30501	ANTRIM SHERIFF	1144	16800
	30601	ARENAC SHERIFF	118	15000
	30801	BARRY SHERIFF	256	46900
	30950	BAY RD COM	1574	115300
	31001	BENZIE SHERIFF		11200
	51101	BERRIEN COUNTY	961	163800
	31201	BRANCH SHERIFF	145	38800
	31301	CALHOUN SHERIFF	66483	136500
	31401	CASS SHERIFF	106	48400
	31501	CHARLEVOIX SHERIFF	65	19800
	31601	CHEBOYGAN SHERIFF	639	20700
	31701	CHIPPEWA SHERIFF		29000
	31901	CLINTON SHERIFF	282	55300
	32001	CRAWFORD SHERIFF		9900
	32101	DELTA SHERIFF	3069	38800
	32301	EATON SHERIFF	140	89900
	32401	EMMET SHERIFF	1137	23700
	52501	GENESEE COUNTY	9735	433900
	32601	GLADWIN SHERIFF	1595	21400
	32701	GOGEBIC SHERIFF	744	19000
	32801	GRAND TRAV. SHERIFF	744	57600
	32901	GRATIOT SHERIFF	222	39400
	33001	HILLSDALE SHERIFF	2312	41800
	53315	INGHAM COUNTY		273200
	33401	IONIA SHERIFF	2246	52800
	33501	IOSCO SHERIFF		30300
	33701	ISABELLA SHERIFF	997	54200
	33801	JACKSON SHERIFF		143700
	33901	KALAMAZOO	3659	215500
	34001	KALKASKA SHERIFF	4442	11600

² All sales to any agency of the county (examples are transportation, sheriff, administration) were summed for county sales figures.

³ Source: Annual Work Force Report Fiscal year 1987-1988, Civil Service Department State of Michigan.

EXHIBIT FIVE CONTINUED

34301	LAKE SHERIFF	157	8500
34401	LAPEER SHERIFF	260	69300
34501	LEELANAU SHERIFF	1304	14700
34701	LIVINGSTON SHERIFF	146	101800
34801	LUCE SHERIFF	257	5900
34901	MACKINAC SHERIFF	628	10300
55001	MACOMB COUNTY	71417	689700
35101	MANISTEE		22300
35301	MASON SHERIFF	137	26400
35401	MECOSTA SHERIFF	566	37500
35501	MENOMINEE SHERIFF	2282	25900
35601	MIDLAND SHERIFF	85	75200
35701	MISSAUKEE		10800
55804	MONROE COUNTY	164	130700
35901	MONTCALM SHERIFF	4158	50300
36201	NEWAYGO SHERIFF	970	36800
56327	OAKLAND COUNTY	1568	1014100
36401	OCEANA SHERIFF	48	22500
36501	OGENAW SHERIFF	1065	17400
36601	ONTONAGON SHERIFF	108	9200
53502	OSCODA COUNTY	317	7000
36901	OTSEGO SHERIFF	736	15400
37001	OTTAWA SHERIFF	2131	167200
37101	PRESQUE ISLE SHERIFF	68	13900
37201	ROSCOMMON SHERIFF		18400
57301	SAGINAW COUNTY	5546	216900
37401	ST CLAIR SHERIFF	680	138600
37501	ST JOSEPH SHERIFF		58500
37601	SANILAC SHERIFF	100	40000
37750	SCHOOLCRAFT RD COM		8400
37801	SHIAWASSEE SHERIFF	1968	68500
37901	TUSCOLA SHERIFF	1764	55000
38001	VAN BUREN SHERIFF	886	66600
38201	WAYNE SHERIFF	5191	2174300
38301	WEXFORD SHERIFF	55502	26300

Correlation Equals .18

EXHIBIT FIVE CONTINUED

1989	Code	Department	Sales	1988 FTe's
	30201	ALGER SHERIFF		8800
	30301	ALLEGAN SHERIFF	2700	85300
	30401	ALPENA SHERIFF	1012	31100
	30501	ANTRIM SHERIFF	2467	16800
	30601	ARENAC SHERIFF	77	15000
	30801	BARRY SHERIFF	161	46900
	30950	BAY RD COM	13288	115300
	31001	BENZIE SHERIFF	1780	11200
	51101	BERRIEN COUNTY	1902	163800
	31201	BRANCH SHERIFF	443	38800
	31301	CALHOUN SHERIFF	397	136500
	31401	CASS SHERIFF	196	48400
	31501	CHARLEVOIX SHERIFF		19800
	31601	CHEBOYGAN SHERIFF	698	20700
	31701	CHIPPEWA SHERIFF	1542	29000
	31901	CLINTON SHERIFF	1446	55300
	32001	CRAWFORD SHERIFF	540	9900
	32101	DELTA SHERIFF	3348	38800
	32301	EATON SHERIFF	40	89900
	32401	EMMET SHERIFF	372	23700
	52501	GENESEE COUNTY	10659	433900
	32601	GLADWIN SHERIFF	1151	21400
	32701	GOGEBIC SHERIFF	491	19000
	32801	GRAND TRAV. SHERIFF		57600
	32901	GRATIOT SHERIFF	193	39400
	33001	HILLSDALE SHERIFF	2519	41800
	53315	INGHAM COUNTY	541	273200
	33401	IONIA SHERIFF	9275	52800
	33501	IOSCO SHERIFF	216	30300
	33701	ISABELLA SHERIFF	2430	54200
	33801	JACKSON SHERIFF	968	143700
	33901	KALAMAZOO	948	215500
	34001	KALKASKA SHERIFF		11600
	34301	LAKE SHERIFF	214	8500
	34401	LAPEER SHERIFF		69300
	34501	LEELANAU SHERIFF	3420	14700
	34701	LIVINGSTON SHERIFF	1346	101800
	34801	LUCE SHERIFF	28	5900
	34901	MACKINAC SHERIFF	1116	10300
	55001	MACOMB COUNTY	67214	689700
	35101	MANISTEE	906	22300
	35301	MASON SHERIFF	2585	26400

EXHIBIT FIVE CONTINUED

35401 MECOSTA SHERIFF	973	37500
35501 MENOMINEE SHERIFF	4483	25900
35601 MIDLAND SHERIFF	1462	75200
35701 MISSAUKEE	284	10800
55804 MONROE COUNTY		130700
35901 MONTCALM SHERIFF	7546	50300
36201 NEWAYGO SHERIFF	975	36800
56327 OAKLAND COUNTY	8771	1014100
36401 OCEANA SHERIFF	83	22500
36501 OGENAW SHERIFF	895	17400
36601 ONTONAGON SHERIFF	387	9200
53502 OSCODA COUNTY	104	7000
36901 OTSEGO SHERIFF	1906	15400
37001 OTTAWA SHERIFF	3897	167200
37101 PRESQUE ISLE SHERIFF	498	13900
37201 ROSCOMMON SHERIFF	60	18400
57301 SAGINAW COUNTY	5693	216900
37401 ST CLAIR SHERIFF		138600
37501 ST JOSEPH SHERIFF	237	58500
37601 SANILAC SHERIFF		40000
37750 SCHOOLCRAFT RD COM	1303	8400
37801 SHIAWASSEE SHERIFF	1920	68500
37901 TUSCOLA SHERIFF	212	55000
38001 VAN BUREN SHERIFF	369	66600
38201 WAYNE SHERIFF	13012	2174300
38301 WEXFORD SHERIFF	1557	26300

Correlation Equals .42

vary in the same way. A correlation of 1 indicates a perfect positive agreement (as one number increases the other increases in the exact proportion). A correlation of -1 indicates a perfect negative agreement (as one number increases the other decreases in the exact proportion). Usually a correlation of .6 and above indicate a strong relationship.

Successful market penetration would be indicated by a high positive correlation between population or employee size and sales. As can be seen in Exhibit Four and Five this is not the case. Sales vary in ways unrelated to population or employment size. In addition, account levels seem quite small for some situations.

Two conclusions can be drawn from these Exhibits. The first conclusion is that MSI has a very small share of business available to them outside of state agencies and the Department of Corrections. Although significant growth in sales did occur in 1989, that growth was primarily due to the growth in purchases by the Department of Corrections. There was some expansion of the customer base, but given just two years it could not be determined whether this was a positive trend or chance happening. The second conclusion that can be made is that MSI has a small share of the potential purchases from the customers it does have. This conclusion is based on the small level of average sales for existing customers relative to the size of their organizations as shown in Exhibits Four and Five. Thus additional penetration of existing products in existing markets may be possible. It is yet to be determined whether this is desirable relative to other expansion opportunities. The results from the interviews with purchasing agents reinforced this potential for increased penetration.

PURCHASING AGENT INTERVIEW RESULTS

In order to conduct an indepth analysis of growth opportunities, a very critical examination was made of current customer perceptions and behavior. It should be noted that this should in no way reflect upon the present management for two reasons. First, comments from the interviewing process are not random, and do not necessarily reflect all points of view. Second the perceptions and behaviors found reflect customer reactions to policies implemented some time in the past. Several corrective actions have already being implemented by MSI, but the time period has been too short for results to be evidenced in the data.

EXISTING CUSTOMERS

Nine state agencies and three Department of Mental Health facilities were selected for interviews. This selection was not random. These agencies represent the largest and smallest purchasers of MSI products within state government. The agencies selected were:

- 1) Department of State,
- 2) Department of Management & Budget,
- 3) Department of Transportation,
- 4) Department of Social Service,
- 5) Department of Commerce,
- 6) Department of Natural Resources,
- 7) Department of Agriculture,
- 8) House of Representatives,
- 10) Department of Mental Health,
- 11) Ypsilanti Regional Center,
- 12) Coldwater Regional Center, and
- 13) Southgate Regional Center

Interviews were conducted with all agencies except the Department of Natural Resources, (this agency provided a detailed written response) and Coldwater Regional Center.

PERCEPTIONS: Since respondents were promised they would not be identified, responses are summarized below. The general conclusion from these interviews is that MSI has a major marketing communication problem. There is still a widespread image of poor quality associated with MSI products. It must be noted that with the exception of one case (data processing), recent specific examples of poor quality were mentioned by only one agency. Examples from this agency are listed in Appendix D). Yet the perception that MSI has inferior product quality still strongly persists. This was stated by every individual interviewed.

Another image that persists is that MSI provides poor delivery for its products. This was mentioned by three of the individuals interviewed. Others indicated that product delivery was not as good as that provided by some private vendors, but that it was not all due to MSI's actions or policies. Time delays on the part of the Department of Management & Budget in the ordering process contributed to some delays.

One reason for the persistence of the poor quality image is that negative information is not adequately counteracted with positive information. Most individuals who could not state specific instances of poor quality, mentioned hearing of instances through other purchasing

agents.

Purchasing agents meet regularly through two statewide Purchasing Agent Organizations. The existence of this network has two major implications. First, problems with MSI products have been discussed in an open forum and created a lack of trust across several public agencies. Second, organized efforts to obtain exemptions, from state required purchase from MSI, have been developed and implemented.

State agencies are required to purchase certain products from MSI. A specific set of products have been reviewed by the Office of Purchasing in the Department of Management and Budget and designated as part of a required purchase' list. An administrative directive requiring state agencies to use MSI products and the products on the 'required list' are provided in Appendix E. In certain instances where MSI does not have a product which meets an agency's needs or when the performance of MSI products has been shown to be unacceptable, an exemption to this directive is provided by the Office of Purchasing. Organized efforts to have certain products eliminated from the required list' occur when problems with MSI products persist. An example are the vertical and lateral file cabinets which were deleted in 1989 (see letter Appendix E). These cabinets were constantly used as an example of MSI quality. Another area frequently mentioned was data entry. Two individuals indicated that MSI's error rate and performance period was exceptionally poor and they had begun to use other vendors.

Evidence from the interviews suggests that agencies are following this guideline. In those cases where sales volume could be identified, MSI accounted for over 90% of those purchases of products listed on the required list'. Other vendors were used only in emergency situations. What seems to be occurring is that this list is becoming smaller over time.

NEW PRODUCTS: Respondents were not able to provide much insight into possible new products they would be interested in purchasing from MSI. Although it is not a new offering, opportunities were felt to exist for laundry services. The most frequently mentioned new product was computer related supplies. Examples include dust covers, disk storage cases, printer and CRT screens, and swivel computer monitor stands. One consistently positive perception of MSI by those interviewed involved MSI personnel. The people at MSI were viewed as quite professional and very pleasant to deal with.

POTENTIAL CUSTOMERS

A series of interviews was also conducted with a group of organizations presently not buying from MSI or buying very little. Again these organizations were not selected at random. Selected organizations are representative of the target populations (schools, hospitals, and non-profit organizations). They were:

Lansing School District	Wayne School District
Delta-Schoolcraft School ISD	Traverse City School District
Kalamazoo School District	Lenawee School District
Michigan State University	Central Michigan University
Wayne State University	Sparrow Hospital
Ford Hospital	Ingham County
Marshall County	Brighton Township
Oakland County	

Individuals from these organizations were asked their familiarity with MSI, their opinion of MSI products, MSI's price competitiveness, and the frequency of their contact with MSI representatives. There was only a vague familiarity with MSI among those interviewed. Individuals stated that they were rarely in contact with a MSI representative although they did have their catalog and did review it from time to time. In one case, a MSI sales representative had just visited the week before. In all other cases, the director could not recall seeing a sales representative.

In fairness to MSI, many of the organizations were quite large and had a variety of purchasing agents. There may have been individuals more familiar with MSI within the particular organization. A detailed analysis of sales records showed this to be true. The sales call report from every sales call for the last three years was examined. There had been at least two calls each year for the past two years to each of the organizations interviewed. The name of the person listed on those call reports did not match the name of the person interviewed. In fact, most of the time the person interviewed was a line supervisor or manager with buying authority, for example, a custodial supervisor or a laundry supervisor. These individuals often were not even part of the formal purchasing organization, or if they were, they were several levels below the person interviewed. Typically several firms had to be covered during a sales trip so the records indicated that only one or two people per organization were met with, even though MSI may have products that met the organization's needs in several areas, but only one or two were dealt with. Thus again MSI has made very good use of its resources, the small market impact (in this case the unfamiliarity of purchasing directors) is more a function of MSI's limited resources than limited or ineffective effort.

PERCEPTIONS: As stated earlier, agents did review the MSI catalog. Generally they felt items were either not price competitive or did not meet specifications. This had nothing to do with quality, but the size, shape, dimensions, etc. did not fit the client's needs. Several respondents indicated they purchased based on sales promotions from other vendors. That is, when vendors ran promotional sales they would stock up their inventory. These respondents saw no problem with MSI or buying from MSI, but without a direct sales effort there was no way for MSI to overcome the lack of price incentives in its catalog or the fact that products listed in the catalog did not appear to meet customer specifications. This was especially true given the stiff competition in these markets. For example, two of the hospitals mentioned that their janitorial supplies and laundry was being handled by a division of the Marriott Hotel chain. The large volume handled by this division enable them to be extremely cost competitive. Additionally, they had a very efficient delivery system as a result of servicing Marriott's extensive hotel chain.

NEW PRODUCTS: These purchasing directors were also asked to identify product areas that might offer opportunities for MSI. Because of their lack of familiarity with MSI products, this was very difficult for most to answer. Some items that were mentioned were:

- * janitorial tools such as brooms, mops, buffer pads, etc.;
- * sporting equipment and outdoor recreational supplies;
- * uniforms and protective clothing;
- * plastic products such as waste paper baskets and weather stripping;
- * and computer disks.

MAIL SURVEY RESULTS

RESPONSE RATES

A total of 1,093 questionnaires were mailed. These questionnaires were sent to five customer segments. Approximately one week after the initial mailing a follow up letter was sent. Two hundred and six questionnaires were returned for a 19% response rate. Eighty four of the questionnaires only indicated that they were unfamiliar with MSI and did not complete the remainder of the questionnaire. This reduced the response rate to 11%⁴. The response

⁴ In order to insure confidentiality respondents did not identify themselves. Therefore non-respondents could not be contacted beyond the follow up letter. An analysis was

rates for each customer group are given in Exhibit Six.

EXPECTED ACCURACY

The sample of 122 completed questionnaires provides a 95% confidence level that results will have an approximate error rate between 4% and 6% overall depending upon the size of the estimate. For example if the percentage of the sample who have never purchased from MSI were found to be 50%, then there would be a 95% confidence that this figure would be within 6% of the actual percentage of the population who have never purchased from MSI. If the percentage of the sample who have never purchased from MSI were found to be 10%, then there would be 95% confidence that this figure would be within 4% of the actual percentage of the population who have never purchased from MSI. As shown in Exhibit Six these error rates differ for specific customer segments. Calculation for these error rates are provided in Appendix F.

ANALYSES

The survey had three objectives. They are:

1. Determine attitudes towards MSI on the part of non-customers in selected target groups;
2. Determine attitudes towards MSI on the part of customers in selected target groups; and
3. Determine customer purchase rates and their suggestions for new products MSI might provide.

This information and the information obtained from the research activities described earlier will be used to determine the best growth strategy for MSI. The results in terms of each of the survey objectives are discussed below.

NON-CUSTOMER ATTITUDES: As suggested by the sales analysis, Exhibit Seven and Eight indicate that MSI has very little presence in the targeted markets (counties and municipalities, hospitals, colleges, schools, and non-profit organizations). This is especially true for hospitals, non-profit organizations, and colleges.

made comparing those responding initially to those responding very late. There was no statistical difference, and non-respondent bias is expected to be quite low.

EXHIBIT SIX
SURVEY RESPONSE RESULTS

<u>SEGMENT</u>	<u>POPULATION⁵</u>	<u>SURVEYS⁶</u>	<u>RESPONSE RATE</u>	<u>ERROR⁷</u>
County/Municipal	617 ⁸	283 ⁹	9%	11% - 19%
Colleges	80 ¹⁰	80	49%	7% - 11%
School Districts	561	430 ¹¹	17%	7% - 11%
Hospitals	280 ¹²	180 ¹³	22%	9% - 14%
Non-profit Organ.	520	120 ¹⁴	25%	10% - 17%
TOTAL	2058	1093	19%(11%)¹⁵	4% - 6%¹⁶

⁵ Figures taken from 1989 Michigan Statistical Abstract.

⁶ Total surveys mailed to each segment.

⁷ Expected range of errors for survey results for the specific segment. Calculations in Appendix G

⁸ Eighty three counties plus 534 Michigan Incorporated Places.

⁹ Eighty three counties and largest 200 Michigan Incorporated Places.

¹⁰ Obtained from Michigan Education Directory.

¹¹ Ibid.

¹² This figure and the population figure for Non-profit organizations obtained from the 1982 Michigan Census of Services.

¹³ Obtained from Survey Sampling Inc.

¹⁴ This was the total amount in the files of Survey Sampling Inc.

¹⁵ When the 83 responses that were left mostly blank are excluded the response rate becomes 11%.

¹⁶ Based on the 11% total response rate.

EXHIBIT SEVEN
FAMILIARITY WITH MSI

Target Segments

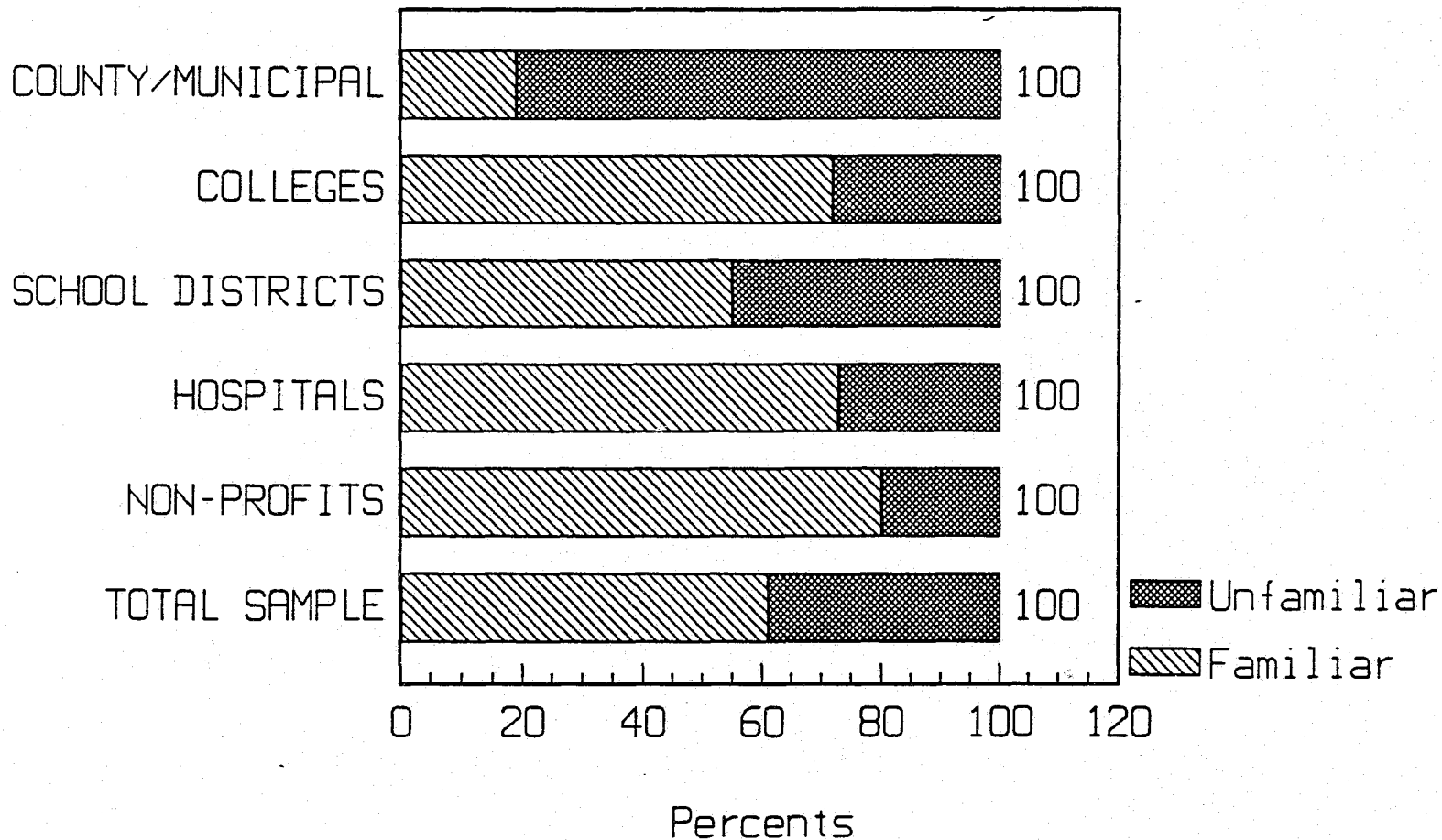


EXHIBIT EIGHT
PURCHASING EXPERIENCE WITH MSI
Purchased within 1 or 3 years = <3 Yr
Purchased 3 years ago or Never = >3 Yr/No
Target Segments

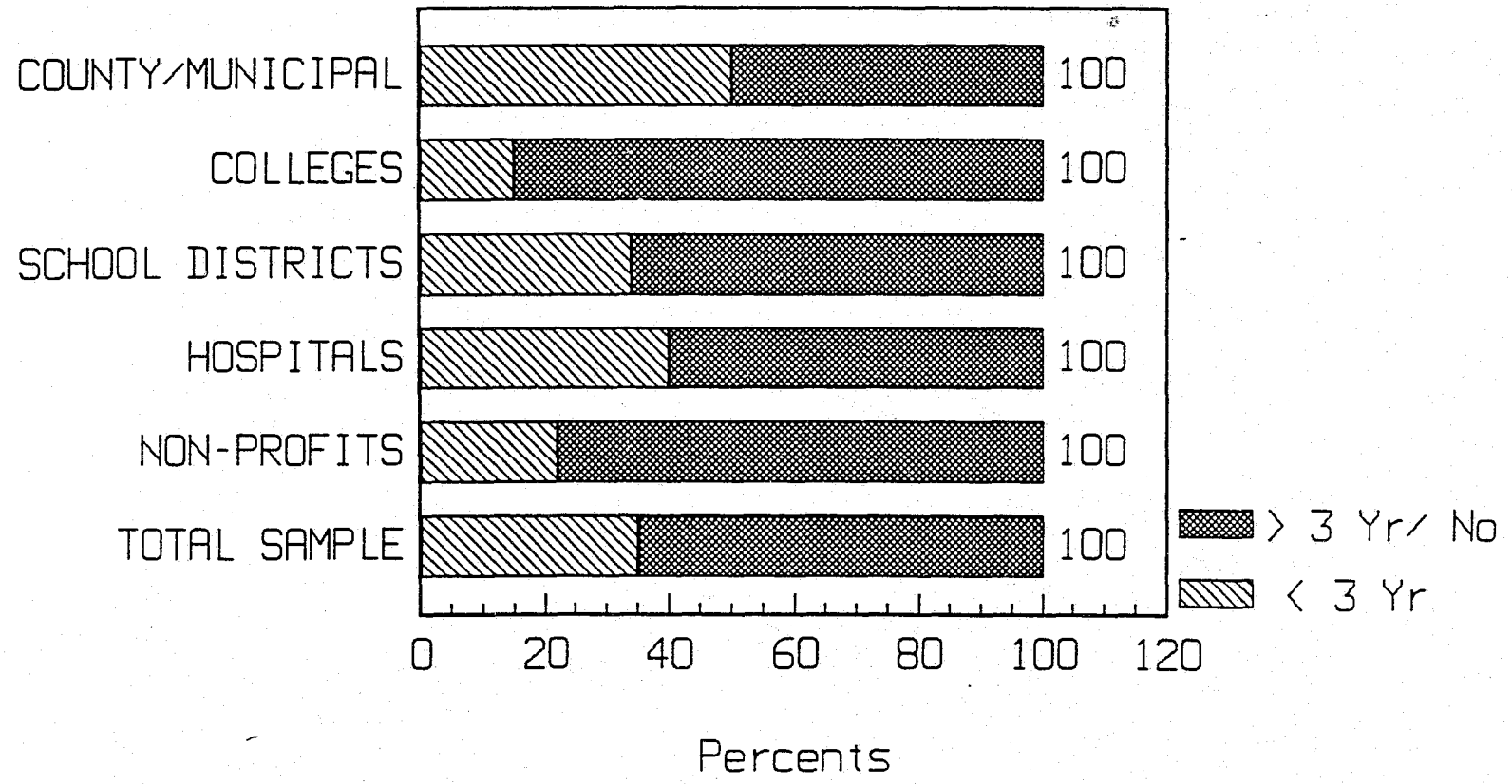
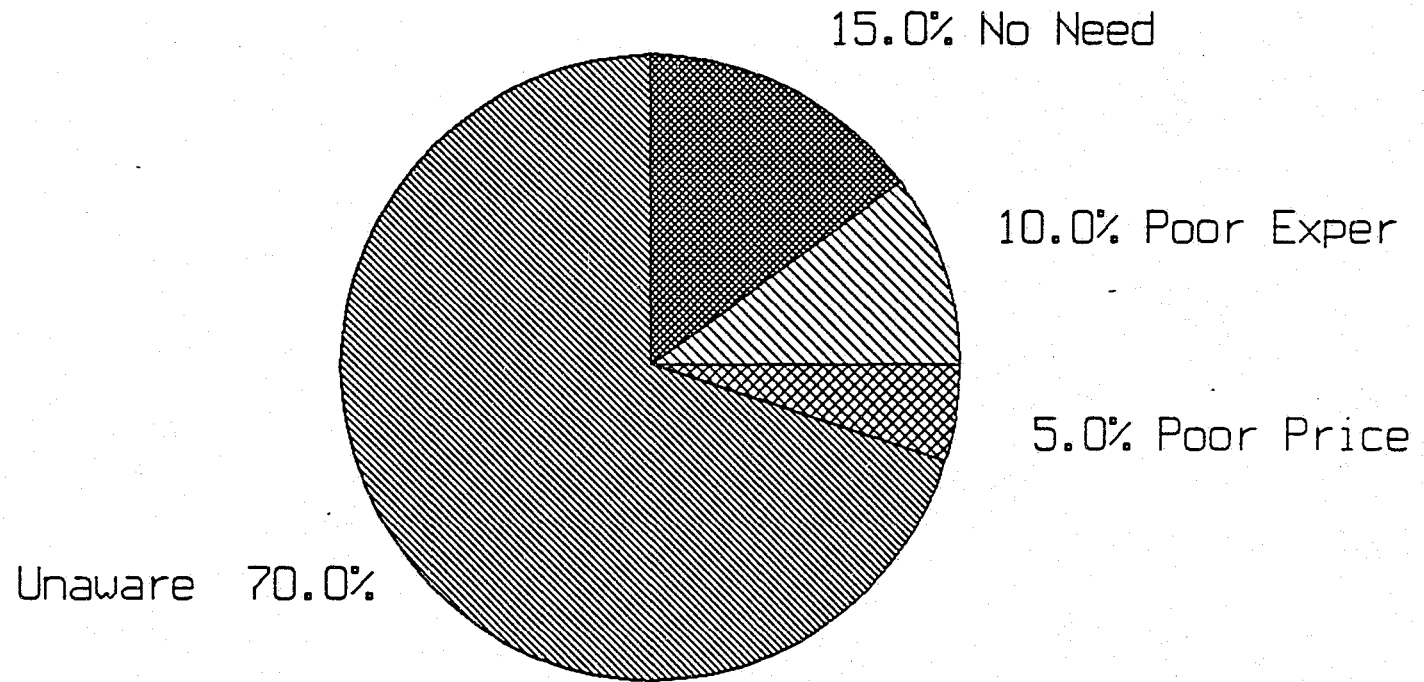


EXHIBIT NINE
REASONS FOR NEVER PURCHASING FROM MSI



Total Observations = 20

EXHIBIT TEN

STATEMENTS GIVEN FOR NEVER PURCHASING FROM MSI.

REASON CATEGORY 1:

PREVIOUS EXPERIENCE POOR
HAVE NOT FOUND PRICES ATTRACTIVE

REASON CATEGORY 2:

DO NOT NEED PRODUCTS
DO NOT USE PRODUCTS OFTEN
DO NOT USE PRODUCTS/PRICES NOT LOW

REASON CATEGORY 3:

UNFAMILIAR WITH PRODUCTS/SERVICE
NOT FAMILIAR WITH PRODUCTS
NEW PERSON/NEVER SEEN CATALOG
NEW TO POSITION
UNAWARE OF PRODUCT LINE BREADTH
UNAWARE OF PRODUCT BREADTH
NO INFORMATION ON PRODUCTS
DO NOT SEE CATALOG
HAVE NOT BEEN CONTACTED
UNSURE OF PURCHASE PROCESS
AGENCY NOT FAMILIAR WITH MSI
JUST BECAME AWARE OF MSI
HAVE NO KNOWLEDGE OF PRODUCT QUALITY

REASON CATEGORY 4:

TOO FAR AWAY, BUDGET TIGHT

Sixty One percent of the total respondents stated that they were not familiar with MSI. County and municipal customers were most familiar with MSI.

Seventy-five percent of those individuals familiar with MSI indicated that they had never purchased from MSI¹⁷. Exhibit Nine shows the categorized reasons given for never having purchased from MSI. Exhibit Ten shows the specific statements provided by respondents. In some cases these statements have been abbreviated to make room for the entire data set. Similar statements were group together in a single category. These categories are reflected in Exhibit Nine. Seventy percent indicated that even though they were familiar with MSI they have had no contact with MSI and are unaware of products, pricing, or general benefits. Another fifteen percent indicated that they had no need for the products carried by MSI. Given MSI's extensive product line this conclusion is considered to also indicate a lack of contact with MSI and awareness of its offerings.

CUSTOMER ATTITUDES The survey results are extremely encouraging. Although MSI has almost no sales penetration into the targeted markets, it is well perceived by those respondents who presently are customers of MSI or who have been customers in the past. Seventy-eight percent of present or past customers indicated that they were satisfied or very satisfied with MSI. Sixty-five percent indicated that MSI prices were competitive or very competitive. These results are shown in Exhibits Eleven and Twelve respectively. The reasons respondents gave for their satisfaction and pricing ratings are shown in Exhibits Thirteen through Fifteen.

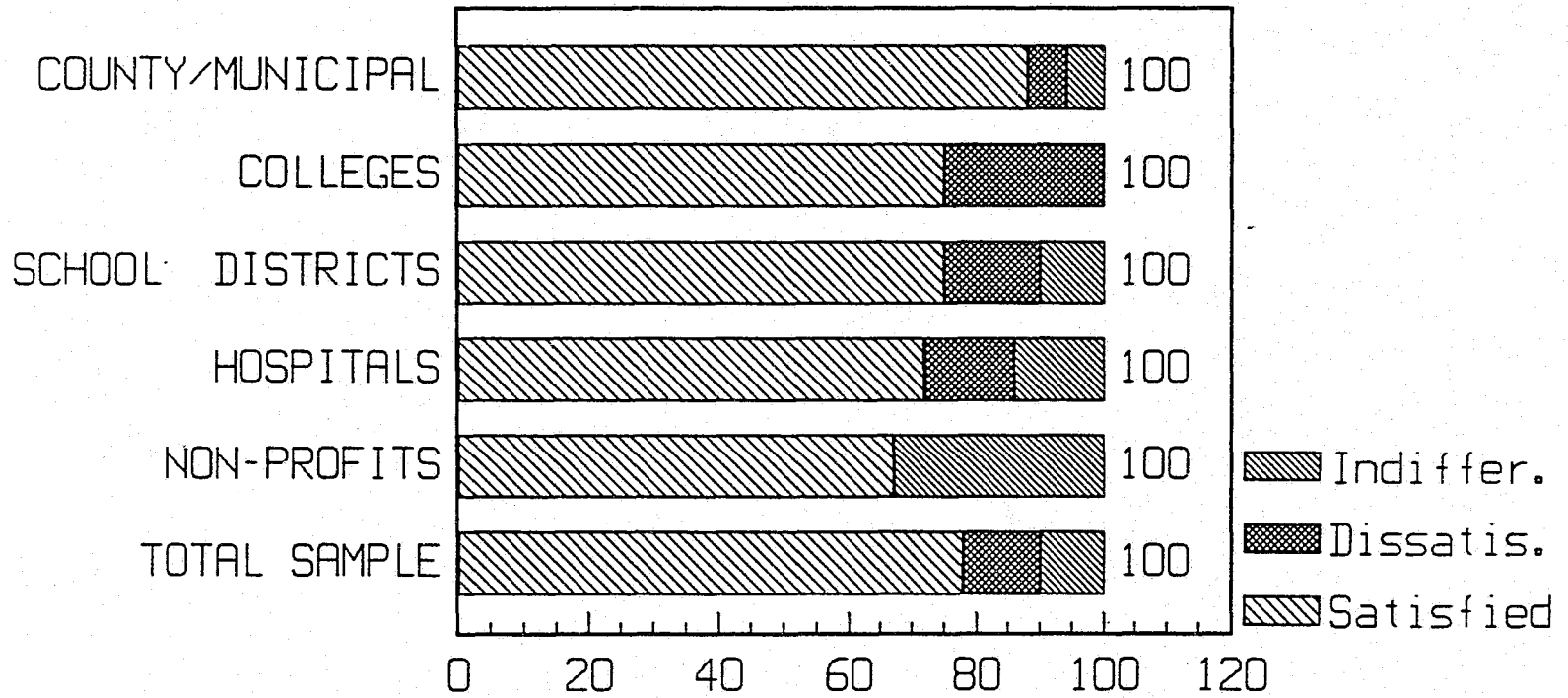
Most respondents who indicated that they were not satisfied with MSI products, or that MSI products were not price competitive, purchased from MSI over three years ago. This suggests that problems lingering from previous years still haunt the organization in some of these markets. Specific reasons for respondents reducing their purchases from MSI (purchased over three years ago) are shown in Exhibits Sixteen and Seventeen. These exhibits reflect similar problems voiced earlier by individuals in the personal interviews. Specifically, product quality, delivery, and poor pricing were mentioned. Although these problems are primarily the results of past operations, they still exist to a small degree at present. Exhibit Eighteen shows the reasons

¹⁷

Again, it must be noted that the sample consisted of individuals typically not called on by MSI representatives. It is not clear that everyone referred to their purchase files as opposed to answering from their own memory.

EXHIBIT ELEVEN
 SATISFACTION WITH MSI
 (Satisfied & Very Satisfied = Satisfied
 (Dissatis. & Very Dissatis. = Dissatis.)

Target Segments



Percents

EXHIBIT TWELVE
 MSI'S PRICE COMPETITIVENESS
 (Competitive & Very Competitive=Competi.
 (Non & Very Non Competitive=Uncompeti.

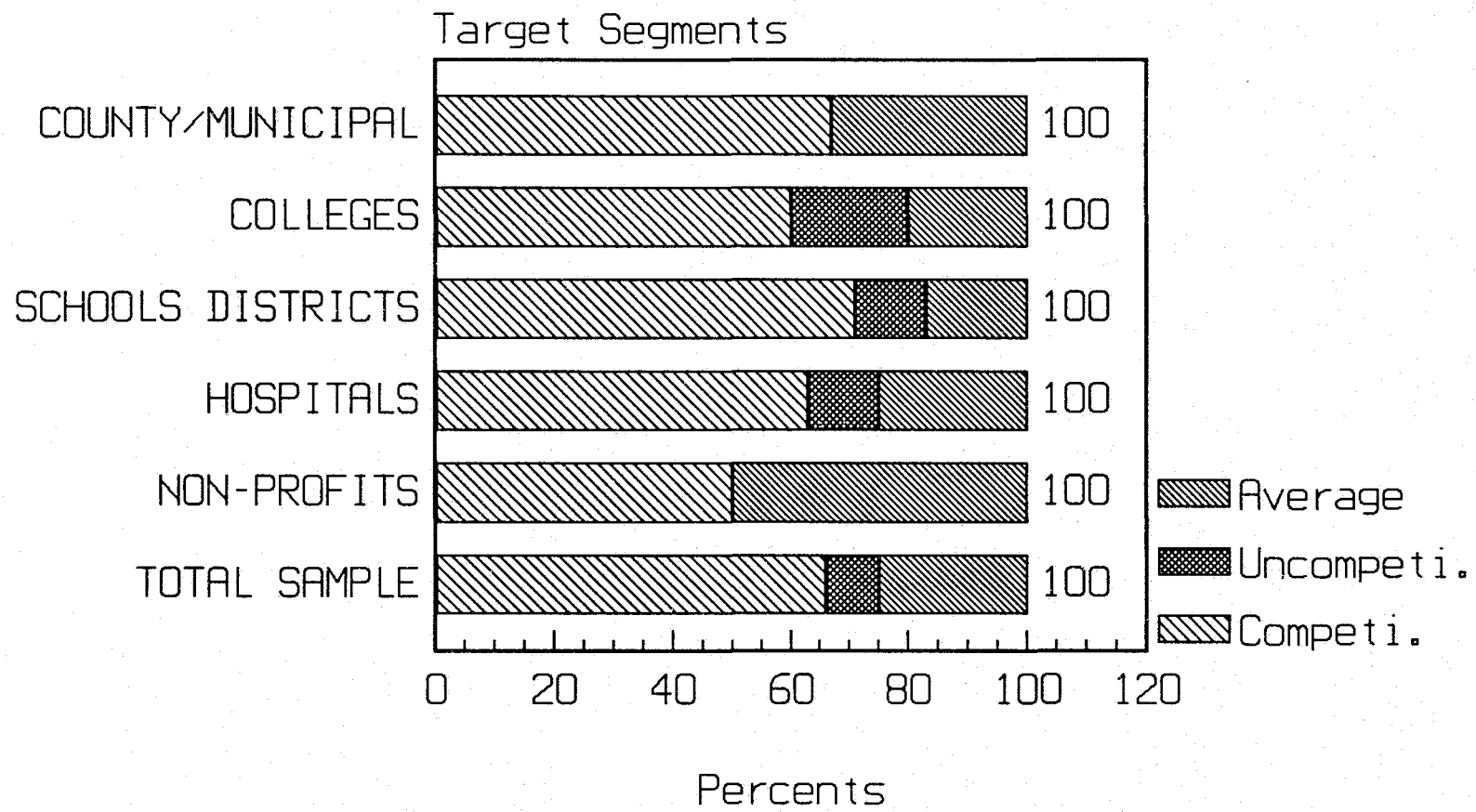
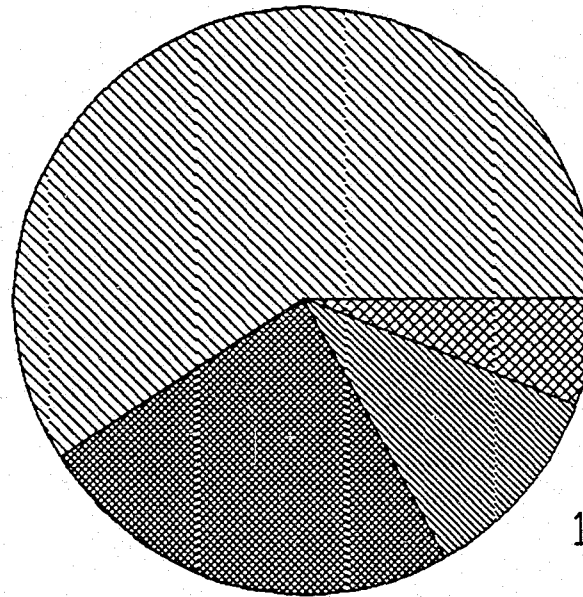


EXHIBIT THIRTEEN
REASONS UNDERLYING SATISFACTION

Good Value 59.0%



6.0% Poor Serv.

11.0% Unfamiliar

Poor Value 24.0%

Total Observations = 17

EXHIBIT FOURTEEN**STATEMENTS GIVEN BY RESPONDENTS
TO EXPLAIN THEIR SATISFACTION RATINGS****SATISFACTION REASON CATEGORY 1:**

**CHAIR STILL GOOD AFTER 10 YRS
EXCELLENT QUALITY FOR PRICE
GOOD MANUFACTURED PRODUCTS
GOOD QUALITY
GOOD QUALITY - LOW COST
PRODUCT QUALITY IS GOOD
QUALITY**

SATISFACTION REASON CATEGORY 2:

**SOMETIMES QUALITY NOT BEST.
POOR QUALITY
POOR QUALITY AND PRICE**

MOST PRODUCTS GOOD/CHAIRS FELL APART

SATISFACTION REASON CATEGORY 3:

**PREDECESSOR MORE FAMILIAR
PREVIOUS PURCHASING AGENT**

SATISFACTION REASON CATEGORY 4:

**POOR QUALITY, DELIVERY,
UNRESOLVED PROB WITH PAST FURNITURE
QUALITY LACKING
POOR PACKING-LEAKS-HAD OPEN CONTAINERS**

EXHIBIT FIFTEEN

**STATEMENTS GIVEN BY RESPONDENTS
TO EXPLAIN THEIR PRICE RATINGS**

PRICE REASON CATEGORY 1:

**LOW COST
ONLY IF YOU DISREGARD QUALITY
VERY GOOD EXCEPT FOR BULK ITEM**

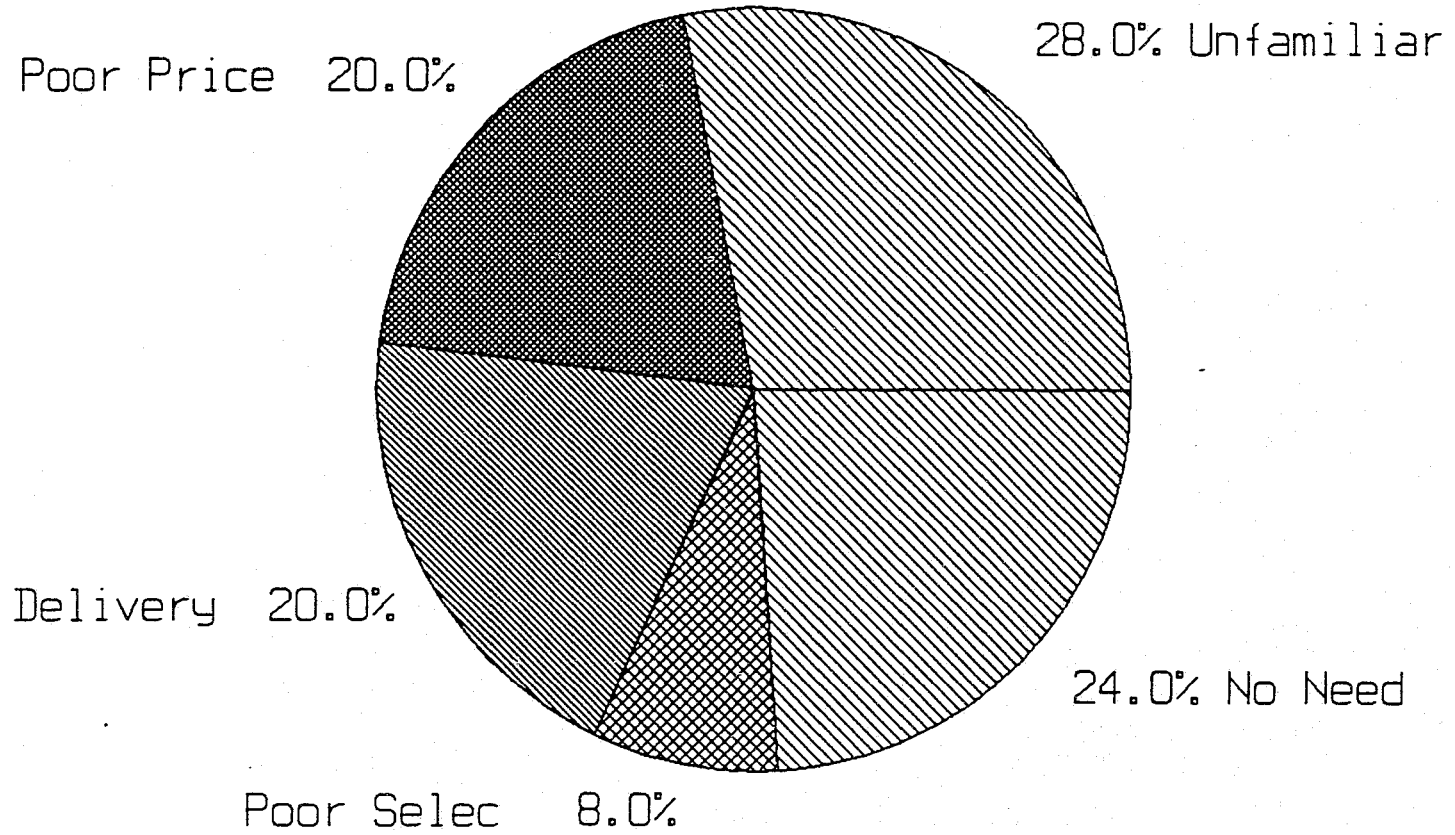
PRICE REASON CATEGORY 2:

**GOOD SOURCES/DISC/MSI FREIGHT
COMPETTIVE ON OFFICE FURNITURE**

PRICE REASON CATEGORY 3:

DEPENDS, ORGANIZATION IS IN HOSPITAL BUY GROUP

EXHIBIT SIXTEEN
REASONS FOR INFREQUENT PURCHASING



Total Observations = 25

EXHIBIT SEVENTEEN**STATEMENTS GIVEN BY RESPONDENTS
TO EXPLAIN THEIR INFREQUENT PURCHASES****INFREQUENT PURCHASE CATEGORY 1:**

**UNAWARE OF PRODUCTS AVAILABLE
NOT FAMILIAR ENOUGH
NO RECENT CATALOG
NEW ON JOB/NO EXP WITH MSI
NOT AWARE - NO PRESENT NEED**

INFREQUENT PURCHASE CATEGORY 2:

**PRICES NOT COMPETITIVE
PURCHASE ON BID OR FROM REP
INCONVENIENCE & PRICING
GREAT DISCOUNT FROM HALWORTH
LOW BUDGET-ORGANIZATION PURCHASES THRU SCHOOL
CONSORTIUM**

INFREQUENT PURCHASE CATEGORY 3:

**UNFAMILIAR WITH SERVICE, QUALITY
UNFAMILIAR WITH QUALITY**

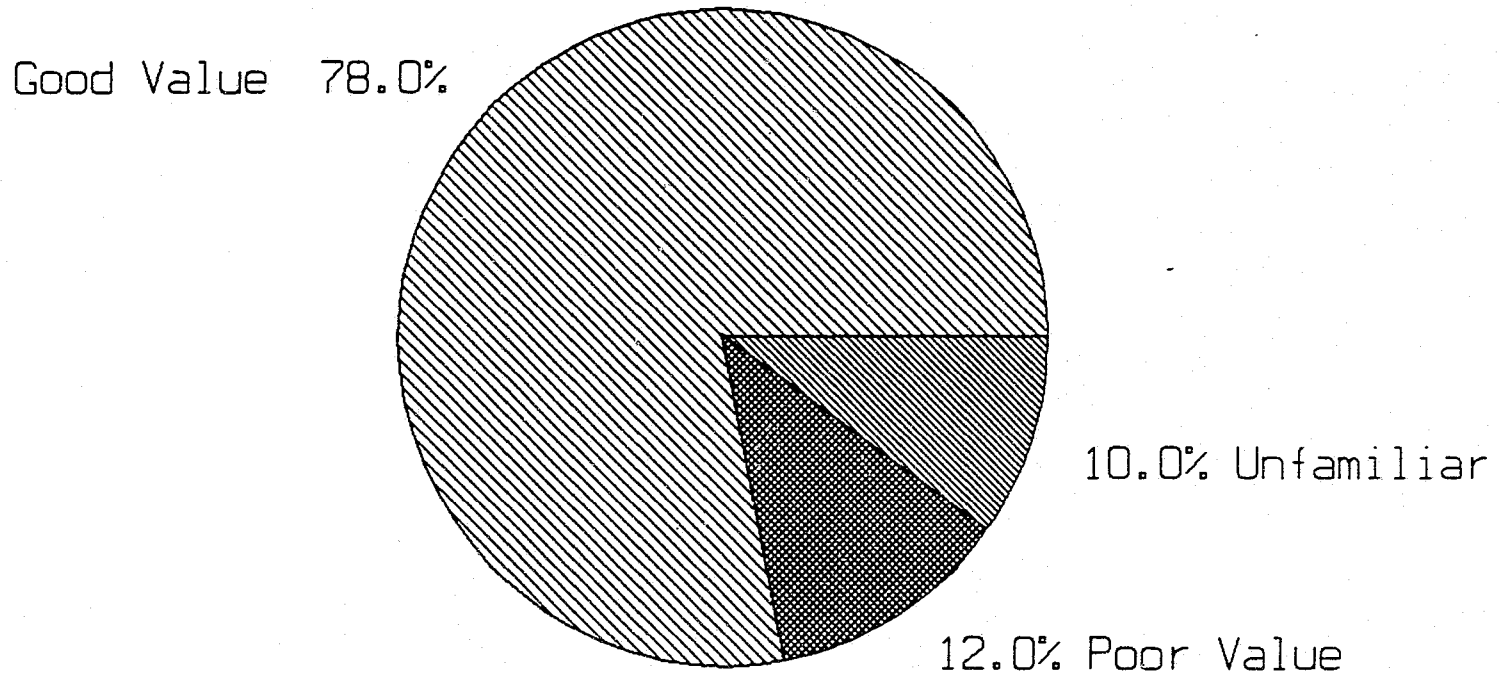
INFREQUENT PURCHASE CATEGORY 4:

**POOR QUALITY IN PAST
LACK SELECTION/FURNITURE PRICE HIGH**

INFREQUENT PURCHASE CATEGORY 5:

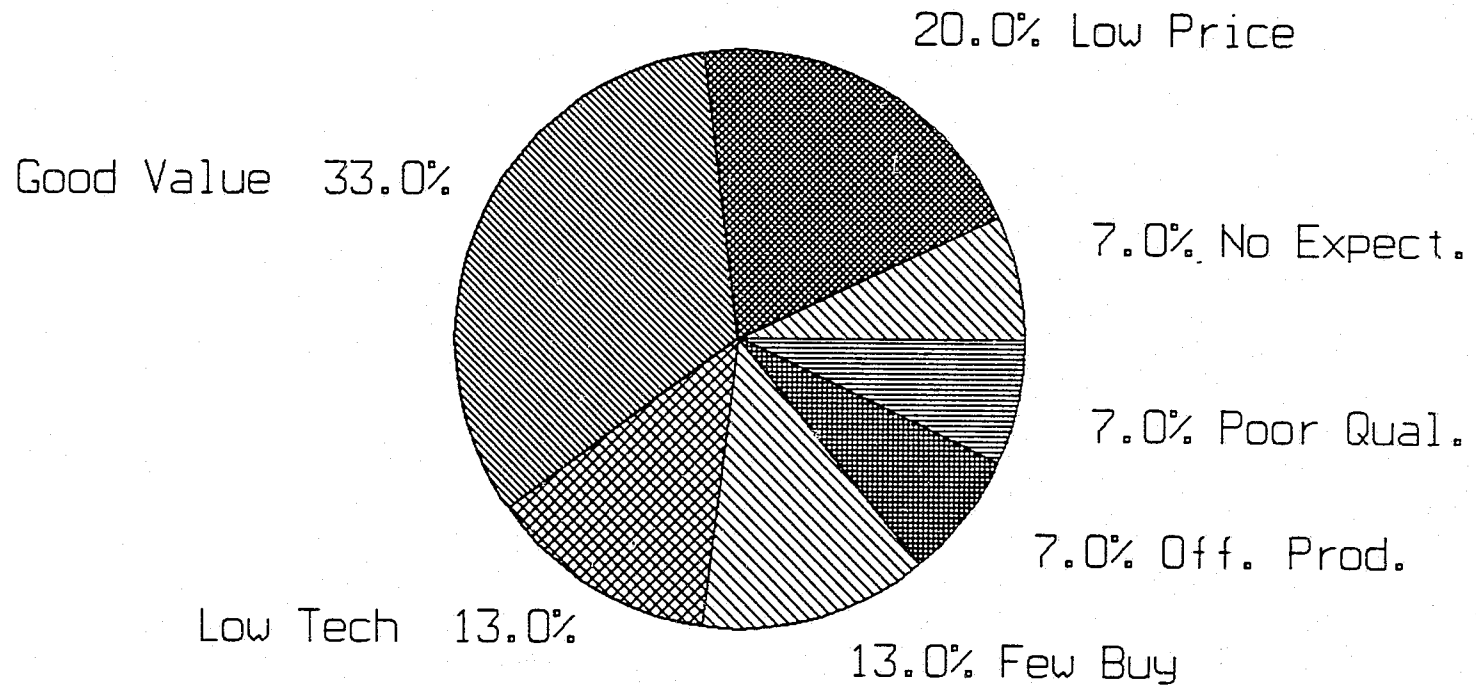
**DO NOT USE MOST PRODUCTS
NO NEED FOR PRODUCTS OFFERED
CONVENIENCE / NEED
DO not HAVE THINGS NEEDED
DO NOT REQUIRE PRODUCTS PROVIDED
OTHER SOURCES**

EXHIBIT EIGHTEEN
REASONS FOR SATISFACTION RATINGS BY
THOSE PURCHASING FROM MSI LAST YEAR



Total Observations = 9

EXHIBIT NINETEEN
INITIAL EXPECTATIONS OF THOSE NOT
FAMILIAR WITH MSI



Total Observations = 15

EXHIBIT TWENTY

**EXPECTATION STATEMENTS FROM RESPONDENTS
UNFAMILIAR WITH MSI**

EXPECTATION CATEGORY 1:

UNKNOWN TO MOST NON-PROFITS

EXPECTATION CATEGORY 2:

**LOW PRICES
LOW COST/UTILITARIAN
LOW COST**

EXPECTATION CATEGORY 4:

**EQUAL QUALITY & PRICE
QUALITY
QUALITY/GOOD PRICES
GOOD QUALITY/LOW COST
GOOD LOOKING LESS EXPENSIVE**

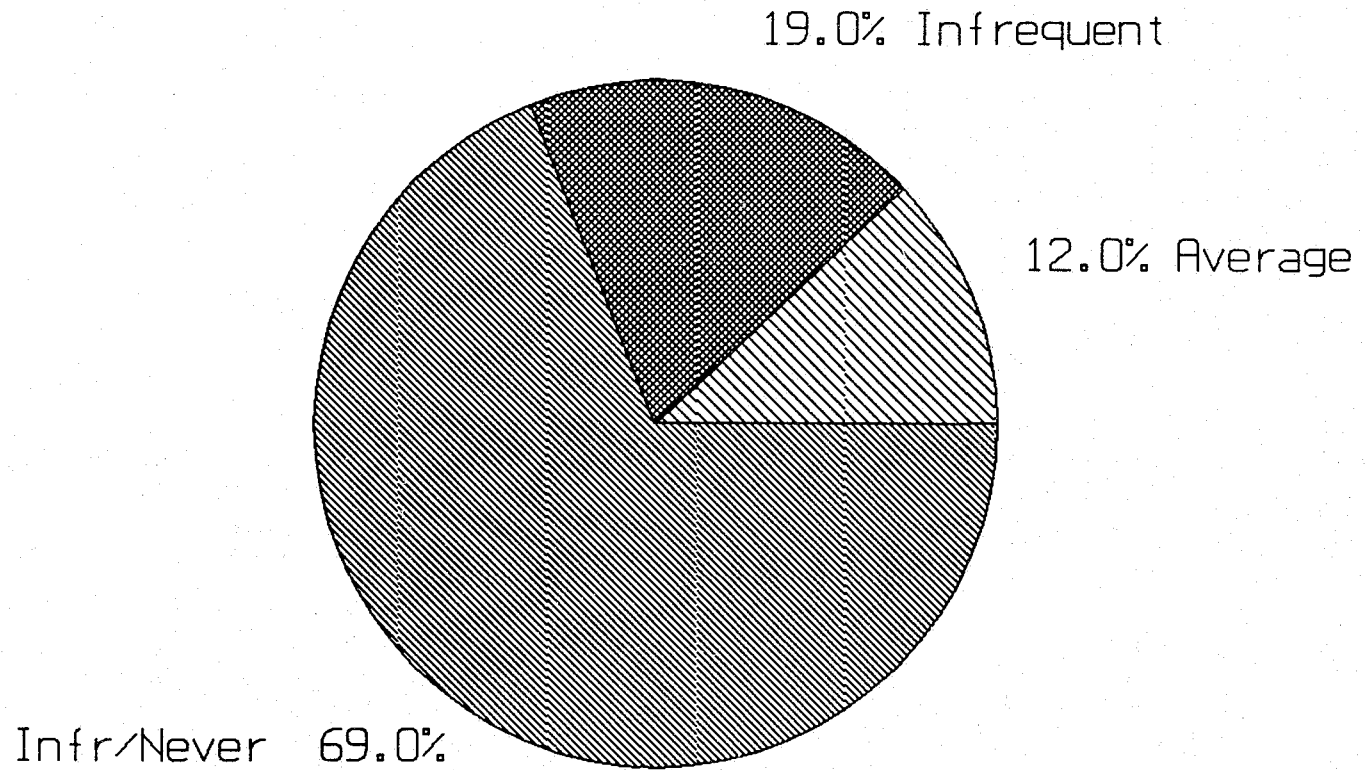
EXPECTATION CATEGORY 6:

**LABOR INTENSIVE-LOW TECH
JANITORIAL/INDUSTRIAL PRODUCTS**

EXPECTATION CATEGORY 7:

**ONLY SELL TO LARGE BUYERS
PROFIT ORGN. NOT ELIGIBLE**

EXHIBIT TWENTY ONE
LEVEL OF CONTACT WITH MSI SALES REPS



Total Observations = 84

for satisfaction ratings by those respondents who indicated that they had purchased from MSI within the last year.

In general, these results seem to indicate that these markets do not have the deep rooted negative image of MSI that prevailed in the surveys and personal interviews with the various state agencies. In fact, MSI seems to have a generally positive image. Exhibits Nineteen and Twenty show the expectations given by respondents unfamiliar with MSI. As can be seen, most statements are positive. Further evidence of these respondents' generally favorable attitude towards MSI is the number of requests for a catalog. Over seventy percent of those unfamiliar with MSI or who had not purchased in a while asked for a catalog. This suggests they were interested in MSI as a possible vendor.

These results are encouraging for future expansion activities. This is particularly true since perceptions were obtained with relatively little marketing or communication effort. Exhibit Twenty One indicates that most customers have almost no contact at all with a MSI representative.

NEW PRODUCTS: An additional objective of the survey was to generate ideas for new products for MSI to manufacture and market. A list of potential new products was developed from the personal interviews. Respondents were asked to indicate whether they had a need or not for these products. The products and their resulting demand are shown in Appendix G. Five products received a significant positive response. They are:

1. mobile computer stands and work stations;
2. disk storage containers;
3. recreational equipment;
4. lighting products; and
5. rubber gloves.

There was a demand for the computer stands and disk storage containers across all of the target segments. Recreation and lighting products were particularly attractive to schools and colleges. Hospitals indicated a significant demand for rubber gloves.

In addition to these pre-determined products, the survey asked respondents to suggest products for MSI to manufacture and market. Very few respondents provided suggestions. The suggestions that were presented were evaluated by three criteria. The first criteria dealt with the frequency of the products use. It is important to develop high volume items since MSI's objective is not only profits, but also generating work for inmates. Frequently purchased products also

reduce the selling effort required over time as purchasing becomes a routine process. The second criteria is that the product category not be dominated by a brand consciousness. The product should essentially be a commodity where functional performance and price are the critical elements. Finally, the third criteria was the extent to which there was a synergistic fit with MSI current operations and the requirements of the new product. Based on these criteria, the following products were selected from the suggestions of respondents.

1. Micro Filming
2. Cleaning Rags - Flour Sack material
3. Ceiling and/or floor tile
4. Envelopes especially, inter-office envelopes
5. Pre-Printed Forms, including election forms
6. Plastic trash bags
7. Shrubs, and trees
8. Park or recreational equipment.

These products were found to fit the above criteria as well as being mentioned multiple times by respondents.

RECOMMENDATIONS

The primary objective of this study was to identify the most feasible growth and expansion strategy for MSI. There were four options to select from:

1. market penetration;
2. market development;
3. product development; and
4. diversification.

The selection of one of these growth strategies can be made using a very basic cost benefit analysis. The growth strategy should be selected that provides the greatest overall long run benefit to MSI. This involves determining the incremental revenue that can be expected from each strategy and subtracting the incremental cost.

The incremental costs associated with each of these strategies consist almost entirely of marketing expenses, except for product development. In fact the root of most of MSI's problems stem from its lack of marketing resources. It is important here to emphasize the lack of resources and procedures as opposed to lack of effort and ability. The present administration and marketing team has done an

outstanding job given the circumstances. The fact remains though, that MSI does not have the resources and marketing tools to adequately service any of its markets as they now exist. Any growth strategy selected would require a major overhaul of marketing programs.

- * *Thus the first and most important recommendation of this study is that before any expansion program is implemented, MSI's efforts should be directed at extending and enhancing its marketing capabilities and resources.*

MARKETING RECOMMENDATIONS

In the short term MSI should focus its attention along four areas. They are:

1. Communications
2. Inventory Management
3. Service and
4. Pricing

These recommendations are heavily interrelated, but they will be discussed separately below. Together they address the problems frequently reported by customers: product quality, delivery, and price competitiveness.

The most important area of concern is communications. MSI must greatly enhance its ability to interact on a personal basis with customers. As discussed in the results section, almost seventy percent of the market is simply unaware of MSI. Prices, product quality, or delivery have no chance to have an impact, either positive or negative, if potential customers just do not know about MSI. The level of awareness and knowledge required will not come from a promotional letter or catalog. This may generate interest, but it will not generate the type of comfort level needed by purchasing agents to try a new vendor. New markets will have their own specifications and unique requirements for the products they might acquire from MSI. These needs will have to be dealt with on a one on one basis.

As discussed earlier, MSI has greatly increased its personal selling effort. Its sales to call ratio (approximately \$2500/call) is quite comparable to industry norms. Their personal selling efforts have only recently intensified and is limited by staff and resources. The review of sales calls showed that MSI averages one sales call per year per active account, and less than one half call per new or inactive account per year. This is far below industry norms. The 1989 edition of Sales & Marketing Management's Survey of Sales Costs suggests that similar service businesses typically call on a customer once per quarter,

more if initiated by customer. The typical MSI sales call involved one or two individuals. No definite conclusions could be drawn, but it seems that organizations could be penetrated much further horizontally and vertically. That is, further contacts could be made to sell different types of products and higher levels of the organization could be reached. This latter penetration is critical. The key to any long term sales relationship is becoming involved with the customer's growth plans at ground level. This would require communication at the higher levels of purchasing and management.

Communication is also critical with existing customers. Customers are unlikely to communicate with MSI or other customers if products are satisfactory or more than satisfactory. They only tend to communicate when problems occur. Personal contact is needed to counteract MSI's negative image with positive facts.

Any good communication process is a two way process. It is important for MSI to have consistent personal contact with potential customers in order to identify trends, service needs. Also to identify areas of dissatisfaction, while there is time to correct any problem. One area of information needed from customers is their operational plans. By understanding the personnel, expansion, or other operational plan of a customer, MSI will be in a better position to effectively manage its inventory system. This will dramatically improve its delivery problems as will be discussed below.

MSI's ability to address these communication requirements is limited to a large degree by its budget. The personal contact described above would require a significant increase in sales personnel. It is not that present personnel do not recognize the need for consistent communication, it is that there are not enough of them. Any expansion of job scope at this time would only exasperate existing problems. Given these requirements and potential limitations, the following recommendations are made.

- * *Telemarketing involves making sales presentations and checks on service needs by telephone. Telemarketing is a rapidly growing marketing technique with significant career opportunities. Exemplary male and female inmates could be trained in telemarketing and provide an extensive network of individuals that could maintain consist lines of communication with existing clients and small potential new clients. Not only could such a network provide much needed support to MSI's marketing staff, but it could be a profit center in and of itself and perform telemarketing activities for other organizations. For example, non-profit organizations in their fund raising activities or state agencies*

attempting to deliver a message to citizens could be potential clients.

- * *A marketing newsletter could be developed which allows MSI success stores to be communicated along with useful suggestions and hints on how MSI products might be better utilized. A general letter from the office of the Director might be distributed along with more specific newsletters directed at various market segments.*
- * *Assuming the first two suggestions are implemented in some way, the existing sales staff could focus on significant new accounts. The staff could still use additional people, but these changes would allow them to meet monthly or even weekly with key customers and to become experts in the various industry segments.*

Better communication will provide the information necessary for a more effective inventory management system. The nature of the products offered by MSI demands that they be able to deliver in three to four days. This is the delivery service provided by top competitors. MSI does not carry products that are so unique or so low cost that customers, especially in the targeted markets, will wait six to eight weeks (the period often reported on surveys) for products they can get from other vendors in a matter of days. Since speculation (i.e. creating large inventories of the entire line) is quite expensive MSI must accurately forecast customer needs. In order to address these issues the following recommendation is made.

- * *MSI should authorized a Marketing/Management Information Specialist. This specialist would have the following responsibilities:*
 1. *Work with key accounts and develop projections for future product needs. This should be separate from the selling activity. To some extent, provide a planning service to customers.*
 2. *Acquire market information on industry trends, product developments, and customer tastes. This would allow this person to identify which products should be created for inventory.*
 3. *Develop and manage an information and inventory system which will support the delivery requirements of the market place.*

4. *Oversee a backup system among production facilities. This is not strictly in the realm of marketing, but the production shut downs MSI is subject to, suggests that no one or two facilities be solely responsible for the production of any product, especially products not held in inventory.*

Product quality is the responsibility of the production unit and quality control unit. Given that problems do occur MSI should be in a position to limit the hardship encountered by customers. In order to do this one or more of the service activities below should be implemented.

- * *Provide product warranties;*
- * *Provide same day replacement of any damaged product; and/or*
- * *Develop a repair service team that can maintain products only slightly damaged (perhaps over some designated time period) or on site repair of products with major damage. This might be an excellent opportunity for jobs for inmates who have been released and have MSI experience.*

The final area of concern is pricing. In general MSI seems to be price competitive in most of its product lines. Exhibit Twenty Two shows example prices of similar furniture products from several suppliers to Michigan State University. As indicated by the survey responses MSI is not always the lowest price, but is usually within some competitive margin. The problem occurs when large purchases are made. Most competitors generally discount from their catalog and almost always provide quantity discounts.

- * *Thus it is recommended that MSI provide volume discounts to its customers.*

A MARKETING DEVELOPMENT STRATEGY

These recommendations or other similar actions will greatly enhance MSI's ability to serve its customers and compete in the market place. Developing an extensive marketing capability can be time consuming and expensive. The personnel requirements alone would be quite substantial. For example, Exhibit Six indicates that there are 2,058 potential accounts in the target market segments. Assuming each account was called on once a quarter, and a sales call took an average of 45 minutes, then 6,174 selling hours would be required (2058

accounts x 4 quarters x .75 hours). These assumptions are very conservative. Large accounts such as colleges would need to be called on once a month. Assume a sales representative spends 30% of his or her time actually selling. The remainder would be spent in travel, sales preparation, and administrative and clerical duties. There would be 600 selling hours available per sales representative (40 hours per week x 50 weeks x .30 selling time). In order to meet market needs there would have to be 10 sales representatives. Telemarketing and other promotional techniques would reduce this number slightly, but a significant increase in personnel would still be required.

One way MSI might begin improving its marketing capabilities without incurring large start up and personnel costs is to explore its ability to use distributors. MSI's charter restricts it to selling to government and non-profit organizations. It is not clear whether wholesales, brokers, or manufacturers representatives can handle the product on a commission basis as long as they adhere to MSI's market guidelines. This would not only open up tremendous opportunities within Michigan, but the entire country as well.

EXPANSION RECOMMENDATIONS

The marketing improvements discussed above must be addressed before MSI can effectively implement any expansion program. Consequently any incremental costs associated with marketing will be somewhat equal for each of the growth strategies. An argument could be made that the marketing costs to existing customers (state agencies) would be slightly greater per customer since negative attitudes would have to be turned around. In any case, the selection of the most appropriate growth strategy can be made on the basis of expected revenue. Although school districts and municipalities represent the largest segments in terms of size, colleges and hospitals are the larger purchasers. In fact, the limited size of the two segments is appealing given MSI's limited sales staff. The tables in Exhibit Twenty Three show the level of average purchases that might be expected from the various target segments for various products. This exhibit also indicates that new product suggestions that are feasible for MSI do not generate the volume or revenue of existing products.

- * As a result of this analysis it is recommended that MSI implement a market development growth strategy after addressing its marketing issues. The market development strategy should focus initially on colleges and hospitals.

EXHIBIT TWENTY TWO
PRICE COMPARISONS
FOR SELECTED MSI PRODUCTS
AND SELECTED MICHIGAN COMPETITORS

(All prices based on 1989 catalogs)

I.	Trimwood Executive Desk	30x60 / 2 drawers		
	MSI	\$769	MISCO	\$229
	DBI	\$694	BI	\$500
II.	Trimwood Executive Chair	High Back/Swivel		
	MSI	\$385	UARCO	\$409
	DBI	\$385	Fidelity	\$229
	Boise	\$317	BI	\$295
III.	Secretarial L-Desk	30x60		
	MSI	\$876	BI	\$460
	DBI	\$907	Mich. Word Proc.	\$610
IV.	3 Drawer Lateral File			
	MSI	\$226	Fidelity	\$450
	DBI	\$635	BI	\$375

EXHIBIT TWENTY THREE
AVERAGE SALES ESTIMATES
FOR PRODUCTS AND TARGET SEGMENTS

SEGMENTS:	County\ Municipalities	Colleges	School Districts	Hospitals	Non-Profit Organizations
PRODUCTS\					
Furniture	\$26,439	\$4,050,000	\$5,119	Not App.	Not App. ¹⁸
Janitorial	\$163,900	\$272,900	\$19,732	Not App.	Not App.
Office Supply	\$13,852	\$66,050	\$38,621	\$60,000	\$20,167
Paper	Not App.	\$59,167	\$17,500	\$12,000	\$12,375
Bedding	\$930	\$326	\$6,000	\$24,036	Not App.
Clothing	\$90,000	Not App.	\$450	\$138	Not App.
Safety Equipment	\$10,117	\$10,000	Not App.	Not App.	Not App.

¹⁸ Not App. stands for not applicable which means this product category was not reported as a large purchased item for this segment. It does not indicate segment does not purchase product, only that product is not one of the segments largest expenditure areas.

APPENDICES

APPENDIX A
STATE PURCHASING AGENCY SURVEY

VENDOR CONCENTRATION STUDY

Office of Management and Information Systems
November 1989

INTRODUCTION: This survey is being administered by a private consultant for the Department of Management and Budget, Office of Management and Information Systems. The purpose of the survey is to determine the level of participation in state purchases by vendors in selected product categories. Specifically, the survey seeks to determine how many vendors you bought from and what relative share of your purchases did each obtain.

The survey will not be used to examine or evaluate purchasing policies in any way. Nevertheless participant's responses will not be disclosed and will only appear in aggregate form in the final report.

There are three product categories of interest. They are as follows.

- 1) **Office Furnishings:** This would include desks, chairs, tables, file cabinets, and space-flex office partitions.
- 2) **Report Supplies:** This would include note books, binding, and three ring binders.
- 3) **Data Entry Services.**

THANK YOU FOR YOUR ASSISTANCE IN THIS STUDY!

SECTION ONE: SALES DATA

1. Please indicate the total purchases in the office furnishings category by your unit during the 1988-89 fiscal year.

Number of items _____

Dollar Total _____

2. How many different vendors participated in these office furnishings purchases?

3. Who was the largest office furnishings vendor? _____

What was their level of sales? _____

4. Who was the smallest office furnishings vendor? _____

What was their level of sales? _____

5. Please indicate the total purchases in the report supplies category by your unit during the 1988-89 fiscal year.

Number of items _____

Dollar Total _____

6. How many different vendors participated in these report supplies purchases?

7. Who was the largest report supplies vendor? _____

What was their level of sales? _____

8. Who was the smallest report supplies vendor? _____

What was their level of sales? _____

9. Please indicate the total purchases in the data entry services category by your unit during the 1988-89 fiscal year.

Number of items _____

Dollar Total _____

10. How many different vendors participated in these data entry services purchases?

11. Who was the largest data entry services vendor? _____

What was their level of sales? _____

12. Who was the smallest data entry services vendor? _____

What was their level of sales? _____

SECTION TWO: POLICIES

13. What percent of office furnishings purchases was on an open bid basis? _____
What percent of report supplies? _____
What percent of data entry services? _____

14. When purchases are made outside of the open bid process how much of a role does the user's preferences have in your decision?

15. Under what conditions would purchases be made from a vendor other than Michigan State Industries?

16. How do products from Michigan State Industries (MSI) compare in general to other vendors? What are the specific advantages and/or disadvantages of buying from MSI?

APPENDIX B
MAIL SURVEY

QUESTIONNAIRE FOR MEASURING MARKET POTENTIAL AND NEW PRODUCT IDEAS

This survey is being conducted by the Department of Management and Budget, Office of Management and Information Systems. The purpose of the survey is to determine the level of purchases by organizations for select product categories.

Specifically, the survey seeks to determine potential sales opportunities for Michigan State Industries (MSI). MSI is a diversified manufacturing operation associated with the correctional system of the state. Inmates manufacture products and perform services that are in turn marketed within the state and across the country. Under its initial charter, MSI can market its products only to state agencies, municipal and county agencies, public schools and health agencies, and all non-profit organizations. A sample of the broad product line produced by MSI is given below.

Sample Products

Textiles

Bedding products
Linens
Mattresses
Beds
Laundry & Hamper Bags
Male outerwear & underwear
Socks & shoes
Aprons & Lab Coats
Hospital Gowns

Signs & Decals

All Types of Metal Signs

Pressure Sensitive Decals

Decals For Special Requests

Binders & Conference Folders

3-Ring Binders
Vinyl Conference Folder

Office Furniture

Metal Chairs
Stacking Chairs
Vertical Files
Lockers
Storage Cabinets
Office Machine Tables
Lateral Files
Desks & Credenzas
All Types of Wooden Chairs
Conference Tables
Bedroom Furniture
Tables & Work Stations

Janitorial

Broad Line of Cleaning &
Janitorial Supplies
Mops, Brooms, Janitorial
Equipment

Services

Laundry
Data Entry
Furniture Refinishing

MSI is seeking to expand its product lines and markets and at the same time increase its ability to produce high quality products at very competitive prices. This is not a sales contact. The information you provide will be used for planning purposes only to guide MSI's growth strategies in general.

MARKET POTENTIAL QUESTIONNAIRE

1. Are you familiar with MSI and any of its products?

YES

NO

If No could you please indicate what general expectations you might have of MSI products?

(If No, please skip to question ten)

2. Please indicate the category which best describes your present purchasing relationship with MSI.

have purchased from MSI within last year

have purchased from MSI within last three years

have purchased from MSI, but it has been over three years ago

If you haven't purchased from MSI in over three years could you please indicate the reasons why?

have never purchased from MSI

If you have never purchased from MSI, could you please indicate the reasons why?

(If you have never purchased from MSI, please skip to question 7)

3. If you have purchased from MSI, what did you purchase and how much ?

ITEM	QUANTITY	AMOUNT (in \$'s)
a.	_____	_____
b.	_____	_____
c.	_____	_____
d.	_____	_____
e.	_____	_____
f.	_____	_____

4. In general, how satisfied have you been with MSI products?

|-----|-----|-----|-----|

Very Neither Very
 Satisfied Satisfied Satisfied Dissatisfied Dissatisfied
 Nor Dissatisfied

Why? _____

5. Are there certain types of products from MSI (i.e. janitorial supplies, office furniture, etc.) that you have been less satisfied with than others.

YES

NO

What are they?

6. How price competitive have you found MSI products to be?

Very
Competitive

Competitive

About
The Same

Non-competitive

Very
Non-competitive

Why?

7. Do you have a catalog from MSI?

YES

NO

8. How often does an MSI representative contact you compared to other sales representatives?

Very
Often

Often

About
Average

Infrequently

Very
Infrequently

9. Is that contact usually by phone or in person?

Phone

Person

10. Excluding capital equipment, what are the five largest purchase categories for your agency or organization?

Category

Purchase Volume in 1989

a. _____

b. _____

c. _____

d. _____

e. _____

11. The introduction of this questionnaire listed items from MSI's present product line. Do you presently have a need for any of these products?

YES

NO

If YES, could you please indicate which products and the approximate volume purchased in 1989?

ITEM

QUANTITY

AMOUNT (in \$'s)

a. _____

b. _____

c. _____

d. _____

e. _____

12. Does your organization presently have a need for any of the items below?

Acoustical Printer Enclosures

YES

NO

Mobile Printer or Computer Stands	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
Disk Storage Containers	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
Computer Glare Screens	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
Hazardous Waste Disposal Drums	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
Lighting Fixtures	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
Air & Water Purification Materials	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
Rubber Gloves	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO

13. Can you suggest other product categories which might be produced by MSI? For example, product categories which you sometimes find in short supply or where you find your organization's needs increasing.

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____
- 6. _____
- 7. _____
- 8. _____

14. Please indicate your organizations's size in terms of employees.

15. Would you like to receive a catalog from MSI?

YES

NO

If Yes, please provide name and mailing address below.

Name: _____

Title: _____

Organization: _____

Address: _____

APPENDIX C
MSI SALES DATA

SUMMARY OF MSI SALES RECORDS

<u>MSI TOTAL UNIT SALES</u>	1988	1989	% Change
MSI	2,175,898	2,898,992	33.2%
State Offices	212,248,729	18,435,844	-91.3
Psychiatric Facilities	5,293,758	6,067,216	14.6
Corrections	11,130,650	20,267,300	82.1
County/Municipal	85,138	102,078	20.2
Schools	720,016	7,191	-99.0
Colleges	5,713	.560	-90.2
NonProfit/Hospitals	124,781	126,228	1.1
Outstate Prison Industries	216,718	189,915	-12.3
Residences/Misc.	<u>483,991</u>	<u>2,399,465</u>	<u>395.8</u>
Total	232,485,392	50,494,789	-78.3%

<u>MSI TOTAL DOLLAR SALES</u>	1988	1989	% Change
MSI	\$2,489,508	\$2,987,751	20.0%
State Offices	6,984,213	7,279,363	4.2
Psychiatric Facilities	2,635,886	3,031,562	15.0
Corrections	11,603,436	17,569,891	51.4
County/Municipal	394,421	378,033	-4.1
Schools	39,731	25,240	-36.5
Colleges	25,730	19,218	-25.3
NonProfit/Hospitals	161,521	86,691	-46.3
Outstate Prison Industries	218,346	294,666	35.0
Residences/Misc.	<u>155,577</u>	<u>389,743</u>	<u>150.5</u>
Total	\$24,707,369	\$32,062,158	29.8%

UNIT SALES

CODE	CUSTOMER NAME	1988	1989	% CHANGE
MSI ACCOUNTS				
11260	MSI LANSING	208,281	1,298,981	524%
11261	MSI CUSHION	39,763	22,647	-43%
11262	MSI MACHINE	40	50	25%
11263	MSI MAINTENANCE	611	1,066	74%
11264	MSI TEXTILE	18,173	20,099	11%
11266	MSI VALIDATION	78,177	76,381	-2%
11267	MSI SHOE	3,072	5,036	64%
11268	MSI LICENSE PLATE	87,194	80,964	-7%
11269	MSI METAL	102,530	95,869	-6%
11270	MSI SIGN	27,263	43,618	60%
11271	MSI CHAIR	69,133	58,586	-15%
11272	MSI JACKSON LAUNDRY	1,565	4,206	169%
11273	MSI MATTRESS	15,200	34,844	129%
11274	MSI VINYL	7,500	9,037	20%
11275	MSI WORK GARMENTS	195,956	250,014	28%
11276	MSI JANITORIAL PROD	8,027	13,840	72%
11277	MSI TOBACCO	21	0	-100%
11278	MSI LATEX	14	0	-100%
11281	MARQUETTE LAUNDRY	71	80	13%
11282	MSI COTTON	401,954	16,181	-96%
11283	MSI FURNITURE	401,783	208,041	-48%
11286	MSI BALOGA SAWMILL	15	6	-60%
11287	MSI FARM PROD	91,441	5,740	-94%
11288	MSI IONIA LAUNDRY	2,010	1,775	-12%
11289	MSI DATA PROCESSING	185	59	-68%
11290	MSI LAPEER LAUNDRY	71	66	-7%
11291	MSI FURNITURE REST	54	0	-100%
11292	MSI KINROSS WORK GMT	415,556	313,957	-24%
11293	MSI LAMINATE	141	6,894	4789%
11294	MSI COTTON GARMENTS	97	330,955	341091%
	MSI TOTALS	2,175,898	2,898,992	33%
STATE AGENCIES				
20311	SECRETARY OF STATE	64	66	3%
20320	HOUSE OF REPS	589	169	-71%
20330	AUDITOR GENERAL	1,246	361	-71%
20340	SENATE FISCAL	11	223	1927%
20350	LEGISLATIVE SERVICES	12	32	167%
20352	HOUSE FISCAL	21	207	886%
20360	LIBRARY OF MICHIGAN	321	472	47%
20510	SUPREME COURT	3	0	-100%
20540	COURT OF APPEALS	503	1	-100%
20541	CRIERS OFFICE	0	500	NA
20700	DEPT OF MGT & BUD	5,420	114,022	2004%
20765	SERVICES TO AGING	36	22	-39%

20781	MGT & BUD-WHOLESALE	450,002	387,597	-14%
21100	ATTORNEY GENERAL	257	424	65%
21500	DEPT CIVIL RIGHTS	156	376	141%
21900	DEPT CIVIL SERVICE	840	391	-53%
22300	DEPT STATE	13,605,900	3,233,599	-76%
22301	DEPT STATE	62,015	0	-100%
22700	TREASURY DEPT	555,831	558,460	0%
23100	DEPT EDUCATION	15,937,971	2,468,687	-85%
23143	BLIND SCHOOL	802	1,723	115%
23144	DEAF SCHOOL	882	428	-51%
23164	STATE TECH INSTI	5,631	1,651	-71%
23500	PUBLIC HEALTH	44,277	95,616	116%
23501	PUBLIC HEALTH DATA	102,423,918	3,117,209	-97%
23900	MENTAL HEALTH	56,171,255	3,465,721	-94%
23940	FORENSIC CENTER	10,769	57,804	437%
23941	MEN HEALTH-DATA PROC	0	1	NA
25100	MILITARY AFFAIRS	1,664	1,862	12%
25500	STATE POLICE	146,641	186,831	27%
25900	TRANSPORTATION	35,414	40,503	14%
26300	COMMERCE	116,001	5,995	-95%
26700	LABOR	2,047	2,926	43%
26710	LABOR-FUNDS	34	24	-29%
26712	EMPLOYMENT SEC.	2,489	2,662	7%
27100	LICENSING & REG.	2,763	1,265	-54%
27500	NATURAL RESOURCES	332,260	352,567	6%
27501	NATURAL RESOURCES	0	30	NA
27502	NATURAL RESOURCES	7,724	890	-88%
27504	NATURAL RESOURCES	1,682	1,838	9%
27505	NATURAL RESOURCES	0	148	NA
27507	NATURAL RESOURCES	4,740	11,496	143%
27508	NATURAL RESOURCES	0	19	NA
27900	AGRICULTURE	2,548	2,414	-5%
29040	STATE LOTTERIES	5,737	108,851	1797%
27903	SOCIAL SERVICES	22,291,384	4,181,121	-81%
24300	SOCIAL SERVICES	16,869	28,640	70%
TOTAL STATE AGENCIE				212,248,729 18,435,844 -91%

STATE PSYCHIATRIC ACCOUNTS

23523	JACOBETTI VETS FAC	1,204	44	-96%
23524	MICH VET FACILITY	1,286,324	1,282,526	-0%
23942	HAWTHORN	36,948	36,999	0%
23943	DETROIT PSYCH	75,639	79,424	5%
23946	KALAMAZOO PSYCH	765,449	688,243	-10%
23948	LAFAYETTE	91,077	74,556	-18%
23950	NEWBERRY	9,641	11,647	21%
23952	NORTHVILLE	766,794	690,875	-10%
23954	CLINTON	53,365	41,099	-23%
23956	TRAVERSE	14,916	81,627	447%
23957	WALTER P. REUTHER	783,773	623,534	-20%
23958	YPSILANTI	48,093	764,944	1491%
23960	CARO	37,922	48,090	27%
23962	COLDWATER	404,846	343,759	-15%

23969	SOUTHGATE	327,335	326,938	-0%
23970	OAKDALE	48,141	450,056	835%
23971	MACOMB	111,553	31,218	-72%
23972	MT. PLEASANT	31,433	29,835	-5%
23973	WAYNE	42	104	148%
23974	MUSKEGON	399,253	461,690	16%
23975	SW MICHIGAN	10	8	-20%

TOTAL STATE PSYCH ACCO	5,293,758	6,067,216	15%
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CORRECTIONAL ACCOUNTS

24302	ARBOR HEIGHTS CEN	0	17	NA
24342	COMP NOKOMIS	877	24,342	2676%
24343	ADRIAN TRAINING	27,979	26,944	-4%
24344	W.J. MAXEY BOYS	112,754	122,613	9%
24345	SHAWOWO	941	728	-23%
24347	FLINT DETENTION	5,686	4,628	-19%
24700	DEPT CORRECTIONS	54,162	6,263,624	11465%
24705	FLORENCE CRANE	55,228	87,236	58%
24706	LAKELAND	9,820	64,555	557%
24710	HURON VALLEY-WOMEN	205	10,141	4847%
24715	HURON VALLEY-MENS	79,316	162,001	104%
24716	HIAWATHA	26,004	30,086	16%
24717	RIVERSIDE	936,633	1,580,939	69%
24718	IONIA TEMP	146,536	185,627	27%
24719	IONIA MAXIMUM	124,263	208,231	68%
24720	WESTERN WAYNE	101,972	120,856	19%
24721	MUSKEGON	35,601	82,335	131%
24722	THUMB	30,510	95,455	213%
24723	CARSON	123,152	282,850	130%
24727	KINROSS	57,274	54,340	-5%
24728	MICH DUNES	118,126	348,370	195%
24729	PHOENIX	40,565	34,888	-14%
24730	STATE PRISON-S. MI.	5,248,400	1,652,533	-69%
24731	G. ROBERT COTTON	670,979	860,330	28%
24732	SOUTH MI. FARM	448,330	3,881,943	766%
24733	SCOTT	41,166	57,600	40%
24735	CHIPPEWA	64,815	36,016	-44%
24736	CHARLES E. EGLER	519	79,436	15206%
24737	ADRIAN TEMP	0	74,801	NA
24738	CHIPPEWA REG	0	45,651	NA
24739	STANDISH MAX	0	116	NA
24740	ST. HOUSE OF CORR.	311,748	424,659	36%
24750	CORRECTIONS CAMP	832,803	1,147,052	38%
24751	CORR. CAMP-FARM	10,176	10,176	0%
24752	CORREC. CAMP-PROGRAM	391,980	360,203	-8%
24760	MICH TRAINING UNIT	271,453	325,352	20%
24770	MICH REFORMATORY	539,965	546,609	1%
24790	MUSKEGON CORR	210,712	920,386	337%
24791	E.C. BROOKS	0	53,231	NA
24792	MI REFORMATORY	0	400	NA

TOT. CORRECTIONAL ACCO	11,130,650	20,267,300	82%
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COUNTY/MUNICIPAL ACCOUNTS

30201	ALGER SHERIFF	44	0	-100%
30301	ALLEGAN SHERIFF	0	4,500	NA
30350	ALLEGAN RD COM	108	0	-100%
30401	ALPENA SHERIFF	19	148	679%
30450	ALPENA RD COM	10	0	-100%
30501	ANTRIM SHERIFF	25	21	-16%
30550	ANTRIM RD COM	25	32	28%
30601	ARENAC SHERIFF	14	6	-57%
30801	BARRY SHERIFF	15	14	-7%
30950	BAY RD COM	1	0	-100%
31001	BENZIE SHERIFF	0	442	NA
31201	BRANCH SHERIFF	0	415	NA
31301	CALHOUN SHERIFF	54	7	-87%
31401	CASS SHERIFF	10	10	0%
31501	CHARLEVOIX SHERIFF	36	0	-100%
31601	CHEBOYGAN SHERIFF	32	42	31%
31701	CHIPPEWA SHERIFF	0	270	NA
31901	CLINTON SHERIFF	0	124	NA
32001	CRAWFORD SHERIFF	0	900	NA
32101	DELTA SHERIFF	2,447	4,198	72%
32301	EATON SHERIFF	14	1	-93%
32401	EMMET SHERIFF	92	90	-2%
32601	GLADWIN SHERIFF	120	72	-40%
32701	GOGEBIC SHERIFF	45	26	-42%
32801	GRAND TRAV. SHERIFF	65	0	-100%
32901	GRATIOT SHERIFF	19	18	-5%
33001	HILLSDALE SHERIFF	164	138	-16%
33050	HILLSDALE RD COM	306	600	96%
33401	IONIA SHERIFF	2,384	4,681	96%
33501	IOSCO SHERIFF	0	15	NA
33701	ISABELLA SHERIFF	12	0	-100%
33801	JACKSON SHERIFF	0	48	NA
33850	JACKSON RD COM	0	104	NA
33901	KALAMAZOO	20	50	150%
33950	KALAMAZOO RD COM	0	3	NA
34001	KALKASKA SHERIFF	22	0	-100%
34301	LAKE SHERIFF	16	218	1263%
34401	LAPEER SHERIFF	402	0	-100%
34501	LEELANAU SHERIFF	287	1,933	574%
34550	LEELANAU RD COM	82	56	-32%
34701	LIVINGSTON SHERIFF	15	7	-53%
34801	LUCE SHERIFF	8	2	-75%
34901	MACKINAC SHERIFF	125	1,803	1342%
34950	MACKINAC RD COM	3	0	-100%
35101	MANISTEE	0	1,212	NA
35301	MASON SHERIFF	17	77	353%
35401	MECOSTA SHERIFF	66	164	148%
35501	MENOMINEE SHERIFF	3,408	4,658	37%
35550	MENOMINEE RD COM	1	0	-100%
35601	MIDLAND SHERIFF	2	138	6800%
35701	MISSAUKEE	0	137	NA
35901	MONTCALM SHERIFF	54	12,000	22122%
36201	NEWAYGO SHERIFF	14	0	-100%

36401	OCEANA SHERIFF	3	6	100%
36501	OGEIAW SHERIFF	176	258	47%
36601	ONTONAGON SHERIFF	8	85	963%
36901	OTSEGO SHERIFF	12	176	1367%
36950	OTSEGO RD COMM	24	26	8%
37001	OTTAWA SHERIFF	456	451	-1%
37101	PRESQUE ISLE SHERIFF	20	0	-100%
37150	PRESQUE ISLE RD COM	0	18	NA
37201	ROSCOMMON SHERIFF	0	100	NA
37401	ST CLAIR SHERIFF	200	0	-100%
37501	ST JOSEPH SHERIFF	0	0	NA
37601	SANILAC SHERIFF	10	0	-100%
37750	SCHOOLCRAFT RD COM	0	30	NA
37801	SHIAWASSEE SHERIFF	40	3,200	7900%
37901	TUSCOLA SHERIFF	190	302	59%
38001	VAN BUREN SHERIFF	92	10	-89%
38201	WAYNE SHERIFF	0	15	NA
38301	WEXFORD SHERIFF	4,100	2,200	-46%
38350	WEXFORD RD COM	0	1	NA
42203	AMERICAN LEGION	3	0	-100%
50201	ALGER	1	0	-100%
50203	ALGER	4	0	-100%
50207	ALLEGAN YOUTH HOME	81	0	-100%
50307	ALLEGAN-CITY	24	0	-100%
50403	NE MI MENTAL HEALTH	252	388	54%
50405	MAPLE RIDGE	14	0	-100%
50501	ANTRIM COUNTY	2	3	50%
50503	GRASS RIVER AREA	0	1	NA
50602	STANDISH	4	0	-100%
50801	BARRY COUNTY	9	0	-100%
58809	HASTINGS TW	4	4	0%
50903	BAY COUNTY-CITY	1	2	100%
50905	ESSEXVILLE	0	4	NA
50906	BANGOR TW	0		NA
50908	BAY COUNTY	410	1,625	296%
50910	FRASER	10	0	-100%
50911	HAMPTON TW	0	4	NA
51001	BENZIE	1	0	-100%
51005	19TH JUD. COURT	0	1	NA
51007	HOMESTEAD TW	0	6	NA
51101	BERRIEN COUNTY POL	41	10	-76%
51106	BERRIEN JUVEN CNTR	0	1	NA
51109	NILES CITY POLICE	8	6	-25%
51110	COLOMA-CITY	5	3	-40%
51114	ST. JOSEPH	14	14	0%
51115	LINCOLN	0		NA
51116	LINCOLN TW	0	8	NA
51125	BERRIEN SPRINGS	10	0	-100%
51201	BRANCH CO	2	12	500%
51202	COLDWATER	0	175	NA
51204	BRONSON	0	2	NA
51206	QUINCY	2	0	-100%
51208	ALBION	0	6	NA
51301	CALHOUN COUNTY	23	1	-96%

51305	MARSHALL-CITY	30	0	-100%
51317	BEFORD POLICE	2	0	-100%
51407	DOWAGIAC	0	6	NA
51504	CHARLEVOIX	0	8	NA
51517	GRANDVUE MED	0	8	NA
51603	CHEBOYGAN	0	20	NA
51606	CHEBOYGAN COUNTY	9	0	-100%
51803	CLARE-CITY	1	0	-100%
51901	CLINTON	8	7	-13%
51908	ST. JOHN'S CITY	19	0	-100%
52002	GRAYLING TW	4	0	-100%
52004	GRAYLING	0	6	NA
52101	DELTA COUNTY	72	1	-99%
52202	IRON MOUNTAIN	4	8	100%
52302	EATON CIRCUIT CT.	3	1	-67%
52304	POTTERVILLE	4	0	-100%
52313	BROOKFIELD	2	0	-100%
52402	PETOSKY	0	6	NA
52405	EMMET MED CARE	1	0	-100%
52501	GENESEE CONTR	2,068	132	-94%
52504	FLINT-CITY	0	1	NA
52505	GENESSEE MEM HOSP	3	0	-100%
52507	DAVISON-CITY	11	0	-100%
52509	GENESSEE	12	6	-50%
52510	FLUSHING	0	30	NA
52512	GRAND BLANK-CITY	4	0	-100%
52601	SAGE	30	0	-100%
52602	GLADWIN COURTHOUSE	0	2	NA
52704	IRONWOOD-CITY	5	0	-100%
52801	GRAND TRAVERSE CO	0	2	NA
52803	GRAND TRAV-LEELANAU	0	5	NA
52804	TRAVERSE	42	0	-100%
52902	BRECKENRIDGE	2	4	100%
52903	ALMA	5	1	-80%
52906	ST. LOUIS	4	6	50%
52907	GRATIOT ANIMAL CONT	2	0	-100%
53005	HILLSDALE	10	0	-100%
53009	HILLSDALE COUNTY	1	0	-100%
53103	HANCOCK	8	37	363%
53107	HOUGHTON CO. MED.	24	0	-100%
53206	BAD AXE	2	0	-100%
53207	PIDEON POLICE	0	2	NA
53301	INGHAM CONTROLLER	73	31	-58%
53302	EAST LANSING	18	16	-11%
53305	INGHAM MEDICAL	2	4	100%
53307	TRI-CO AGING	0	9	NA
53308	DELHI CHARTER	21	0	-100%
53312	LANSING AREA SAFETY	511	850	66%
53313	LESLIE POLICE	10	0	-100%
53315	INGHAM CO	0	14	NA
53316	CIVIC CENTER	0	1	NA
53319	LANSING	768	2,495	225%
53320	GREATER LANSING	0	4	NA
53321	LANSING CHARTER	1	0	-100%

53322	MASON	8	9	13%
53323	MERIDIAN TW	0	27	NA
53324	DELTA CHARTER	2	0	-100%
53329	DEWITT	12	0	-100%
53401	IONIA CO.	2	0	-100%
53402	IONIA POLICE	41	0	-100%
53403	LAKE ODESSA	12	0	-100%
53415	IONIA CITY	2	20	900%
53502	OSCODA	28	9	-68%
53605	CRYSTAL FALLS	0	2	NA
53701	ISABELLA	156	265	70%
53702	MT. PLEASANT	6	0	-100%
53704	CENTRAL MI COMM.	5	6	20%
53802	JACKSON	203	5	-98%
53804	JACKSON MEDICAL	10,169	21,229	109%
53807	BLACKMON	20	0	-100%
53808	W.A. FOOTE HOSP	0	12	NA
53811	JACKSON PROBATE	29,564	120	-100%
53812	SUMMIT FIRE DEPT	48	48	0%
53813	JACKSON HEALTH	2	0	-100%
53814	HENRIETTA TW	67	67	0%
53904	KALAMAZOO COUNTY	82	100	22%
53906	PORTAGE	36	30	-17%
53907	VICKSBURG	0	3	NA
53908	KALAMAZOO	86	36	-58%
53909	KALAMAZOO TW	0	1,000	NA
54004	KALKASKA POLICE	0	2	NA
54101	KENT	2,018	4,352	116%
54103	KENTWOOD	2	7	250%
54105	GRAND RAPIDS	196	51	-74%
54108	ALPINE TW	0	3	NA
54111	EAST G. RAPIDS	14	1	-93%
54115	WYOMING	78	26	-67%
54120	GRANDVILLE POLICE	1	5	400%
54304	PLEASANT PLAINS	30	0	-100%
54403	LAPEER	8	500	6150%
54601	LENAWEE COUNTY CLERK	48	2,407	4915%
54602	ADRIAN	0	23	NA
54603	HART	0	243	NA
54613	TECUMSEH	1	5	400%
54701	BRIGHTON	4	0	-100%
54702	LIVINGSTON FRIEND CT	2	1	-50%
54704	LIVINGSTON CLERK	27	31	15%
54709	HAMBURG	59	1	-98%
54712	LIVINGSTON CO. PROS	1	0	-100%
54713	BRIGHTON TOWNSHIP	4	14	250%
54720	OCEOLA TW	0	4	NA
54721	DEXTER TW	0	20	NA
54725	HOWELL	2	7	250%
54801	NEWBERRY	40	0	-100%
54903	MACKINAC ISLAND	16	6	-63%
54904	MAC. BRIDGE AUTH	2	10	400%
55001	MACOMB CO	12,517	2,192	-82%
55005	CHESTERFIELD	4	36	800%

55007	CENTER LINE	66	0	-100%
55008	CLINTON	10	0	-100%
55009	SHELBY POLICE	6	13	117%
55011	STERLING HEIGHTS	67	20	-70%
55013	WARREN	15	56	273%
55014	HARRISON	0	(15)	NA
55015	NEW BALTIMORE	6	0	-100%
55018	E. DETROIT	0	26	NA
55020	SHELBY	142	1	-99%
55023	PSYCH CENTER	6	0	-100%
55024	ST. JOSEPH'S	0	30	NA
55101	MANISTEE	24	7	-71%
55204	MARQUETTE TW	2	5	150%
55206	MARQUETTE	0	18	NA
55213	ALGER-MARQUETTE	34	0	-100%
55214	CHOCOLAY TW	0	30	NA
55301	MASON CO	0	11	NA
55302	LUDINGTON	15	0	-100%
55304	HAMLIN	0	8	NA
55402	BIG RAPIDS	1	6	500%
55403	MECOSTAL	3	0	-100%
55406	MARTING	23	19	-17%
55503	MENOMINEE	0	3	NA
55504	SPAULDING	4	0	-100%
55601	MIDLAND CO	4	29	625%
55603	MIDLAND	6	18	200%
55605	MIDLAND CHARTER	6	0	-100%
55703	CLAM UNION	0	6	NA
55803	MONROE CO	0	50	NA
55804	MONROE	14	0	-100%
55814	LUNA PIER	22	0	-100%
55901	MONTCALM CO CLERK	16	2	-88%
55902	EUREKA	1	0	-100%
55904	RICHLAND	6	0	-100%
56101	MUSKEGON CO CONT	44	970	2105%
56102	MUSKEGON HGTS	18	0	-100%
56103	MUSKEGON	4	1,029	25625%
56106	MUSKEGON CO	10	19	90%
56107	BROOKHAVEN MEDICAL	(5)	20	500%
56118	W. MI SHOELINE	26	13	-50%
56203	FREMONT POLICE	0	12	NA
56206	NEWAYGO CO	3	37	1133%
56301	FERNDALE	12	12	0%
56302	BIRMINGHAM	7	14	100%
56303	HUNTINGTON WOODS	0	3	NA
56304	HIGHLAND	3	0	-100%
56308	47TH DIST COURT	12	0	-100%
56312	LAKE ORION	0	0	NA
56313	HAZEL PARK	80	226	183%
56314	PONTIAC	20	0	-100%
56316	LATHROP	7	3	-57%
56321	OAK PARK	30	16	-47%
56322	WATERFORD POLICE	25	0	-100%
56326	ROCHESTER	18	21	17%

56327	OAKLAND	9	15	67%
56328	GREEN OAK TW	41	41	0%
56329	CLARKSTON	2	0	-100%
56332	ROYAL OAK	205	16	-92%
56333	SOUTHFIELD	7	2	-71%
56337	TROY	1	38	3700%
56340	WOLVERINE LAKE	6	0	-100%
56344	ROCHESTER	2	2	0%
56346	WHITE LAKE	4	0	-100%
56349	GROVELAND FIRE DEPT	5	2	-60%
56350	ADDISON TWN	15	0	-100%
56354	OAKLAND TWN	500	0	-100%
56355	BLOOMFIELD HILLS	29	64	121%
56357	ROSE TW	5	5	0%
56363	FARMINGTON HILLS	124	0	-100%
56401	SHELBY TWN	4	0	-100%
56704	EAGLE VILLAGE	46	46	0%
56904	GAYLORD POLICE	3	0	-100%
56905	OSTEGO POLICE	6	0	-100%
57002	COOPERSVILLE	0	6	NA
57003	OTTAWA CO	4	0	-100%
57004	GEORGETOWN TW	24	0	-100%
57005	HOLLAND	4	0	-100%
57007	HUDSONVILLE	8	0	-100%
57010	ALLENDALE TW	4	0	-100%
57102	ROGERS CITY	36	22	-39%
57203	DENTON TW	0	2	NA
57204	LIENFIELD TW	28	15	-46%
57301	SAGINAW CO	49	37	-24%
57303	BRIDGEPORT TW	9	0	-100%
57304	FRANKENMUTH	6	4	-33%
57305	SAGINAW	10	30	200%
57306	SAGINAW CO	9	0	-100%
57307	SAGINAW TW	1	0	-100%
57308	BUENA VISTA	0	20	NA
57309	SWAN CREEK TW	0	1	NA
57311	CARROLTON POLICE	12	0	-100%
57315	CHESANING POLICE	19	43	126%
57401	ST CLAIR	62	1	-98%
57406	PORT HURON	6	0	-100%
57410	PORT HURON POLICE	0	12	NA
57414	WARTH TW	0	191	NA
57419	ST CLAIR JUVEN	42	0	-100%
57502	FABIUS TW	0	46	NA
57503	STURGIS	0	7	NA
57504	THREE RIVERS	58	45	-22%
57510	MARCELLUS	4	0	-100%
57702	SCHOOLCRAFT HOSP	0	3	NA
57802	SHIAWASSE	3	10	233%
57807	OWOSSO	44	20	-55%
57901	DENMARK TW	0	0	NA
57905	CARO	0	4	NA
58001	VAN BUREN CO	35	4	-89%
58005	S OUTH HAVEN	4	0	-100%

58013	HARTFORD	2	0	-100%
58014	PAW PAW POLICE	4	1	-75%
58015	GOBLES POLICE	0	3	NA
58101	WASHTENAW CO CEN SRV	4,659	10,888	134%
58104	ANN ARBOR TRANS	0	2	NA
58105	SALINE	10	9	-10%
58106	CHELSEA POLICE	2	8	300%
58108	MANCHESTER VIL	1	2	100%
58110	GREEN OAK TW	4	0	-100%
58115	PITTSFIELD TW	50	2	-96%
58201	WAYNE CO	156	155	-1%
58202	SOUTHGATE	12	20	67%
58204	LIVONIA	460	356	-23%
58206	PLYMOUTH TW	0	20	NA
58209	DEARBORN	323	216	-33%
58210	DEARBORN HEIGHTS	31	16	-48%
58213	HURON CLINTON METRO	318	593	86%
58219	WAYNE	38	22	-42%
58220	HIGHLAND PARK	0	11	NA
58221	ALLEN PARK	0	1	NA
58223	SE MI COUNCIL	110	21	-81%
58225	DETROIT	0	156	NA
58228	GROSSE POINT WDS	13	10	-23%
58229	NORTHVILLE	4	3	-25%
58234	FLAT ROCK	2	11	450%
58235	GARDEN CITY	50	70	40%
58236	PASSAGES COMM SERVICES	1	0	-100%
58237	DETROIT HEALTH CARE	0	4	NA
58239	NOVI	0	51	NA
58243	HARPER WOODS	16	19	19%
58246	INKSTER	0	353	NA
58251	MELVINDALE	0	1	NA
58254	NORTHVILLE TW	8	31	288%
58256	RIVERVIEW	9	10	11%
58258	BROWNSTWON TW	100	0	-100%
58261	OAKWOOD DOWNRIVER	18	0	-100%
58262	WESTLAND	41	111	171%
58263	NW GUIDANCE CLIN	1	0	-100%
58264	WYANDOTTE	6	50	733%
58265	HIGHLAND PARK PUB	0	11	NA
58273	TAYLOR	89	154	73%
58278	WOODHAVEN	3	3	0%
58304	CADILLAC	1	0	-100%
58307	WEXFORD CO	8	0	-100%

TOTAL COUNTY/MUNICIPAL	85,138	102,078	20%
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SCHOOL DISTRICT ACCOUNTS

60312	SAUGATUCK SCHLS	3	0	-100%
60502	ELLSWORTH SCHLS	18	43	139%
60906	ESSEXVILLE SCHLS	12	0	-100%
60907	BAY CITY SCHLS	12	0	-100%
61104	NEW BUFFALO SCHLS	16	28	75%
61205	COLDWATER SCHLS	2	0	-100%

61301	ALBION SCHLS	5	0	-100%
61303	STAFF COMMON SCHLS	72	72	0%
61401	DOWAGIAC SCHLS	58	0	-100%
61604	CHEBOYGON-OSTEGO	200	0	-100%
61902	ST. JOHN ^S SCHLS	3	1	-67%
62101	ESCANABA SCHLS	12	60	400%
62106	RAPID RIVER SCHLS	48	0	-100%
62505	SWARTZ CREEK SCHLS	90	0	-100%
62506	BENTLEY COMM SCHLS	0	10	NA
62507	BENDLE SCHLS	0	4	NA
62508	BEECHER SCHLS	19	7	-63%
62516	GRAND BLANC SCHLS	6	0	-100%
62517	FLINT SCHLS	100	0	-100%
62804	KINGSLEY SCHLS	1	0	-100%
62901	GRATIOT-ISABELLA	503	0	-100%
62902	ALMA SCHLS	0	2	NA
62903	ASHLEY SCHLS	36	0	-100%
62906	MERIDIAN SCHLS	0	14	NA
62907	ITHACA SCHLS	2	0	-100%
63000	COLUMBIA SCHLS	0	3	NA
63001	ONSTED SCHLS	2	0	-100%
63304	WAVERLY SCHLS	14	126	800%
63307	OKEMOS SCHLS	144	0	-100%
63311	INGHAM SCHLS	708,825	0	-100%
63315	WEBBERVILLE SCHLS	0	3	NA
63401	BELDING SCHLS	18	0	-100%
63406	SS. PETER & PAUL	22	0	-100%
63407	ST. PETER & PAUL	0	12	NA
63501	TAWAS SCHLS	0	2	NA
63503	HALE SCHLS	6	0	-100%
63805	WESTERN SCHLS	1	0	-100%
63806	JACKSON SCHLS	16	0	-100%
63808	VANDERCOOK SCHLS	6	0	-100%
63814	JAX CO. SCHLS	400	2	-100%
63901	PORTAGE SCHLS	121	1	-99%
63905	PARCHMENT SCHLS	6	10	67%
64102	NORTHVILLE SCHLS	0	1	NA
64404	LAPEER CO INTERM	0	1,175	NA
64504	SUTTONS BAY SCHLS	144	0	-100%
64602	BRITTON MACON SCHLS	4	0	-100%
64702	HOWELL SCHLS	5	1	-80%
65006	MT CLEMENS COM SCHLS	0	10	NA
65018	WARREN CON. SCHLS	10	1	-90%
65021	MACOMB INTER SCHLS	1	0	-100%
65203	POWELL TW. SCHLS	11	0	-100%
66104	OAKRIDGE SCHLS	48	24	-50%
66106	N MUSKEGON SCHLS	0	50	NA
66108	WHITEHALL SCHLS	0	2	NA
66301	BERKLEY SCHLS	1	1	0%
66303	BLOOMFIELD SCHLS	34	1	-97%
66306	FARMINGTON SCHLS	0	50	NA
66316	OAKLAND SCHLS	2	3	50%
66602	ONTONAGON	24	0	-100%
67004	CAREERLINE TECH CEN	430	1,451	237%

67101	ROGERS UNION SCHLS	0	20	NA
67202	GERRISH-HIGGINS	3	0	-100%
67302	BUENA VISTA SCHLS	0	3	NA
67303	SAGINAW BD EDUC	0	50	NA
67401	ST CLAIR SCHLS	0	1	NA
67404	YALE SCHLS	78	42	-46%
67407	LAKEVIEW SCHLS	0	13	NA
67507	THREE RIVERS SCHLS	0	58	NA
67610	SANILAC INTER SCHLS	1	0	-100%
67803	LAINGSBURG SCHLS	1	0	-100%
68101	ANN ARBOR SCHLS	52	47	-10%
68106	YPSILANTI SCHLS	2	0	-100%
68111	WILLOW RUN SCHLS	10	0	-100%
68203	CRESTWOOD SCHLS	6	2	-67%
68205	LIVONIA SCHLS	0	6	NA
68208	DETROIT BRD EDUC	8,310	3,662	-56%
68211	ROSEVILLE SCHLS	0	17	NA
68215	ROYAL OAK SCHLS	10	0	-100%
68216	WOODHAVEN SCHLS	0	23	NA
68217	GROSSE PTE SCHLS	6	0	-100%
68227	PLYMOUTH CANTON	0	75	NA
68301	BUCKLEY SCHLS	24	0	-100%
68303	ME_SICK SCHLS	0	2	NA

TOTAL SCHOOL ACCOUN	720,016	7,191	-99%
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COLLEGE ACCOUNTS

69005	DELTA COLLEGE	900	14	-98%
69008	NORTHERN COLLEGE	3	1	-67%
69018	JACKSON COM. COLLEGE	3	0	-100%
69022	MONROE CO COM. COLL	25	51	104%
69026	GOGEBIC COM. COL	1	0	-100%
69100	CENTRAL MICH	312	1	-100%
69104	MICHIGAN STATE	2,047	0	-100%
69105	MICHIGAN TECH	1,884	72	-96%
69107	MICH UNIV	1	1	0%
69109	WESTERN MICH	34	281	726%
69110	EASTERN MICH	493	137	-72%
69111	SAGINAW VALLEY COLL	10	0	-100%
93320	FERRIS ST COLLEGE	0	2	NA

TOTAL COLLEGE ACCOU	5,713	560	-90%
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NON-PROFIT/HOSPITAL ACCOUNTS

70301	BEARDSLEE LIBRARY	1	0	-100%
70801	CIRCLE PINES CENTER	5	0	-100%
70901	LUTHERAN CHILD SERV	4	0	-100%
71400	LEE MEM HOSP	0	2	NA
71501	CHARLEVOIX AREA	0	6	NA
71700	SAULT ST MARIE TRIB	0	0	NA
72505	NEW PATHS	0	30	NA
72506	NEW PATHS	0	567	NA
72801	MARCHIE HOUSE	20	0	-100%
73201	ST. FELIX CHURCH	0	3	NA

78227	GROSSE PT ACADEMY	0	2	NA
78228	BOTSFORD HOSP	0	1	NA
78229	ST GABRIEL EPIS	0	3	NA
	TOTAL NON-PROF/HOSP	124,781	126,228	1%

OUTSTATE ACCOUNTS

80400	ARKANSAS CORP INDS	0	2,380	NA
80904	PASCO CO. SHERIFF	10,000	0	-100%
80905	IMMIGRT & NATURAL	0	536	NA
81301	DEPT STATE POLICE	51	77	51%
81302	MEWARD CORR INDUS	620	0	-100%
81400	STATE OF INDIANA	18	4	-78%
81500	IOWA STATE INDUS	200,001	100,009	-50%
81600	KANSAS CORR	0	84	NA
81700	KENTUCKY CORR IND	2,084	2,008	-4%
82100	CORRECTION IND	0	1	NA
82700	DEPT CORR SERV.-NE	1	904	90300%
82900	NEW HAMP CORREC	252	220	-13%
83100	NEW MEXICO CORR	(4,664)	0	-100%
83202	EASTPORT SCHLS	0	2	NA
83402	NORTH DAKOTA	0	6,300	NA
83502	LOOKING GLASS HM	0	400	NA
83600	OKLAHOMA STATE INDUS	144	254	76%
83601	JOSEPH HARP CORP	0	73	NA
83900	DEPT OF CORR-ACI	5,900	19,901	237%
84000	CROSS ANCHOR COR	0	400	NA
84700	DEPT OF CORRECTIONS	800	0	-100%
84701	PINE LODGE	0	2,800	NA
84800	W. VIRGINIA PRI	0	2,984	NA
84902	BADGER STATE INDUS	1	2,299	229800%
84903	MILWAUK. CO. PROCRUR	1,510	1,752	16%
84904	WESTERN RES PSYCH	0	17,401	NA
85905	CENT OHIO PSYCH	0	24,000	NA
85000	WYOMING HONOR FARM	0	1,600	NA
85906	PRISON IND	0	3,526	NA
	TOTAL OUTSTATE ACCOUNT	216,718	189,915	-12%

RESIDENTIAL/MISC. ACCOUNTS

90008	CENTRAL TRANS	2	1	-50%
90009	GLICK IRON	0	1	NA
90013	JACKSON IRON METAL	445,080	2,273,620	411%
90015	UNITED PARCEL SERV	2	0	-100%
90020	INMATE GEN BENIFIT	514	624	21%
90022	INMATE BENEFIT	5,501	14,901	171%
90023	STUDENT STORE	2,705	3,600	33%
90024	RESIDENT STORE	3	0	-100%
90025	RESIDENT STORE	29	20	-31%
90029	RESIDENT STORE	300	0	-100%
90039	DARLING RENDERING	29	22,385	77090%
90043	NAPOLEON LIVE STOCK	5	9	80%
90046	MI LIVE STOCK EXCH	3	1	-67%
90050	HOLLAND MOTOR EXPR	0	2	NA
90058	CORRECTIONAL IND	0	5	NA

90064	SCOTT RGNL-RES STORE	4,212	4,318	3%
90069	ST. HOUSE RES. STR	200	0	-100%
90075	KINROSS RES. STR	1,025	1,200	17%
90076	MUSKEGON RES. STR	4,900	16,000	227%
90080	DEMARIA BLDG	0	1	NA
90081	W. WAYNE-INMATE BEN	3,001	13,400	347%
90082	JEFF BURDICK	19	12	-37%
90083	ROBERT LANDE POULTRY	8,700	0	-100%
90084	PARKER MOTOR FREIGHT	0	1	NA
90085	IONIA RES. STR	260	12,650	4765%
90086	ELECTRIC COMM	0	933	NA
90087	PHOENIX RES. STR	1,700	11,700	588%
90089	CARSON RES. STR	4,000	14,403	260%
90090	RIVERSIDE RES. STR	1,800	9,500	428%
90091	AMDUR RILEY INC	1	0	-100%
90095	CLASSIC DYESTUFF	0	1	NA
90096	EGELER CORR STORE	0	3	NA
90097	ANR FREIGHT	0	2	NA
90098	LEONARD HANNINEN	0	172	NA
	TOT RESID/MISC ACCO	483,991	2,399,465	396%
	TOTAL ALL ACCOUNTS	232,485,392	50,494,789	-78%

DOLLAR SALES

CODE	CUSTOMER NAME	SALES	SALES	%CHANGE
MSI ACCOUNTS				
11260	MSI LANSING	38,514	74,360	93%
11261	MSI CUSHION	66,763	32,390	-51%
11262	MSI MACHINE	373	341	-9%
11263	MSI MAINTENANCE	5,165	12,991	152%
11264	MSI TEXTILE	20,872	22,927	10%
11266	MSI VALIDATION	21,201	12,270	-42%
11267	MSI SHOE	4,262	5,385	26%
11268	MSI LICENSE PLATE	17,184	16,745	-3%
11269	MSI METAL	164,444	131,649	-20%
11270	MSI SIGN	78,106	176,537	126%
11271	MSI CHAIR	331,743	427,384	29%
11272	MSI JACKSON LAUNDRY	11,208	63,333	465%
11273	MSI MATTRESS	37,153	82,912	123%
11274	MSI VINYL	5,100	6,748	32%
11275	MSI WORK GARMENTS	202,879	222,431	10%
11276	MSI JANITORIAL PROD	7,270	7,087	-3%
11277	MSI TOBACCO	1,012	0	-100%
11278	MSI LATEX	1,707	0	-100%
11281	MARQUETTE LAUNDRY	2,490	2,560	3%
11282	MSI COTTON	219,921	33,810	-85%
11283	MSI FURNITURE	658,697	471,660	-28%
11286	MSI BALOGA SAWMILL	287	25	-91%
11287	MSI FARM PROD	46,588	9,530	-80%
11288	MSI IONIA LAUNDRY	22,084	45,065	104%
11289	MSI DATA PROCESSING	7,342	8,000	9%
11290	MSI LAPEER LAUNDRY	10,490	7,400	-29%
11291	MSI FURNITURE REST	8,726	0	-100%
11292	MSI KINROSS WORK GMT	478,689	672,274	40%
11293	MSI LAMINATE	2,155	12,767	492%
11294	MSI COTTON GARMENTS	17,083	429,170	2412%
MSI TOT	TOTAL MSI ACCOUNTS	2,489,508	2,987,751	20%

STATE ACCOUNTS

20311	SECRETARY OF STATE	9,173	21,481	134%
20320	HOUSE OF REPS	148,614	40,098	-73%
20330	AUDITOR GENERAL	81,220	6,914	-91%
20340	SENATE FISCAL	887	629	-29%
20350	LEGISLATIVE SERVICES	2,001	9,589	379%
20352	HOUSE FISCAL	4,627	1,105	-76%
20360	LIBRARY OF MICHIGAN	52,495	87,630	67%
20510	SUPREME COURT	709	0	-100%
20540	COURT OF APPEALS	1,089	373	-66%
20541	CRIERS OFFICE	0	990	NA
20700	DEPT OF MGT & BUD	287,487	180,165	-37%
20765	SERVICES TO AGING	6,184	4,384	-29%

20781	MGT & BUD-WHOLESALE	390,076	406,990	4%
21100	ATTORNEY GENERAL	54,612	48,386	-11%
21500	DEPT CIVIL RIGHTS	13,346	20,511	54%
21900	DEPT CIVIL SERVICE	35,220	119,371	239%
22300	DEPT STATE	2,646,046	2,985,632	13%
22301	DEPT STATE	5,429	0	-100%
22700	TREASURY DEPT	201,503	114,784	-43%
23100	DEPT EDUCATION	157,529	106,883	-32%
23143	BLIND SCHOOL	3,271	5,797	77%
23144	DEAF SCHOOL	127,053	33,215	-74%
23164	STATE TECH INSTI	61,538	73,191	19%
23500	PUBLIC HEALTH	106,614	95,683	-10%
23501	PUBLIC HEALTH DATA	97,745	78,689	-19%
23900	MENTAL HEALTH	63,648	61,684	-3%
23940	FORENSIC CENTER	76,530	44,450	-42%
23941	MEN HEALTH-DATA PROC	0	183	NA
25100	MILITARY AFFAIRS	53,035	30,624	-42%
25500	STATE POLICE	295,066	339,627	15%
25900	TRANSPORTATION	529,465	889,510	68%
26300	COMMERCE	118,232	155,297	31%
26700	LABOR	310,421	126,096	-59%
26710	LABOR-FUNDS	11,554	5,775	-50%
26712	EMPLOYMENT SEC.	152,076	296,074	95%
27100	LICENSING & REG.	41,469	38,335	-8%
27500	NATURAL RESOURCES	121,158	168,094	39%
27501	NATURAL RESOURCES	0	2,017	NA
27502	NATURAL RESOURCES	17,006	19,676	16%
27504	NATURAL RESOURCES	8,475	17,107	102%
27505	NATURAL RESOURCES	0	4,217	NA
27507	NATURAL RESOURCES	23,295	55,374	138%
27508	NATURAL RESOURCES	0	3,925	NA
27900	AGRICULTURE	43,427	40,354	-7%
29040	STATE LOTTERIES	26,204	70,290	168%
27903	SOCIAL SERVICES	22,612	68,374	202%
24300	SOCIAL SERVICES	576,072	399,790	-31%
TOTAL STATE ACCOUNTS		6,984,213	7,279,363	4%

STATE PSYCHIATRIC ACCOUNTS

23523	JACOBETTI VETS FAC	1,538	4,582	198%
23524	MICH VET FACILITY	372,144	480,570	29%
23942	HAWTHORN	24,684	25,242	2%
23943	DETROIT PSYCH	50,629	63,085	25%
23946	KALAMAZOO PSYCH	306,643	276,387	-10%
23948	LAFAYETTE	43,734	31,997	-27%
23950	NEWBERRY	34,410	38,209	11%
23952	NORTHVILLE	329,654	285,551	-13%
23954	CLINTON	222,806	279,959	26%
23956	TRAVERSE	29,497	31,919	8%
23957	WALTER P. REUTHER	269,969	272,282	1%
23958	YPSILANTI	136,938	338,918	147%
23960	CARO	61,628	75,447	22%
23962	COLDWATER	118,449	103,259	-13%
23969	SOUTHGATE	179,409	147,477	-18%

23970	OAKDALE	98,141	227,732	132%
23971	MACOMB	84,529	31,202	-63%
23972	MT. PLEASANT	85,185	66,458	-22%
23973	WAYNE	5,111	17,993	252%
23974	MUSKEGON	177,057	232,100	31%
23975	SW MICHIGAN	3,731	1,193	-68%

TOTAL STATE PSYCH ACCO	2,635,886	3,031,562	15%
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CORRECTIONAL ACCOUNTS

24302	ARBOR HEIGHTS CEN	0	284	NA
24342	COMP NOKOMIS	11,907	11,224	-6%
24343	ADRIAN TRAINING	18,067	22,990	27%
24344	W.J. MAXEY BOYS	210,488	165,999	-21%
24345	SHAWOWO	3,491	2,928	-16%
24347	FLINT DETENTION	25,884	19,302	-25%
24700	DEPT CORRECTIONS	366,538	744,909	103%
24705	FLORENCE CRANE	67,659	142,916	111%
24706	LAKELAND	54,341	141,132	160%
24710	HURON VALLEY-WOMEN	6,965	188,077	2600%
24715	HURON VALLEY-MENS	330,698	346,092	5%
24716	HIAWATHA	328,332	996,197	203%
24717	RIVERSIDE	464,782	826,537	78%
24718	IONIA TEMP	232,015	352,268	52%
24719	IONIA MAXIMUM	131,126	273,911	109%
24720	WESTERN WAYNE	176,117	271,375	54%
24721	MUSKEGON	333,234	423,020	27%
24722	THUMB	200,744	191,981	-4%
24723	CARSON	343,791	1,074,245	212%
24727	KINROSS	318,979	286,889	-10%
24728	MICH DUNES	63,500	246,113	288%
24729	PHOENIX	312,371	271,224	-13%
24730	STATE PRISON-S. MI.	2,689,496	2,663,407	-1%
24731	G. ROBERT COTTON	369,552	443,592	20%
24732	SOUTH MI. FARM	386,980	331,845	-14%
24733	SCOTT	206,978	127,336	-38%
24735	CHIPPEWA	1,148,232	307,991	-73%
24736	CHARLES E. EGLER	44,923	103,082	129%
24737	ADRIAN TEMP	0	1,183,553	NA
24738	CHIPPEWA REG	0	641,789	NA
24739	STANDISH MAX	0	2,518	NA
24740	ST. HOUSE OF CORR.	324,412	400,642	23%
24750	CORRECTIONS CAMP	267,582	440,242	65%
24751	CORR. CAMP-FARM	1,425	1,425	0%
24752	CORREC. CAMP-PROGRAM	720,005	1,509,887	110%
24760	MICH TRAINING UNIT	255,013	352,347	38%
24770	MICH REFORMATORY	938,212	647,875	-31%
24790	MUSKEGON CORR	249,597	463,470	86%
24791	E.C. BROOKS	0	948,737	NA
24792	MI REFORMATORY	0	540	NA

TOTAL CORRECTIONAL ACC	11,603,436	17,569,891	51%
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COUNTY/	/MUNICIPAL ACCOUNTS			
30201	ALGER SHERIFF	300	0	-100%
30301	ALLEGAN SHERIFF	0	2,700	NA
30350	ALLEGAN RD COM	153	0	-100%
30401	ALPENA SHERIFF	139	1,012	628%
30450	ALPENA RD COM	157	0	-100%
30501	ANTRIM SHERIFF	259	937	262%
30550	ANTRIM RD COM	391	885	126%
30601	ARENAC SHERIFF	118	77	-35%
30801	BARRY SHERIFF	151	161	7%
30950	BAY RD COM	0	138	NA
31001	BENZIE SHERIFF	0	1,780	NA
31201	BRANCH SHERIFF	0	425	NA
31301	CALHOUN SHERIFF	418	173	-59%
31401	CASS SHERIFF	106	196	85%
31501	CHARLEVOIX SHERIFF	65	0	-100%
31601	CHEBOYGAN SHERIFF	351	698	99%
31701	CHIPPEWA SHERIFF	0	1,542	NA
31901	CLINTON SHERIFF	282	1,446	413%
32001	CRAWFORD SHERIFF	0	540	NA
32101	DELTA SHERIFF	2,951	3,132	6%
32301	EATON SHERIFF	140	40	-71%
32401	EMMET SHERIFF	1,137	372	-67%
32601	GLADWIN SHERIFF	1,595	1,151	-28%
32701	GOGEBIC SHERIFF	744	254	-66%
32801	GRAND TRAV. SHERIFF	744	0	-100%
32901	GRATIOT SHERIFF	222	193	-13%
33001	HILLSDALE SHERIFF	1,714	1,539	-10%
33050	HILLSDALE RD COM	432	980	127%
33401	IONIA SHERIFF	2,234	9,275	315%
33501	IOSCO SHERIFF	0	216	NA
33701	ISABELLA SHERIFF	62	0	-100%
33801	JACKSON SHERIFF	0	672	NA
33850	JACKSON RD COM	0	296	NA
33901	KALAMAZOO	59	115	95%
33950	KALAMAZOO RD COM	0	493	NA
34001	KALKASKA SHERIFF	4,442	0	-100%
34301	LAKE SHERIFF	157	214	36%
34401	LAPEER SHERIFF	260	0	-100%
34501	LEELANAU SHERIFF	775	2,537	227%
34550	LEELANAU RD COM	529	883	67%
34701	LIVINGSTON SHERIFF	38	1,346	3442%
34801	LUCE SHERIFF	257	28	-89%
34901	MACKINAC SHERIFF	259	1,116	331%
34950	MACKINAC RD COM	369	0	-100%
35101	MANISTEE	0	906	NA
35301	MASON SHERIFF	137	1,654	1107%
35401	MECOSTA SHERIFF	566	973	72%
35501	MENOMINEE SHERIFF	2,176	4,483	106%
35550	MENOMINEE RD COM	106	0	-100%
35601	MIDLAND SHERIFF	43	559	1200%
35701	MISSAUKEE	0	284	NA
35901	MONTCALM SHERIFF	727	7,200	890%
36201	NEWAYGO SHERIFF	223	0	-100%

36401	OCEANA SHERIFF	48	83	73%
36501	OGEMAW SHERIFF	1,065	895	-16%
36601	ONTONAGON SHERIFF	108	387	258%
36901	OTSEGO SHERIFF	86	1,187	1280%
36950	OTSEGO RD COMM	650	719	11%
37001	OTTAWA SHERIFF	2,098	3,897	86%
37101	PRESQUE ISLE SHERIFF	68	0	-100%
37150	PRESQUE ISLE RD COM	0	498	NA
37201	ROSCOMMON SHERIFF	60	60	0%
37401	ST CLAIR SHERIFF	680	0	-100%
37501	ST JOSEPH SHERIFF	0	237	NA
37601	SANILAC CHERIFF	100	0	-100%
37750	SCHOOLCRAFT RD COM	0	1,303	NA
37801	SHIAWASSEE SHERIFF	1,968	1,920	-2%
37901	TUSCOLA SHERIFF	1,764	212	-88%
38001	VAN BUREN SHERIFF	557	100	-82%
38201	WAYNE SHERIFF	0	402	NA
38301	WEXFORD SHERIFF	2,492	1,320	-47%
38350	WEXFORD RD COM	0	237	NA
42203	AMERICAN LEGION	617	0	-100%
50201	ALGER	422	0	-100%
50203	ALGER	3	0	-100%
50207	ALLEGAN YOUTH HOME	1,462	0	-100%
50307	ALLEGAN-CITY	331	0	-100%
50403	NE MI MENTAL HEALTH	446	757	70%
50405	MAPLE RIDGE	145	0	-100%
50501	ANTRIM COUNTY	494	645	31%
50503	GRASS RIVER AREA	0	209	NA
50602	STANDISH	119	0	-100%
50801	BARRY COUNTY	105	0	-100%
58809	HASTINGS TW	42	42	0%
50903	BAY COUNTY-CITY	183	346	89%
50905	ESSEXVILLE	47	47	0%
50906	BANGOR TW	0	0	NA
50908	BAY COUNTY	1,436	13,288	825%
50910	FRASER	54	0	-100%
50911	HAMPTON TW	754	754	0%
51001	BENZIE	3	0	-100%
51005	19TH JUD. COURT	0	373	NA
51007	HOMESTEAD TW	0	0	NA
51101	BERRIEN COUNTY POL	961	1,885	96%
51106	BERRIER JUVEN CNTR	0	17	NA
51109	NILES CITY POLICE	122	93	-24%
51110	COLOMA-CITY	70	45	-36%
51114	ST. JOSEPH	0	161	NA
51115	LINCOLN	0	0	NA
51116	LINCOLN TW	0	1,038	NA
51125	BERRIEN SPRINGS	117	117	0%
51201	BRANCH CO	145	18	-88%
51202	COLDWATER	0	299	NA
51204	BRONSON	0	145	NA
51206	QUINCY	21	0	-100%
51208	ALBION	0	113	NA
51301	CALHOUN COUNTY	66,065	224	-100%

51305	MARSHALL-CITY	88	0	-100%
51317	BEFORD POLICE	19	0	-100%
51407	DOWAGIAC	0	80	NA
51504	CHARLEVOIX	0	92	NA
51517	GRANDVUE MED	0	1,047	NA
51603	CHEBOYGAN	0	46	NA
51606	CHEBOYGAN COUNTY	288	0	-100%
51803	CLARE-CITY	12	0	-100%
51901	CLINTON	2,173	1,658	-24%
51908	ST. JOHN CITY	104	0	-100%
52002	GRAYLING TW	34	0	-100%
52004	GRAYLING	0	124	NA
52101	DELTA COUNTY	118	216	83%
52202	IRON MOUNTAIN	63	110	75%
52302	EATON CIRCUIT CT.	677	335	-51%
52304	POTTERVILLE	55	0	-100%
52313	BROOKFIELD	21	0	-100%
52402	PETOSKY	0	90	NA
52405	EMMET MED CARE	104	0	-100%
52501	GENESEE CONTR	9,453	10,509	11%
52504	FLINT-CITY	52	2,833	5348%
52505	GENESSEE MEM HOSP	375	0	-100%
52507	DAVISON-CITY	145	0	-100%
52509	GENESSEE	300	150	-50%
52510	FLUSHING	0	503	NA
52512	GRAND BLANK-CITY	47	0	-100%
52601	SAGE	330	0	-100%
52602	GLADWIN COURTHOUSE	0	746	NA
52704	IRONWOOD-CITY	67	0	-100%
52801	GRAND TRAVERSE CO	0	237	NA
52803	GRAND TRAV-LEELANAU	0	500	NA
52804	TRAVERSE	481	0	-100%
52902	BRECKENRIDGE	32	55	72%
52903	ALMA	387	17	-96%
52906	ST. LOUIS	38	300	689%
52907	GRATIOT ANIMAL CONT	21	0	-100%
53005	HILLSDALE	117	0	-100%
53009	HILLSDALE COUNTY	166	0	-100%
53103	HANCOCK	73	205	181%
53107	HOUGHTON CO. MED.	262	0	-100%
53206	BAD AXE	23	0	-100%
53207	PIDEON POLICE	0	28	NA
53301	INGHAM CONTROLLER	602	382	-37%
53302	EAST LANSING	608	222	-63%
53305	INGHAM MEDICAL	285	723	154%
53307	TRI-CO AGING	84	84	0%
53308	DELHI CHARTER	240	0	-100%
53312	LANSING AREA SAFETY	1,622	2,600	60%
53313	LESLIE POLICE	104	0	-100%
53315	INGHAM CO	0	541	NA
53316	CIVIC CENTER	0	160	NA
53319	LANSING	2,495	663	-73%
53320	GREATER LANSING	0	774	NA
53321	LANSING CHARTER	6	0	-100%

53322	MASON	227	410	81%
53323	MERIDIAN TW	0	608	NA
53324	DELTA CHARTER	236	0	-100%
53329	DEWITT	198	0	-100%
53401	IONIA CO.	12	0	-100%
53402	IONIA POLICE	928	0	-100%
53403	LAKE ODESSA	179	0	-100%
53415	IONIA CITY	75	480	540%
53502	OSCODA	317	104	-67%
53605	CRYSTAL FALLS	23	23	0%
53701	ISABELLA	935	2,430	160%
53702	MT. PLEASANT	70	0	-100%
53704	CENTRAL MI COMM.	32	22	-31%
53802	JACKSON	807	1,197	48%
53804	JACKSON MEDICAL	7,381	25,927	251%
53807	BLACKMON	184	0	-100%
53808	W.A. FOOTE HOSP	0	1,223	NA
53811	JACKSON PROBATE	3,365	354	-89%
53812	SUMMIT FIRE DEPT	0	91	NA
53813	JACKSON HEALTH	696	0	-100%
53814	HENRIETTA TW	0	4,160	NA
53904	KALAMAZOO COUNTY	3,600	340	-91%
53906	PORTAGE	421	61	-86%
53907	VICKSBURG	0	482	NA
53908	KALAMAZOO	761	730	-4%
53909	KALAMAZOO TW	280	280	0%
54004	KALKASKA POLICE	0	12	NA
54101	KENT	20,086	20,482	2%
54103	KENTWOOD	32	90	181%
54105	GRAND RAPIDS	9,979	1,468	-85%
54108	ALPINE TW	0	35	NA
54111	EAST G. RAPIDS	189	95	-50%
54115	WYOMING	311	383	23%
54120	GRANDVILLE POLICE	16	63	294%
54304	PLEASANT PLAINS	406	0	-100%
54403	LAPEER	94	60	-36%
54601	LENAWEE COUNTY CLERK	36	1,549	4203%
54602	ADRIAN	0	293	NA
54603	HART	0	2,138	NA
54613	TECUMSEH	120	382	218%
54701	BRIGHTON	755	0	-100%
54702	LIVINGSTON FRIEND CT	696	348	-50%
54704	LIVINGSTON CLERK	805	744	-8%
54709	HAMBURG	661	373	-44%
54712	LIVINGSTON CO. PROS	108	0	-100%
54713	BRIGHTON TOWNSHIP	43	775	1702%
54720	OCEOLA TW	0	46	NA
54721	DEXTER TW	0	212	NA
54725	HOWELL	128	22	-83%
54801	NEWBERRY	890	0	-100%
54903	MACKINAC ISLAND	636	94	-85%
54904	MAC. BRIDGE AUTH	360	1,582	339%
55001	MACOMB CO	71,417	67,214	-6%
55005	CHESTERFIELD	38	434	1042%

55007	CENTER LINE	416	0	-100%
55008	CLINTON	117	0	-100%
55009	SHELBY POLICE	56	1,018	1718%
55011	STERLING HEIGHTS	437	1,865	327%
55013	WARREN	418	1,305	212%
55014	HARRISON	0	(187)	NA
55015	NEW BALTI' MORE	57	0	-100%
55018	E. DETROIT	0	334	NA
55020	SHELBY	2,141	331	-85%
55023	PSYCH CENTER	490	0	-100%
55024	ST. JOSEPH'S	0	62	NA
55101	MANISTEE	43	147	242%
55204	MARQUETTE TW	8	10	25%
55206	MARQUETTE	0	248	NA
55213	ALGER-MARQUETTE	2,877	0	-100%
55214	CHOCOLAY TW	0	318	NA
55301	MASON CO	0	931	NA
55302	LUDINGTON	147	0	-100%
55304	HAMLIN	0	85	NA
55402	BIG RAPIDS	237	1,055	345%
55403	MECOSTA	264	0	-100%
55406	MARTING	277	257	-7%
55503	MENOMINEE	125	536	329%
55504	SPAULDING	84	0	-100%
55601	MIDLAND CO	42	903	2050%
55603	MIDLAND	70	190	171%
55605	MIDLAND CHARTER	14	0	-100%
55703	CLAM UNION	0	30	NA
55803	MONROE CO	0	7,419	NA
55804	MONROE	164	0	-100%
55814	LUNA PIER	233	0	-100%
55901	MONTCALM CO CLERK	3,431	346	-90%
55902	EUREKA	8	0	-100%
55904	RICHLAND	64	0	-100%
56101	MUSKEGON CO CONT	590	3,802	544%
56102	MUSKEGON HGTS	213	0	-100%
56103	MUSKEGON	63	689	994%
56106	MUSKEGON CO	717	2,740	282%
56107	BROOKHAVEN MEDICAL	14	41	193%
56118	W. MI SHOELINE	1,931	289	-85%
56203	FREMONT POLICE	0	209	NA
56206	NEWAYGO CO	747	975	31%
56301	FERNDALE	113	140	24%
56302	BIRMINGHAM	111	193	74%
56303	HUNTINGTON WOODS	0	35	NA
56304	HIGHLAND	353	0	-100%
56308	47TH DIST COURT	1,683	0	-100%
56312	LAKE ORION	0	0	NA
56313	HAZEL PARK	228	861	278%
56314	PONTIAC	234	0	-100%
56316	LATHROP	194	389	101%
56321	OAK PARK	413	800	94%
56322	WATERFORD POLICE	236	0	-100%
56326	ROCHESTER	213	275	29%

56327	OAKLAND	1,568	8,771	459%
56328	GREEN OAK TW	0	440	NA
56329	CLARKSTON	32	0	-100%
56332	ROYAL OAK	2,053	572	-72%
56333	SOUTHFIELD	90	120	33%
56337	TROY	2	4,475	223650%
56340	WOLVERINE LAKE	230	0	-100%
56344	ROCHESTER	32	32	0%
56346	WHITE LAKE	42	0	-100%
56349	GROVELAND FIRE DEPT	283	315	11%
56350	ADDISON TWN	66	0	-100%
56354	OAKLAND TWN	1,700	0	-100%
56355	BLOOMFIELD HILLS	116	197	70%
56357	ROSE TW	0	53	NA
56363	FARMINGTON HILLS	1,827	0	-100%
56401	SHELBY TWN	71	0	-100%
56704	EAGLE VILLAGE	0	1,397	NA
56904	GAYLORD POLICE	45	0	-100%
56905	OSTEGO POLICE	83	0	-100%
57002	COOPERSVILLE	0	95	NA
57003	OTTAWA CO	33	0	-100%
57004	GEORGETOWN TW	331	0	-100%
57005	HOLLAND	38	0	-100%
57007	HUDSONVILLE	94	0	-100%
57010	ALLENDALE TW	103	0	-100%
57102	ROGERS CITY	487	431	-11%
57203	DENTON TW	0	274	NA
57204	LIENFIELD TW	226	144	-36%
57301	SAGINAW CO	3,980	5,693	43%
57303	BRIDGEPORT TW	118	0	-100%
57304	FRANKENMUTH	83	47	-43%
57305	SAGINAW	164	370	126%
57306	SAGINAW CO	1,566	0	-100%
57307	SAGINAW TW	822	0	-100%
57308	BUENA VISTA	0	265	NA
57309	SWAN CREEK TW	280	185	-34%
57311	CARROLTON POLICE	145	0	-100%
57315	CHESANING POLICE	55	132	140%
57401	ST CLAIR	2,746	2,030	-26%
57406	PORT HURON	394	0	-100%
57410	PORT HURON POLICE	0	140	NA
57414	WARTH TW	0	1,052	NA
57419	ST CLAIR JUVEN	78	0	-100%
57502	FABIUS TW	0	158	NA
57503	STURGIS	0	82	NA
57504	THREE RIVERS	722	557	-23%
57510	MARCELLUS	55	0	-100%
57702	SCHOOLCRAFT HOSP	0	1,044	NA
57802	SHIAWASSE	80	2,076	2495%
57807	OWOSSO	606	216	-64%
57901	DENMARK TW	0	0	NA
57905	CARO	0	55	NA
58001	VAN BUREN CO	329	269	-18%
58005	S OUTH HAVEN	55	0	-100%

58013	HARTFORD	23	0	-100%
58014	PAW PAW POLICE	55	12	-78%
58015	GOBLES POLICE	0	39	NA
58101	WASHTENAW CO CEN SRV	5,706	9,640	69%
58104	ANN ARBOR TRANS	0	60	NA
58105	SALINE	134	120	-10%
58106	CHELSEA POLICE	19	26	37%
58108	MANCHESTER VIL	16	28	75%
58110	GREEN OAK TW	84	0	-100%
58115	PITTSFIELD TW	675	28	-96%
58201	WAYNE CO	5,191	12,610	143%
58202	SOUTHGATE	113	234	107%
58204	LIVONIA	7,975	2,559	-68%
58206	PLYMOUTH TW	0	93	NA
58209	DEARBORN	4,430	8,228	86%
58210	DEARBORN HEIGHTS	794	232	-71%
58213	HURON CLINTON METRO	4,467	4,602	3%
58219	WAYNE	72	113	57%
58220	HIGHLAND PARK	0	129	NA
58221	ALLEN PARK	0	113	NA
58223	SE MI COUNCIL	666	3,988	499%
58225	DETROIT	0	12,708	NA
58228	GROSSE POINT WDS	185	138	-25%
58229	NORTHVILLE	47	50	6%
58234	FLAT ROCK	138	226	64%
58235	GARDEN CITY	118	182	54%
58236	PASSAGES COMM SERVICES	18	0	-100%
58237	DETROIT HEALTH CARE	0	813	NA
58239	NOVI	0	635	NA
58243	HARPER WOODS	444	454	2%
58246	INKSTER	0	3,856	NA
58251	MELVINDALE	0	339	NA
58254	NORTHVILLE TW	838	477	-43%
58256	RIVERVIEW	355	164	-54%
58258	BROWNSTOWN TW	41	0	-100%
58261	OAKWOOD DOWNRIVER	1,103	486	-56%
58262	WESTLAND	613	546	-11%
58263	NW GUIDANCE CLIN	249	0	-100%
58264	WYANDOTTE	95	196	106%
58265	HIGHLAND PARK PUB	0	129	NA
58273	TAYLOR	1,659	1,872	13%
58278	WOODHAVEN	43	40	-7%
58304	CADILLAC	342	0	-100%
58307	WEXFORD CO	53,010	0	-100%

TOTAL COUNTY/MUN. ACCO	394,421	378,033	-4%
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SCHOOL DISTRICT ACCOUNTS

60312	SAUGATUCK SCHLS	67	0	-100%
60502	ELLSWORTH SCHLS	263	456	73%
60906	ESSEXVILLE SCHLS	66	0	-100%
60907	BAY CITY SCHLS	2,973	0	-100%
61104	NEW BUFFALO SCHLS	26	110	323%
61205	COLDWATER SCHLS	310	0	-100%

61301	ALBION SCHLS	26	0	-100%
61303	STAFF COMMON SCHLS	472	482	2%
61401	DOWAGIAC SCHLS	252	0	-100%
61604	CHEBOYGON-OSTEGO	90	0	-100%
61902	ST. JOHN SCHLS	354	56	-84%
62101	ESCANABA SCHLS	28	103	268%
62106	RAPID RIVER SCHLS	53	0	-100%
62505	SWARTZ CREEK SCHLS	1,304	0	-100%
62506	BENTLEY COMM SCHLS	0	117	NA
62507	BENDLE SCHLS	0	57	NA
62508	BEECHER SCHLS	459	90	-80%
62516	GRAND BLANK SCHLS	2,002	0	-100%
62517	FLINT SCHLS	325	0	-100%
62804	KINGSLEY SCHLS	156	0	-100%
62901	GRATIOT-ISABELLA	683	0	-100%
62902	ALMA SCHLS	0	33	NA
62903	ASHLEY SCHLS	142	0	-100%
62906	MERIDIAN SCHLS	0	183	NA
62907	ITHACA SCHLS	23	0	-100%
63000	COLUMBIA SCHLS	0	431	NA
63001	ONSTED SCHLS	36	0	-100%
63304	WAVERLY SCHLS	189	1,183	526%
63307	OKEMOS SCHLS	194	0	-100%
63311	INGHAM SCHLS	707	0	-100%
63315	WEBBERVILLE SCHLS	0	40	NA
63401	BELDING SCHLS	75	0	-100%
63406	SS. PETER & PAUL	367	0	-100%
63407	ST. PETER & PAUL	0	193	NA
63501	TAWAS SCHLS	0	28	NA
63503	HALE SCHLS	83	0	-100%
63805	WESTERN SCHLS	138	0	-100%
63806	JACKSON SCHLS	32	0	-100%
63808	VANDERCOOK SCHLS	83	0	-100%
63814	JAX CO. SCHLS	152	1,560	926%
63901	PORTAGE SCHLS	2,891	736	-75%
63905	PARCHMENT SCHLS	1,411	43	-97%
64102	NORTHVILLE SCHLS	0	192	NA
64404	LAPEER CO INTERM	0	1,834	NA
64504	SUTTONS BAY SCHLS	194	0	-100%
64602	BRITTON MACON SCHLS	55	0	-100%
64702	HOWELL SCHLS	1,030	220	-79%
65006	MT CLEMENS COM SCHLS	0	142	NA
65018	WARREN CON. SCHLS	135	107	-21%
65021	MACOMB INTER SCHLS	183	0	-100%
65203	POWELL TW. SCHLS	177	0	-100%
66104	OAKRIDGE SCHLS	76	38	-50%
66106	N MUSKEGON SCHLS	0	73	NA
66108	WHITEHALL SCHLS	0	23	NA
66301	BERKLEY SCHLS	78	130	67%
66303	BLOOMFIELD SCHLS	4,323	105	-98%
66306	FARMINGTON SCHLS	0	103	NA
66316	OAKLAND SCHLS	234	447	91%
66602	ONTONAGON	43	0	-100%
67004	CAREERLINE TECH CEN	1,277	3,156	147%

67101	ROGERS UNION SCHLS	0	133	NA
67202	GERRISH-HIGGINS	251	0	-100%
67302	BUENA VISTA SCHLS	0	35	NA
67303	SAGINAW BD EDUC	0	636	NA
67401	ST CLAIR SCHLS	0	12	NA
67404	YALE SCHLS	136	507	273%
67407	LAKEVIEW SCHLS	0	91	NA
67507	THREE RIVERS SCHLS	0	186	NA
67610	SANILAC INTER SCHLS	118	0	-100%
67803	LAINGSBURG SCHLS	218	0	-100%
68101	ANN ARBOR SCHLS	230	415	80%
68106	YPSILANTI SCHLS	82	0	-100%
68111	WILLOW RUN SCHLS	138	0	-100%
68203	CRESTWOOD SCHLS	1,203	386	-68%
68205	LIVONIA SCHLS	0	85	NA
68208	DETROIT BRD EDUC	12,881	6,693	-48%
68211	ROSEVILLE SCHLS	0	374	NA
68215	ROYAL OAK SCHLS	180	0	-100%
68216	WOODHAVEN SCHLS	0	2,187	NA
68217	GROSSE PTE SCHLS	25	0	-100%
68227	PLYMOUTH CANTON	0	1,001	NA
68301	BUCKLEY SCHLS	32	0	-100%
68303	ME SICK SCHLS	0	28	NA

TOTAL SCHOOL ACCOUNTS	39,731	25,240	-36%
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COLLEGE ACCOUNTS

69005	DELTA COLLEGE	1,500	583	-61%
69008	NORTHEASTERN COLLEGE	676	170	-75%
69018	JACKSON COM. COLLEGE	530	0	-100%
69022	MONROE CO COM. COLL	3,613	7,290	102%
69026	GOGEBIC COM. COL	138	0	-100%
69100	CENTRAL MICH	1,770	1,132	-36%
69104	MICHIGAN STATE	6,483	0	-100%
69105	MICHIGAN TECH	2,920	115	-96%
69107	MICH UNIV	0	2,063	NA
69109	WESTERN MICH	5,955	5,314	-11%
69110	EASTERN MICH	2,028	2,382	17%
69111	SAGINAW VALLEY COLL	117	0	-100%
93320	FERRIS ST COLLEGE	0	169	NA

TOTAL COLLEGE ACCOUNTS	25,730	19,218	-25%
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NON-PROFIT/HOSPITAL ACCOUNTS

70301	BEARDSLEE LIBRARY	148	0	-100%
70801	CIRCLE PINES CENTER	21	0	-100%
70901	LUTHERAN CHILD SERV	793	0	-100%
71400	LEE MEM HOSP	0	36	NA
71501	CHARLEVOIX AREA	0	546	NA
71700	SAULT ST MARIE TRIB	0	0	NA
72505	NEW PATHS	0	551	NA
72506	NEW PATHS	0	13,560	NA
72801	MARCHIE HOUSE	33	0	-100%
73201	ST. FELIX CHURCH	11	11	0%

73301	TRAFFIC SAFETY ASSOC.	1,800	2,444	36%
73302	HIGHFIELDS YOUTH	214	0	-100%
73306	ST. LAWRENCE HOSPITAL	15,309	739	-95%
73307	MI LIBRARY CONS	348	1,010	190%
73312	1ST PRESBYT. CHURCH	0	0	NA
73319	MI LEAGUE/HUMAN SERVIC	316	0	-100%
73325	MICH ASSOC COUNTIES	8,732	489	-94%
73328	MICHIGAN HEALTH	1,683	0	-100%
73329	DIOCESE OF LANSING	1,015	0	-100%
73330	PROS ATTORNEY ASSOC	7,251	5,090	-30%
73331	MICH ASSOC COUNTIES	780	0	-100%
73332	MI COUNCIL ON CRIME	356	0	-100%
73333	EMPLOYEE RECREA. DAY	314	344	10%
73334	EASTER SEAL	0	183	NA
73335	GREAT LAKES HIGHER	0	1,128	NA
73336	LOYAL ORD MOOSE	0	408	NA
73337	ALANO CLUB	0	23	NA
73338	MI PROFESS	0	1,557	NA
73400	IONIA FREE FAIR	647	0	-100%
73600	CRYSTAL FALLS HOSP	0	848	NA
73700	LISTENING EAR	14	0	-100%
73800	DOCTORS HOSP-JACKSON	25,831	26,945	4%
73801	JACKSON 4-CENTER	2,106	2,368	12%
73900	LAKESIDE RES HOME	0	1,883	NA
73903	KALAMAZOO PROB	0	5,223	NA
74110	HOPE REHAB NETWORK	1,429	0	-100%
74111	UNITED CHURCH	23	0	-100%
74600	BOYSVILLE OF MICH	6,491	3,107	-52%
74700	CHURCH OF GOD IN MI	1,311	0	-100%
75400	TRI-LAKES ASSOC	107	0	-100%
75401	MECOSTA CO	867	0	-100%
76100	CHRISTIOON CONVLSCENT	435	0	-100%
76101	HACKLEY HOSP	810	130	-84%
76103	CHRISTIAN MANOR	0	324	NA
76106	MUSKEGON COM ALT PRO	1,210	0	-100%
76107	BRUNSWICK EMPLY	1,895	3,382	78%
76306	KINGSWOOD HOSP	0	924	NA
76309	MI COAL/FOR SAFETY	0	976	NA
78100	ST. JOSEPH MERCY	2,756	7,136	159%
78103	MICH MUNICIPLE LEAG	1,056	0	-100%
78104	HURON RIVER AREA	6	0	-100%
78105	ST. PAUL EPISCOPAL	569	0	-100%
78106	DIXBORO METHDODIST	0	3	NA
78200	MICH OSTEOPATHIC	5,054	3,019	-40%
78204	CHILDRENS HOME-DET	1,597	0	-100%
78206	ST JOHN HOSP	0	540	NA
78211	FED. GIRLS HOMES	1,295	0	-100%
78212	ST. PAUL CAT SCHL	0	28	NA
78213	TODD-PHIP CHILD HOME	0	355	NA
78221	PRIVATE INDS. CORP	0	0	NA
78223	GROVE HOME-GIRLS	188	0	-100%
78224	DETROIT RECVG HOSP	148	859	480%
78225	OPEN ARMS SHELTERS	4,328	0	-100%
78226	MARLOWE HOUSE	62,224	0	-100%

78227	GROSSE PT ACADEMY	0	403	NA
78228	BOTSFORD HOSP	0	28	NA
78229	ST GABRIEL EPIS	0	91	NA
	TOT. NON-PRO./HOS. ACC	161,521	86,691	-46%

OUTSTATE ACCOUNTS

80400	ARKANSAS CORP INDS	0	4,259	NA
80904	PASCO CO. SHERIFF	3,500	0	-100%
80905	IMMIGRT & NATURAL	0	1,983	NA
81301	DEPT STATE POLICE	770	1,948	153%
81302	MEWARD CORR INDUS	952	0	-100%
81400	STATE OF INDIANA	2,718	2,481	-9%
81500	IOWA STATE INDUS	60,016	35,332	-41%
81600	KANSAS CORR	0	2,797	NA
81700	KENTUCKY CORR IND	7,140	11,662	63%
82100	CORRECTION IND	2,444	373	-85%
82700	DEPT CORR SERV.-NE	63	1,862	2856%
82900	NEW HAMP CORREC	27,737	38,230	38%
83100	NEW MEXICO CORR	8,355	0	-100%
83202	EASTPORT SCHLS	0	33	NA
83402	NORTH DAKOTA	0	2,205	NA
83502	LOOKING GLASS HM	0	140	NA
83600	OKLAHOMA STATE INDUS	48,012	55,599	16%
83601	JOSEPH HARP CORP	0	1,133	NA
83900	DEPT OF CORR-ACI	2,065	7,262	252%
84000	CROSS ANCHOR COR	0	319	NA
84700	DEPT OF CORRECTIONS	1,860	0	-100%
84701	PINE LODGE	0	980	NA
84800	W. VIRGINIA PRI	0	3,809	NA
84902	BADGER STATE INDUS	159	2,403	1411%
84903	MILWAUK. CO. PROCRUR	52,555	97,080	85%
84904	WESTERN RES PSYCH	0	6,243	NA
85905	CENT OHIO PSYCH	0	8,400	NA
85000	WYOMING HONOR FARM	0	560	NA
85906	PRISON IND	0	7,573	NA
	TOTAL OUTSTATE ACCOUNT	218,346	294,666	35%

RESIDENCE/MISC. ACCOUNTS

90008	CENTRAL TRANS	380	49	-87%
90009	GLICK IRON	0	250	NA
90013	JACKSON IRON METAL	8,661	15,248	76%
90015	UNITED PARCEL SERV	19	0	-100%
90020	INMATE GEN BENEFIT	26,430	3,710	-86%
90022	INMATE BENEFIT	3,330	9,007	170%
90023	STUDENT STORE	2,070	2,160	4%
90024	RESIDENT STORE	356	0	-100%
90025	RESIDENT STORE	1,985	1,243	-37%
90029	RESIDENT STORE	204	0	-100%
90039	DARLING RENDERING	13,986	9,902	-29%
90043	NAPOLEON LIVE STOCK	39,547	235,566	496%
90046	MI LIVE STOCK EXCH	38,158	16,620	-56%
90050	HOLLAND MOTOR EXPR	696	696	0%
90058	CORRECTIONAL IND	0	13	NA

73301	TRAFFIC SAFETY ASSOC.	150	250	67%
73302	HIGHFIELDS YOUTH	19	0	-100%
73306	ST. LAWRENCE HOSPITAL	260	103	-60%
73307	MI LIBRARY CONS	1	6	500%
73312	1ST PRESBYT. CHURCH	0	0	NA
73319	MI LEAGUE/HUMAN SERVIC	0	1	NA
73325	MICH ASSOC COUNTIES	49	3	-94%
73328	MICHIGAN HEALTH	5	0	-100%
73329	DIOCESE OF LANSING	30	0	-100%
73330	PROS ATTORNEY ASSOC	44	29	-34%
73331	MICH ASSOC COUNTIES	5	0	-100%
73332	MI COUNCIL ON CRIME	2	0	-100%
73333	EMPLOYEE RECREA. DAY	419	459	10%
73334	EASTER SEAL	0	1	NA
73335	GREAT LAKES HIGHER	0	6	NA
73336	LOYAL ORD MOOSE	0	3	NA
73337	ALANO CLUB	0	4	NA
73338	MI PROFESS	0	7	NA
73400	IONIA FREE FAIR	276	0	-100%
73600	CRYSTAL FALLS HOSP	0	3	NA
73700	LISTENING EAR	7	0	-100%
73800	DOCTORS HOSP-JACKSON	120,871	121,890	1%
73801	JACKSON 4-CENTER	1,302	1,443	11%
73900	LAKESIDE RES HOME	0	28	NA
73903	KALAMAZOO PROB	0	290	NA
74110	HOPE REHAB NETWORK	6	0	-100%
74111	UNITED CHURCH	2	0	-100%
74600	BOYSVILLE OF MICH	21	19	-10%
74700	CHURCH OF GOD IN MI	8	0	-100%
75400	TRI-LAKES ASSOC	6	0	-100%
75401	MECOSTA CO	3	0	-100%
76100	CHRISTIAN CONVLSCENT	100	0	-100%
76101	HACKLEY HOSP	6	1	-83%
76103	CHRISTIAN MANOR	0	2	NA
76106	MUSKEGON COM ALT PRO	470	0	-100%
76107	BRUNSWICK EMPLY	0	8	NA
76306	KINGSWOOD HOSP	0	7	NA
76309	MI COAL/FOR SAFETY	0	1,017	NA
78100	ST. JOSEPH MERCY	27	7	-74%
78103	MICH MUNICIPLE LEAG	7	0	-100%
78104	HURON RIVER AREA	1	0	-100%
78105	ST. PAUL EPISCOPAL	1	0	-100%
78106	DIXBORO METHDODIST	0	2	NA
78200	MICH OSTEOPATHIC	38	19	-50%
78204	CHILDRENS HOME-DET	7	0	-100%
78206	ST JOHN HOSP	0	1	NA
78211	FED. GIRLS HOMES	9	0	-100%
78212	ST. PAUL CAT SCHL	0	2	NA
78213	TODD-PHIP CHILD HOME	0	1	NA
78221	PRIVATE INDS. CORP	50	0	-100%
78223	GROVE HOME-GIRLS	36	1	-97%
78224	DETROIT RECVG HOSP	19	0	-100%
78225	OPEN ARMS SHELTERS	494	0	-100%
78226	MARLOWE HOUSE	0	1	NA

90064	SCOTT RGNL-RES STORE	2,694	2,863	6%
90069	ST. HOUSE RES. STR	136	0	-100%
90075	KINROSS RES. STR	806	720	-11%
90076	MUSKEGON RES. STR	2,940	9,600	227%
90080	DEMARIA BLDG	0	25,261	NA
90081	W. WAYNE-INMATE BEN	1,884	8,040	327%
90082	JEFF BURDICK	665	420	-37%
90083	ROBERT LANDE POULTRY	5,638	0	-100%
90084	PARKER MOTOR FREIGHT	298	298	0%
90085	IONIA RES. STR	131	7,532	5650%
90086	ELECTRIC COMM	0	15,502	NA
90087	PHOENIX RES. STR	1,020	7,020	588%
90089	CARSON RES. STR	2,400	9,881	312%
90090	RIVERSIDE RES. STR	1,080	5,700	428%
90091	AMDUR RILEY INC	63	0	-100%
90095	CLASSIC DYESTUFF	0	1,000	NA
90096	EGELER CORR STORE	0	528	NA
90097	ANR FREIGHT	0	696	NA
90098	LEONARD HANNINEN	0	218	NA
	TOTAL RES./MISC. ACCOU	155,577	389,743	151%
	TOTAL ALL ACCOUNTS	\$24,707,369	\$32,062,158	30%

APPENDIX D
EXAMPLES OF COMPLAINTS

COMPLAINT TO VENDOR

VENDOR: CONTACT THE AGENCY PROMPTLY TO RESOLVE THIS COMPLAINT. THIS FORM BECOMES A PERMANENT PART OF YOUR RECORD WITH THE PURCHASING DIVISION. UNANSWERED OR REPEATED COMPLAINTS TO VENDORS MAY RESULT IN YOUR REMOVAL FROM THE STATE'S APPROVED VENDOR LIST.

DATE OF COMPLAINT	PURCHASING DIVISION BUYER	
02/13/89		
CONTRACT NUMBER	ORDER NUMBER	ORDER DATE
89-GA7071		10/25/88
COMMODITY OR SERVICES COVERED BY COMPLAINT		
Chair #8990 & Chair 4714		

COMPLAINT NUMBER 1 2 3

TO: VENDOR ADDRESS

Larry Guerrant
Michigan State Industries
Logan Square
3222 S. Logan
Lansing, MI 48913

FROM: AGENCY ADDRESS

NATURE OF COMPLAINT Check one or more below.

<input checked="" type="checkbox"/>	SHIPMENT OVERDUE	ITEMS DO NOT MEET SPECIFICATIONS	OVERSHIPMENT
<input type="checkbox"/>	RECEIVED IN DAMAGED CONDITION	UNAUTHORIZED SUBSTITUTE	UNDERSHIPMENT
<input type="checkbox"/>	UNAUTHORIZED DELIVERY	UNSATISFACTORY WORK IN INSTALLATION	NO RESPONSE TO PRIOR COMPLAINT
<input type="checkbox"/>	AMOUNT RECEIVED VARIES FROM PACKING SLIP	COMMODITY LACKS REQUIRED INSPECTION STAMPS OR DOCUMENTS	SERVICES NOT PERFORMED ACCORDING TO SPECIFICATIONS

Agency give detailed explanation of complaint in this space, using additional sheets if necessary.

It is very discouraging as an office manager having to deal with MSI's time tables when ordering office supplies, following is a typical example.

On 10/25/88 I ordered two chairs under DPO 89-GA7071, delivery requested 11/21/88. I received a factory Sales Order on chair 8990 with an approximate delivery date of 01/09/89. The chair was delivered 2/1/89, this is a 3 month wait. I found it very interesting that the Shipper form has typed "NOTE" DO NOT DELIVER BEFORE 2/6/89" when it was requested 11/21/88. IT SEEMS DELIVERY WOULD HAVE BEEN MADE AS SOON AS POSSIBLE RATHER THAN HOLDING IT UP. Our Deputy Director had to go to one of his divisions and borrow a chair for 3 months because his was unsafe to sit in. If I were dealing with a local vendor I could have had a chair delivered in a week to ten days and would be just as pleased with the quality and more pleased with warranty repair.

A Factory Sales order came on chair 4714 with a delivery date of February 9, 1989. That is again a 3 month waiting time and as of this date I do not have this chair.

[Handwritten Signature]
2/13/89

WHITE - VENDOR
GREEN - PURCHASING DIVISION
GOLDENROD - PURCHASING DIVISION
BLUE - AGENCY
PINK - AGENCY

TITLE

INTEROFFICE COMMUNICATION

June 14, 1989

TO: _____, Procurement Supervisor, _____
Division

FROM: _____, Executive Division

SUBJECT: Repair of File Cabinet and Lateral File

We purchased a two-drawer locking filing cabinet (GA7204) from Michigan State Industries. The lock will not unlock. We also have a lateral file (GB7178) that the drawers will not push all the way in on so we cannot close the doors without them sticking out slightly. Could you please contact Michigan State Industries so they can have a representative look at this equipment?

This equipment is located on the sixth floor of the _____ Building, west wing, northwest corner. The file cabinet is located in _____ office the lateral file is located outside my office.

Thanks.

STATE OF MICHIGAN COMPLAINT TO VENDOR

VENDOR: CONTACT THE AGENCY PROMPTLY TO RESOLVE THIS COMPLAINT. THIS FORM BECOMES A PERMANENT PART OF YOUR RECORD WITH THE PURCHASING DIVISION. UNANSWERED OR REPEATED COMPLAINTS TO VENDORS MAY RESULT IN YOUR REMOVAL FROM THE STATE'S APPROVED VENDOR LIST.

COMPLAINT NUMBER 1 2 3

DATE OF COMPLAINT 8/3/89	PURCHASING DIVISION BUYER	
CONTRACT NUMBER MSI	ORDER NUMBER	ORDER DATE 12/5/88
COMMODITY OR SERVICES COVERED BY COMPLAINT FILES		

VENDOR ADDRESS

TO: Michigan State Industries
PO Box 3003
LANSING MI 48909

AGENCY ADDRESS

FROM:

NATURE OF COMPLAINT Check one or more below.

<input checked="" type="checkbox"/> SERVICE SHIPMENT OVERDUE	ITEMS DO NOT MEET SPECIFICATIONS	OVERSHIPMENT
<input type="checkbox"/> RECEIVED IN DAMAGED CONDITION	UNAUTHORIZED SUBSTITUTE	UNDERSHIPMENT
<input type="checkbox"/> UNAUTHORIZED DELIVERY	UNSATISFACTORY WORK IN INSTALLATION	<input checked="" type="checkbox"/> NO RESPONSE TO PRIOR COMPLAINT
<input type="checkbox"/> AMOUNT RECEIVED VARIES FROM PACKING SLIP	COMMODITY LACKS REQUIRED INSPECTION STAMPS OR DOCUMENTS	SERVICES NOT PERFORMED ACCORDING TO SPECIFICATIONS

Agency give detailed explanation of complaint in this space, using additional sheets if necessary.

No response to 1st complaint filed 7/25/89. Filing cabinets must be repaired immediately. 2 months is too long to wait.

WHITE - VENDOR
GREEN - PURCHASING DIVISION
GOLDENROD - PURCHASING DIVISION
BLUE - AGENCY
PINK - AGENCY

SIGNATURE _____
TITLE _____

APPENDIX E

STATE OF MICHIGAN PURCHASING DIRECTIVE

STATE OF MICHIGAN



JAMES J. BLANCHARD, Governor

DEPARTMENT OF MANAGEMENT AND BUDGET

P.O. BOX 30026, LANSING, MICHIGAN 48909
ROBERT H. NAFTALY, Director

MEMORANDUM

DATE: September 4, 1985

OFFICE OF PURCHASING LETTER NO. 39

TO: All Departments and Agencies

SUBJECT: Michigan State Industries Products and Services

Administrative Circular No. 12, dated April 12, 1971 directed all departments to fully utilize products and services provided by Michigan State Industries which have been approved by Purchasing as equal to products furnished by commercial vendors.

The Office of Purchasing has evaluated products and services supplied by Michigan State Industries and has approved for general state use those products and services on the attached list. Effective immediately, the listed items must be ordered from Michigan State Industries, using the Departmental Purchase Order and Contract Release Form DMB-207. No deviation will be allowed without prior approval of the Purchasing Director's Office.

Complaints regarding Michigan State Industries products and services should be processed using the Complaint to Vendor Form DMB-218 and following the procedure prescribed in Purchasing Letter No. 19.

This letter supersedes Purchasing Letter No. 22.

A handwritten signature in cursive script, appearing to read "W. S. Warstler", written over a horizontal line.

William S. Warstler, Director
Office of Purchasing

Approved:

A handwritten signature in cursive script, appearing to read "Robert H. Naftaly", written over a horizontal line.

Robert H. Naftaly
Director

Attachment

METAL FURNITURE (continued)

Storage shelving, open
Storage cabinets, semi-closed
Storage cabinets, closed
Typing stand
Office machine table, with/without casters
Coat rack
Dormitory beds
Bunk beds
Lateral Files

WOOD FURNITURE

Chairs: all
Settees
Desks: prestige line
Credenzas: prestige line
Bookcases
*Tables, office: round, square and rectangular
*Tables, conference: rectangular, boat shape and oval
*Tables, miscellaneous: cafeteria and reception area
Coffee bar
Beds
Bedside cabinets and night stands
Bedroom chest
Bedroom utility chest
Bedroom desk
Bedroom mirror

*Formica tops with self edge or vinyl "T" moulding edge

SIGNS AND DECALS

Signs and decals produced by the silk screening process, such as:

Signs: Highway and traffic control
Handicap
Smoking/No Smoking
School crossing guard
Miscellaneous special signs on request

Decals: Pressure sensitive, reflective and non-reflective
Automobile decals
Parking permits
Miscellaneous special decals on request

BINDERS AND CONFERENCE FOLDERS (Blank and silk screened)

3-Ring vinyl binder, size 11 1/2" x 8 1/2", Capacity 1", 1 1/2", 2", 3"
3-Ring vinyl binder, size 8 1/2" x 5 1/2", Capacity 1"
Vinyl conference folder, size 11 1/2" x 8 1/2"

ITEMS TO BE ORDERED FROM MICHIGAN STATE INDUSTRIES ONLYTEXTILES

Sheeting (yard goods), 50/50 polyester-cotton blend
Sheets, bed, 50/50 polyester-cotton blend
Pillow cases, 50/50 polyester-cotton blend
Towels, terry: hand and bath
Towels, huck: hand
Wash Cloths, terry
Flags, State of Michigan: all
Blankets, wool
Blankets, cotton
Mattresses, cotton filled
Mattresses, cotton filled, waterproof
Laundry and hamper bags, cotton twill and cotton duck
Laundry and hamper bag frames
Trash bags, cotton duck
Mop heads, cotton and rayon

MENS AND BOYS CLOTHING

Undershorts, boxer style
Undershorts, jockey style
T-Shirts, underwear, white, rib knit
T-Shirts, outerwear, white and colors, flat knit
Socks, tube with/without colored stripes
Socks, mens hose, white and charcoal
Belts, leather
Handkerchiefs, white and bandana
Coveralls, white duck, orange and blue twill
Aprons, bib style: cooks, shop, waterproof
Bedgowns, hospital
Lab coats
Diapers
Bibs

SHOES, MENS

Work, high and low tops
Safety, high and low tops
Dress
Romeo Slippers
Scuffs
Shoelaces

METAL FURNITURE

Chairs, office: all
Stacking chairs, fiberglass seat
Stacking chairs, polypropylene seat
Files, vertical, letter and legal: 2,3,4 and 5 drawer
Clothes lockers

STATE OF MICHIGAN



JAMES J. BLANCHARD, Governor

DEPARTMENT OF MANAGEMENT AND BUDGET

P.O. BOX 30026, LANSING, MICHIGAN 48909

SHELBY P. SOLOMON, Director

MEMORANDUM

DATE: January 23, 1989

OFFICE OF PURCHASING LETTER NO. 59

TO: All Departments and Agencies

SUBJECT: Deletions from MSI Set-Aside List

Recent evaluation of various items set-aside for purchase from Michigan State Industries indicates that the following items should be removed from the set-aside list:

- Wooden Stakes. Procurement requests for wooden stakes must be submitted on a requisition to the Office of Purchasing for purchase from Sheltered Workshops.
- Vertical and Lateral File Cabinets. Office of Purchasing has awarded contracts for these items. Vertical and lateral file cabinets can be purchased with a contract release.

A handwritten signature in cursive script, appearing to read "W. S. Warstler", written over a horizontal line.

William S. Warstler
State Purchasing Director

Approved:

A handwritten signature in cursive script, appearing to read "Shelby P. Solomon", written over a horizontal line.

Shelby P. Solomon
Director

APPENDIX F
ERROR CALCULATIONS

The bound on error of an estimate for a given confidence level is the interval around the estimate which would be expected to contain the true value of the estimate over repeated replications of the sampling procedures used with a probability equal to the stated confidence level. The bound on error for the estimates generated from the survey are given by the following expression:

$$\text{Bound on Error} = Z * s * N' \quad \text{where,}$$

Z = The number of standard error required to obtain an interval for a stated confidence interval.

s = The standard error of the estimate. Since most of the estimates from the survey would be in terms of percentages this standard error is given by $(p * q)/(n^5)$. Where

p = estimate percentage;

q = (1-p); and

n⁵ = square root of sample size n.

N = The population correction factor. This factor is given by the expression $[(N - n)/(N - 1)]^5$, where

N = The size of the total population; and

n = the survey sample size.

The value used for Z for this study was 1.96 which is the number of standard errors required for a 95% confidence level. The error rate for an estimate of a percentage is a function of the size of the percentage. The largest error will always occur when $p = .5$. The range of possible errors reported in this study was obtained by calculating the bound on error using the expression above when $p = .5$ (upper bound) and $p = .1$ (lower bound). Since the overwhelming majority of estimates fell within this range, the errors are also expected to fall within the range calculated using these values.

APPENDIX G

PRODUCTS NEEDED BY SURVEY RESPONDENTS

MSI MARKET POTENTIAL STUDY
SURVEY RESULTS

	CUSTOMER GROUP					Row Summary
	COUNTY/MUNICIPALITY	COLLEGES	SCHOOL DISTRICTS	HOSPITALS	NON-PROFIT ORGANIZATIONS	
Count Percent.....	58.3%	72.2%	58.3%	64.7%	66.7%	62.6%
Count Percent.....	20.9%	19.4%	31.3%	16.4%	11.9%	100.0%
Column Summary						
Count.....	24	18	36	17	12	107
Count Percent.....	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Count Percent.....	22.4%	16.8%	33.6%	15.9%	11.2%	100.0%
NEED FOR COMPUTER GLARE SCREENS						
YES						
Count.....	6	7	5	5	4	27
Count Percent.....	25.0%	36.8%	16.1%	31.3%	33.3%	26.5%
Count Percent.....	22.2%	25.9%	18.5%	18.5%	14.8%	100.0%
NO						
Count.....	18	12	26	11	8	75
Count Percent.....	75.0%	63.2%	83.9%	68.8%	66.7%	73.5%
Count Percent.....	24.0%	16.0%	34.7%	14.7%	10.7%	100.0%
Column Summary						
Count.....	24	19	31	16	12	102
Count Percent.....	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Count Percent.....	23.5%	18.6%	30.4%	15.7%	11.8%	100.0%
NEED FOR RECREATIONAL EQUIPMENT						
YES						
Count.....	1	6	13		1	21
Count Percent.....	16.7%	35.3%	46.4%		9.1%	31.3%
Count Percent.....	4.8%	28.6%	61.9%		4.8%	100.0%
NO						
Count.....	5	11	15	5	10	46
Count Percent.....	83.3%	64.7%	53.6%	100.0%	90.9%	68.7%
Count Percent.....	10.9%	23.9%	32.6%	10.9%	21.7%	100.0%
Column Summary						
Count.....	6	17	28	5	11	67
Count Percent.....	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Count Percent.....	9.0%	25.4%	41.8%	7.5%	16.4%	100.0%
NEED FOR LIGHTING FIXTURES						
YES						
Count.....	9	7	13	3	2	34
Count Percent.....	37.5%	38.9%	43.3%	18.8%	20.0%	34.7%
Count Percent.....	26.5%	20.6%	38.2%	8.8%	5.9%	100.0%
NO						
Count.....	15	11	17	13	8	64

Cells show count, column percentage, then row percentage
(continued)

MSI MARKET POTENTIAL STUDY
SURVEY RESULTS

	CUSTOMER GROUP					Row Summary
	COUNTY/MUN ICIPALITY	COLLEGES	SCHOOL DISTRICTS	HOSPITALS	NON-PROFIT ORGANIZATI ONS	
DOES CUSTOMER HAVE PRESENT PRODUCT NEEDS						
YES.....	10	6	19	8	7	50
NO.....	13	11	12	8	5	49
Column Summary.....	23	17	31	16	12	99
NEED FOR ACOUSTICAL PRINTER ENCLOSURES						
YES						
Count.....	4	2	5	4	3	18
Count Percent.....	16.7%	11.8%	16.7%	23.5%	25.0%	18.0%
Count Percent.....	22.2%	11.1%	27.8%	22.2%	16.7%	100.0%
NO						
Count.....	20	15	25	13	9	82
Count Percent.....	83.3%	88.2%	83.3%	76.5%	75.0%	82.0%
Count Percent.....	24.4%	18.3%	30.5%	15.9%	11.0%	100.0%
Column Summary						
Count.....	24	17	30	17	12	100
Count Percent.....	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Count Percent.....	24.0%	17.0%	30.0%	17.0%	12.0%	100.0%
NEED FOR MOBILE PRINTER OR COMPUTER STANDS						
YES						
Count.....	9	8	15	7	4	43
Count Percent.....	37.5%	47.1%	41.7%	41.2%	33.3%	40.6%
Count Percent.....	20.9%	18.6%	34.9%	16.3%	9.3%	100.0%
NO						
Count.....	15	9	21	10	8	63
Count Percent.....	62.5%	52.9%	58.3%	58.8%	66.7%	59.4%
Count Percent.....	23.8%	14.3%	33.3%	15.9%	12.7%	100.0%
Column Summary						
Count.....	24	17	36	17	12	106
Count Percent.....	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Count Percent.....	22.6%	16.0%	34.0%	16.0%	11.3%	100.0%
NEED FOR DISK STORAGE CONTAINERS						
YES						
Count.....	10	5	15	6	4	40
Count Percent.....	41.7%	27.8%	41.7%	35.3%	33.3%	37.4%
Count Percent.....	25.0%	12.5%	37.5%	15.0%	10.0%	100.0%
NO						
Count.....	14	13	21	11	8	67

Cells show count, column percentage, then row percentage
(continued)

MSI MARKET POTENTIAL STUDY
SURVEY RESULTS

	CUSTOMER GROUP					Row Summary
	COUNTY/MUN ICIPALITY	COLLEGES	SCHOOL DISTRICTS	HOSPITALS	NON-PROFIT ORGANIZATI ONS	
Count Percent.....	62.5%	61.1%	56.7%	81.3%	80.0%	65.3%
Count Percent.....	23.4%	17.2%	26.6%	20.3%	12.5%	100.0%
Column Summary						
Count.....	24	18	30	16	10	98
Count Percent.....	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Count Percent.....	24.5%	18.4%	30.6%	16.3%	10.2%	100.0%
NEED FOR AIR/WATER PURIFICATION PRODUCTS						
YES						
Count.....	4	2		1		7
Count Percent.....	17.4%	11.8%		7.7%		11.9%
Count Percent.....	57.1%	28.6%		14.3%		100.0%
NO						
Count.....	19	15	4	12	2	52
Count Percent.....	82.6%	88.2%	100.0%	92.3%	100.0%	88.1%
Count Percent.....	36.5%	28.8%	7.7%	23.1%	3.8%	100.0%
Column Summary						
Count.....	23	17	4	13	2	59
Count Percent.....	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Count Percent.....	39.0%	28.8%	6.8%	22.0%	3.4%	100.0%
NEED FOR RUBBER GLOVES						
YES						
Count.....	9	7		6	3	24
Count Percent.....	34.8%	36.8%		40.0%	75.0%	36.9%
Count Percent.....	33.3%	29.2%		25.0%	12.5%	100.0%
NO						
Count.....	15	12	4	9	1	41
Count Percent.....	65.2%	63.2%	100.0%	60.0%	25.0%	63.1%
Count Percent.....	36.6%	29.3%	9.8%	22.0%	2.4%	100.0%
Column Summary						
Count.....	23	19	4	15	4	65
Count Percent.....	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Count Percent.....	35.4%	29.2%	6.2%	23.1%	6.2%	100.0%
NEED FOR HAZARDISE WASTE CONTAINERS						
YES						
Count.....	1			3		4
Count Percent.....	6.3%			25.0%		11.1%
Count Percent.....	25.0%			75.0%		100.0%
NO						
Count.....	15	4	4	9		32

Cells show count, column percentage, then row percentage
(continued)

**MSI MARKET POTENTIAL STUDY
SURVEY RESULTS**

	CUSTOMER GROUP					Row Summary
	COUNTY/MUN ICIPALITY	COLLEGES	SCHOOL DISTRICTS	HOSPITALS	NON-PROFIT ORGANIZATI ONS	
Count Percent.....	93.8%	100.0%	100.0%	75.0%		88.9%
Count Percent.....	46.9%	12.5%	12.5%	28.1%		100.0%
Column Summary						
Count.....	16	4	4	12		36
Count Percent.....	100.0%	100.0%	100.0%	100.0%		100.0%
Count Percent.....	44.4%	11.1%	11.1%	33.3%		100.0%
DOES CUSTOMER NEED CATALOG						
YES.....	13	9	25	7	8	62
.....	59%	53%	76%	44%	62%	61%
.....	21%	15%	40%	11%	13%	100%
NO.....	9	8	8	9	5	39
.....	41%	47%	24%	56%	38%	39%
.....	23%	21%	21%	23%	13%	100%
Column Summary.....	22	17	33	16	13	101
.....	100%	100%	100%	100%	100%	100%
.....	22%	17%	33%	16%	13%	100%

Cells show count, column percentage, then row percentage