

IBM to establish tech center on MSU campus; 1,500 new jobs expected

Marisa Schultz, The Detroit News - January 13, 2009

Michigan State University will be home to a first-of-its kind IBM center that will advance new technologies and create up to 1,500 jobs within five years, according to a joint announcement today by MSU, the state of Michigan and IBM.

IBM will open its Global Delivery Center for Application Services -- the only one in the United States -- by the end of March in the former headquarters of the MSU Federal Credit Union building on campus, creating 100 new jobs by June. Working with MSU professors and students, the IBM center will develop applications and provide support services to modernize older systems for state and local government agencies and universities. In addition, IBM will work with telecommunications, health care and other U.S.-based clients to upgrade IT applications.

At a time when Michigan is hemorrhaging jobs and people, state and local leaders touted IBM's move as progress in the state's long-term goal of transforming from a brawn-based to brain-based economy.

"We are working hard every day to grow our economy and create jobs," Michigan Gov. Jennifer M. Granholm said in a statement. "This center is an outstanding example of a project that brings together economic development, educational opportunity and jobs in a way that can help transform our economy in the 21st century."

IBM aims to collaborate with MSU professors on training students for potential jobs. Students studying computer science, supply chain and engineering will be candidates for employment in the IBM Global Delivery Center, according to MSU.

"Michigan State University shares the bold vision for the role technology plays in building a diverse 21st century economy," MSU President Lou Anna K. Simon said in statement. "Our partnership with IBM will involve a multidisciplinary approach that leverages the intellectual assets of several (MSU) colleges, including Business, Engineering, Natural Science, and Social Science."

IBM, an Armonk, N.Y.-based company with 2007 revenues of \$98.8 billion, services more than a dozen large corporate, governmental and institutional accounts around the state. The new center is also expected to help IBM customers around the country and to centralize the company's application support.

"This project demonstrates Michigan's pledge to use technology to improve agency services, as well as a commitment to create highly skilled job opportunities for its citizens," Charles L. Prow, managing partner government, IBM Global Business Services, said in a statement.

The center is the culmination of an existing relationship MSU has with the information technology giant. MSU and IBM have teamed up on recruitment, research and education in the past, including faculty from the Eli Broad College of Business have led seminars for the company and IBM already is a top employer of MSU graduates.

Satish Udpa, dean of the College of Engineering, called the partnership with IBM and the state, a "marriage made in heaven."

"From the state's point of view, this is a shot in the arm with respect to the economy," Udpa said. "From IBM's perspective, it's an opportunity to do business in a location that has several advantages -- access to talent, many other intangibles that

an internationally-focused university community can offer. ... Plus it's also a place where the cost of operating a business can be very low, potentially.

"It's a big win for the university because it provides opportunities for our students to work with a world-class company. It allows us to get into research areas that we have not been engaged with in the past."

Granholm praised IBM's choice to locate in Michigan. She has long envisioned a technology corridor in the state that will generate job growth and improve the economic base. The city of East Lansing, Lansing Economic Area Partnership, MSU Federal Credit Union and the Michigan Economic Development Corporation all were key players in wooing IBM to MSU, leaders said.

"This is a huge opportunity for our region," said Denyse Ferguson, LEAP's president and CEO. "We're thrilled to welcome IBM and everything they're bringing in terms of jobs, opportunities for students and support for our IT sector."

The application development center will be located at 600 E. Crescent Road in East Lansing, occupying the 8,400-square-foot second floor. MSU Federal Credit Union moved last year from this building to its new headquarters on West Road in East Lansing. Additional expansion space for IBM is available in the building's basement.

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