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Accountants tour Germany not for fun, but for business

Wexford firm sees opportunity in selling Germans on Pittsburgh

By Donald I. Hammonds, Pittsburgh Post-Gazette

When it comes to drawing more foreign businesses and investment to the Pittsburgh region, David G. Bluemling believes local leaders shouldn't overlook the role that small businesses can play.

The managing partner of the Wexford accounting firm Malin, Bergquist & Company LLP just completed a nine-day trip to Germany, including visits to Dortmund, Lubeck, Frankfurt and Berlin. His goal, and others who went with him on the trip, was to strengthen business ties with corporate leaders there and entice some to open branches here.

"We met with at least one company that is very serious about doing business here," said Bluemling, the firm's managing partner. The unnamed German company, which makes strap devices for shipping activities, feels it "will do substantial sales here."

The trip took place against a backdrop of Germany's already significant economic role in the Pittsburgh region. In terms of dollars, Germany is Pittsburgh's second-biggest trading partner, and, at 75, there are more German-owned offices and facilities here than from any other European nation.

Germany's local beachhead isn't hard to understand. For one, the region -- Robinson, in particular -- has been the longtime U.S. home to one of Germany's biggest companies, Bayer AG, creating a considerable comfort zone for other German firms.

"If I'm a German company and I know that others have been here before me, and I know that they've gone through due diligence and have been successful at site selection, that minimizes the risk and increases the comfort level for me," said Jeffrey T. Deane, a principal with Malin, Bergquist, which was founded in 1972 and employs 55.

Pittsburgh's proximity to East Coast and Midwest cities also makes the region a good distribution point for German firms, Bluemling and Deane said. And there's the availability of nonstop flights to and from



David Bluemling, left, and Jeff Deane of accounting firm Malin, Bergquist & Co. recently went on a recruiting trip to Germany. (Steve Mellon, Post-Gazette)

Germany, a key attraction and one that has German companies and their local offices closely monitoring the Pittsburgh hub situation with US Airways.

Other factors which make the region attractive to German firms: the presence of prestigious universities; the strength of its growing biotech and robotics industries, and the appeal of a place that in many ways looks like home. "One company person I spoke to says he fell in love with our city, and felt this was an ideal city for him, partly because the topography reminded him of Germany," Deane said.

There still are challenges if the relationship between Germany and Pittsburgh is to reach its full potential, Deane and Bluemling said, starting with a tired but constant criticism -- the region's image.

"One of the biggest hurdles is a continuing European perception of Pittsburgh in general -- the city is still seen as being a coal and steel town that's dark and polluted," Deane said. "The biggest challenge is getting them here for the first time."

Local and state taxes that are relatively high compared to many faster-growing areas

in the country also are a problem, Bluemling said. To offset that, companies have come to expect incentives if they are to locate here.

Despite the challenges, it is clear to the two men that German firms remain interested in the Pittsburgh area and appreciate hearing from companies and executives who work and live here, as opposed to government and development organizations whose role is to market the region.

"I think it's more effective on a businessman-to-businessman standpoint as opposed to a government agency that comes in with a lot of fluff trying to sell the region. It's more effective on a grass roots level, face to face," Bluemling said.

Added Deane, "It also provides them with a team in place when they do arrive here, someone with whom they can develop relationships."

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