



Minding our .own businesses

INSIGHTS FROM THE 2009 SYNCHRONIST® BUSINESS INFORMATION SYSTEM

This report provides insight into workforce and job growth, overall satisfaction with community services and the area, and stability and growth of existing companies.

In FY2009, the Iowa City Area Development (ICAD) Group conducted on-site interviews with 60 executives in the Iowa City area using the Blane, Canada Ltd, Synchronist® Business Information System.

These confidential interviews review business activities, discuss economic development issues, and forecast trends and opportunities for the Iowa City area. This valuable existing industry program helps develop an accurate picture of our economic climate in relation to national information and local trends, and has grown in participants each year.

This report provides insight into workforce and job growth, overall satisfaction with community services and the area, and stability and growth of existing companies. Where noted, data will be compared with area and national FY2008 information. FY2009 national comparisons were not available as of publication.

For the first time in the history of this report, we are also including comments related to local, state and federal legislative policy.

Business sectors include (listed by number of companies):

- 23** Manufacturing
- 17** Technology (software, engineering, bio-tech)
- 8** Warehouse (distribution, transportation, recycling)
- 5** Educational Services
- 4** Agricultural
- 3** Finance/Insurance

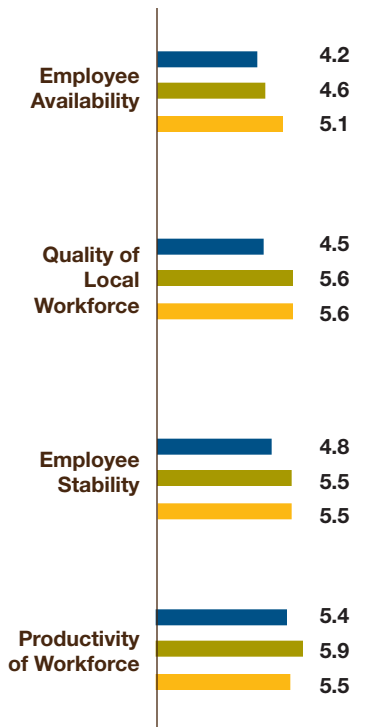
WORKFORCE

What We're Seeing:

Companies included in this report represent approximately 11,700 full time area employees, with a net job loss of approximately 1,270 jobs reported over the past year. Although our region has not been spared by the national economic climate, area employers remain optimistic and see growth potential in this market.

Area companies contribute much of their stability and success to the highly educated and talented workforce available in the Iowa City area. The quality of our workforce was identified as our area's top strength, surpassing our commitment to education and our quality of life. Additionally, employers continue to rank the local workforce higher than national averages in availability, quality, stability and productivity.

Employment Satisfaction Index (scale 0 - 7)



■ National Data FY08*
 ■ Area Wide FY08
 ■ Area Wide FY09

*FY2009 national comparisons were not available as of publication

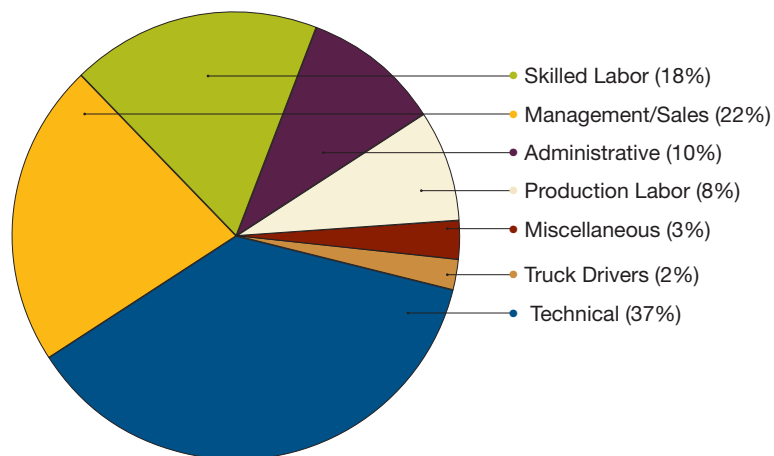
Where we're headed:

From the end of 2005 to June 2009, the Iowa City MSA saw 5.6% employment growth and we expect that number to continue to increase amongst those interviewed. Between 740 and 1,400 new, full-time positions are forecasted for our area over the next three years.

ICAD Group continues to work with employers to address specific recruitment and skill needs. 65% of those surveyed identified difficulty in filling specific occupations in this market. Additionally, executives noted that prospective employees often have a lack of knowledge or preconceived rural image of our market and our state, and that perception is a barrier to growth.

To help market our area, ICAD Group partners with Priority 1 in Cedar Rapids, state alumni groups and career services departments at local colleges and universities. Ongoing workforce retention and recruitment initiatives include CorridorCareers.com, career fairs, targeted mail and e-mail campaigns and event sponsorship. Additionally, we work with local and state organizations, including Kirkwood, ACT and Iowa Workforce Development, to analyze the demographics and skills sets in our area and develop programming to bolster our workforce.

Most Difficult Positions to Fill



AREA SATISFACTION SCORES

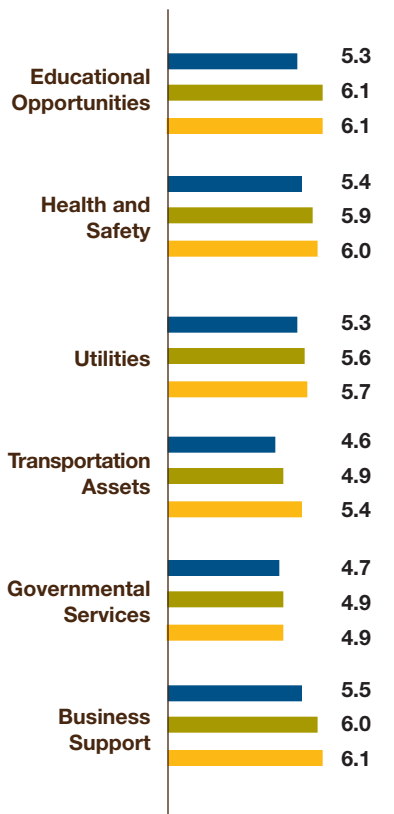
What We're Seeing:

Executives continue to view the business climate of our area and area services with high satisfaction. Overall, satisfaction scores stayed constant or increased compared with last year in the six cluster categories of educational opportunities, health and safety, utilities, transportation, governmental services and business support.

Quality education and healthcare remain the cornerstones of our market. Companies experience these benefits firsthand through a skilled and reliable workforce and local business leaders promote these features when recruiting workforce. The benefit of a central, geographical location also ranked high in our surveys and all areas of transportation, including air service, highways, trucking and air cargo were up.

Comments concerning community weaknesses and barriers to growth were primarily workforce related, but there were a few perception issues, such as cost of living and cost of doing business. We believe that some of the negative comments stem from a lack of awareness and knowledge regarding expenses of other markets compared to Iowa City. In the past few years, we have also noticed a trend in comments about the lack of available buildings and space.

Satisfaction with Community Attributes Index (scale 0 - 7)



■ National Data FY08*
 ■ Area Wide FY08
 ■ Area Wide FY09

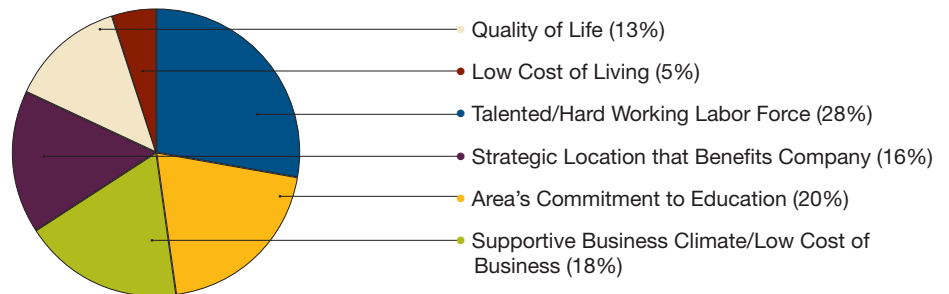
*FY2009 national comparisons were not available as of publication

Where we're headed:

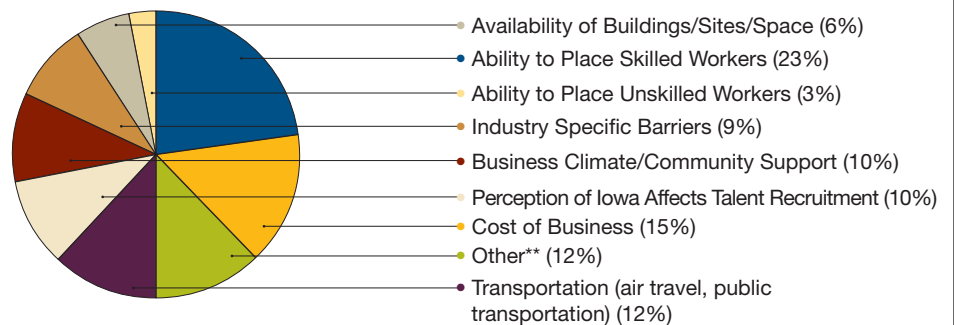
ICAD Group continues to address transportation issues and building/site availability. We are four months into developing a shovel ready site program that will help create an availability of viable sites in the market. Additionally, we continue to work with the Eastern Iowa Airport on passenger air service, and support local government efforts to obtain additional funding for upgrades to highway and interstate systems.

ICAD Group will present this data to our city leaders and encourage them to continue building a lasting dialogue of cooperation with our primary sector companies through company visits. As our market continues to expand its base of private sector employment (from 52% private sector employment in 1990 to 64% in 2009), we believe community leaders should better understand the vital role interstate commerce companies play in this area.

Community Strengths



Community Weaknesses/Barriers to Growth



**Includes crime, weather, availability of capital and other responses

BUSINESS GROWTH AND VALUE

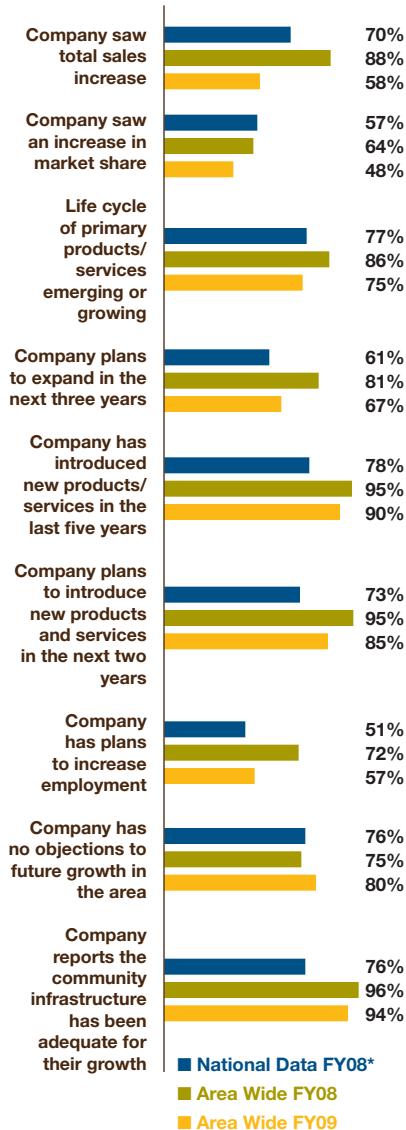
What We're Seeing:

This section provides the clearest picture of how the national economy negatively impacted our area. Fewer companies saw sales increase, less expansions are planned, and a smaller number of employers plan to hire in the immediate future as compared with last year.

Still, there are clear indications that companies are optimistic. Average risk scores were only slightly higher compared with FY2008 and both value and satisfaction scores remained stable. Few objections are surfacing about future growth in our area and 94% of our companies report that community infrastructure has been sufficient for their growth. Iowa City area companies plan to hire additional employees at rates higher than national trends.

Perhaps the biggest indicators of future development are new product introduction and product life cycle. Iowa City area companies continue to innovate, with 85% of companies planning to introduce a new product or service in the next two years and 75% of companies saying their primary products are continuing to emerge and grow.

Stability/Growth Projections



*FY2009 national comparisons were not available as of publication

Where we're headed:

Some companies are unsure of their ability to grow in this economic climate. For a few, there is a need to diversify their footprint rather than have too large of a presence in one market. For others, there are concerns about the ability to find affordable space or compete globally given the higher cost to operate in the U.S. ICAD Group will continue to monitor companies that posted higher risk scores and will assist with workforce or other concerns as needed.

We recognize and understand there are emerging companies in our area that possess the innovation to become significant employers and wealth producers in our market. ICAD Group is working to formalize a relationship with the Entrepreneurial Development Center in Cedar Rapids to help augment internal capabilities as a way to cultivate and grow more start up companies involved in interstate commerce.

ICAD Group continues to work with local companies to identify suppliers or other value chain providers which could potentially locate in the Iowa City area. Additionally, we are working with national site location consultants to identify emerging business segments to target as part of our site certification program.

Business Growth and Value

	National Data FY08*	Area Wide FY08	Area Wide FY09
Average Value	50	57	56
Average Growth	47	57	54
Average Satisfaction	58	58	59
Average Risk	46	39	41

Value, growth and satisfaction scores below 40 are unfavorable. Risk scores above 50 are considered unfavorable.

LEGISLATIVE POLICY

What We're Seeing:

From a policy standpoint, area executives were asked to comment on legislation they are tracking that would impact, positively or negatively, their company or industry in the next five years. As expected, positions and opinions varied based on industry.

Most interviews uncovered industry specific issues or legislation, but outside of those, a high percentage of comments were regarding labor. Area business leaders, both with union and non union facilities, have indicated a good working relationship between management and labor. However, they feel legislation such as the "Employee Free Choice Act," better known as the "Card Check bill," has the potential to undermine these relationships, ultimately making it more difficult for these companies to compete in a global market.

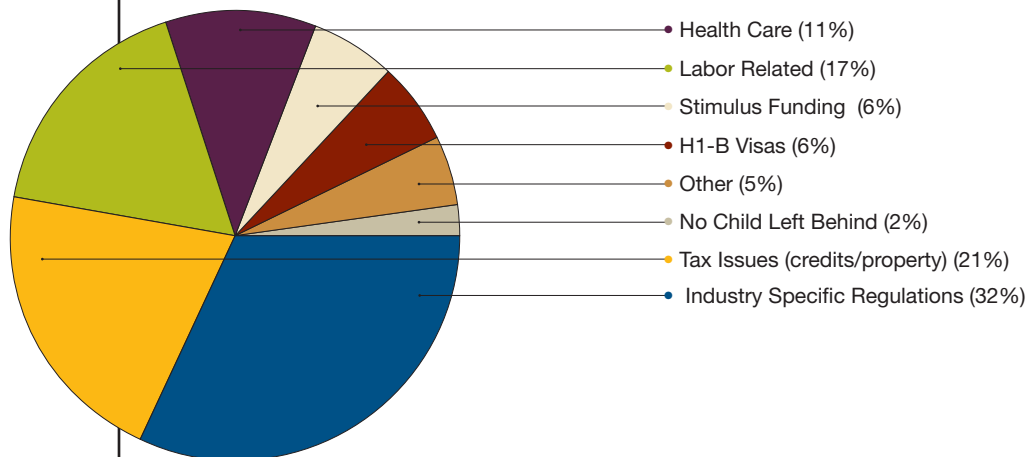
One issue raised by several smaller firms is the difficulty they have competing against larger companies, especially those with full-time legal staff and support, for talented, foreign born workers using the H1-B Visa program. This issue is not abundance, as the University of Iowa attracts some of the best and brightest from around the world. The challenge is a lengthy and cumbersome H1-B Visa application process. With reduced complexity, smaller companies could access the large pool of available talent. These companies are requesting the Federal Government find ways to streamline the process.

At the state level, executives would like to see action taken on property tax reform, while nationally there is interest in learning how the health care debate and the proposed cap and trade legislation will play out. Additionally, many companies are watching for opportunities presented by the stimulus package as funds are released.

Where we're headed:

ICAD Group is working closely with the Iowa City Area Chamber of Commerce and their legislative staff regarding state level policy initiatives. Additionally, when warranted, ICAD Group will develop policies and educate legislators on viable solutions for improving the business climate for primary sector companies in Iowa.

Legislative Issues Being Monitored by Primary Sector Companies





For more information about the **Minding Our Own Businesses** existing industry report, please contact our office.

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60 companies contributed information to the 2009 Minding Our Own Businesses Report.

ACT, Inc.
Asoyia
Bagolitas by Janice
Bio::Neos, Inc.
Bio-Research Products, Inc.
Bochner Chocolates
Budcat Creations
Cedar Poly, LLC
Cellular Engineering Technologies
City Carton Recycling
Civco Medical Instruments
Coles Quality Foods
CompleWare Corporation
Componica
CorrFlex Display & Packaging
Economy Advertising (Tru Art/Bankers Advertising)
Foundry Equipment Company
GEICO Direct
Gluten Evolution (Breads by Anna)
Graham Packaging
Heartland Express
Innovative Software Engineering, LLC
Integrated DNA Technologies, Inc.
International Automotive Components
J.M. Swank, Inc.
JMI Laboratories
KemPharm, Inc.
Kleffmann Group N.A.

Licensing Resource Group, Inc.
LMS Engineering Innovation
Loparex
Mantz Automation
Mercer Administration
Meta Communications
Millard Refrigerated Services
Moore Wallace, an RR Donnelley & Sons Co.
National Cooperative Grocers Association
Noel-Levitz
Oral-B Laboratories
Patient Education Institute, Inc.
Pearson Educational Services
Plastic Products Co.
Precision Revenue Strategies
Procter & Gamble Manufacturing Co.
Protek Medical Products, Inc.
Ramaanchar Technologies, Inc.
Roberts Dairy
Rockwell Collins
Safe Home Products
Syngenta Seeds
Tidewater Direct, LLC
Transport America
UNFI
VIDA Diagnostics
ViraQuest, Inc.
Viz-Tek
West Liberty Foods
West Music
West Wind Educational Policy
Whirlpool Corporation

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Extraordinary opportunities in unexpected places.