



**IOWA
ASSOCIATION
OF BUSINESS
AND INDUSTRY**

BUSINESS

JUNE 2023

MONTHLY

ABI CEO Survey Reveals Cautious Optimism Among Leaders



STORY ON PAGE 22

CALENDAR OF EVENTS - 2023

JUNE 13-15
Taking Care of Business
Conference
CEDAR RAPIDS

JUNE 13-15
Leadership Iowa:
ABI Conference & Graduation
CEDAR RAPIDS

JUNE 23
Regional Public Policy Meeting
DES MOINES

JULY 16-20
Business Horizons
DES MOINES

AUGUST 3-4
Executive Forum
OKOBOJI

AUGUST 6-10
Leadership Iowa University
DES MOINES

AUGUST 28
Executive Open
WEST DES MOINES

OCTOBER 4
Iowa Manufacturing
Conference and Legends
in Manufacturing Awards
ANKENY

INSIDE

FROM THE CHAIR Kim Augspurger	20
EXPERT ADVICE Jim Nalley	21
WHAT'S TRENDING Jayme Fry	24
Q&A: MORE THINGS CHANGE, THE MORE THEY STAY THE SAME Drew Larson	25
CAPITOL BUSINESS JD Davis	27
ABI FOUNDATION UPDATE Kendall Antle.....	28

MEET ABI'S NEWEST MEMBERS

Meet ABI's Newest Members: Visit our newest members' websites, and see how their products and services can benefit you:

Industry40ez | Pella | www.industry40ez.com

Turner Construction Company | West Des Moines | www.turnerconstruction.com

Mick Grossman Commercial Real Estate | West Des Moines | www.mickgrossman.com

Prostaff | Johnston | www.prostaff.com

VISIT WWW.IOWAABI.ORG AND CLICK THE "EVENTS" TAB FOR DETAILS ON ALL UPCOMING EVENTS.

Learn more about how ABI membership could benefit your company by visiting www.iowaabi.org/membership/why-abi.

FROM THE CHAIR:

Reflections of Leadership: A Final Farewell and Insights

Each year, ABI surveys member-company CEOs. These folks are some of Iowa's best business leaders and they are terrific resources when it comes to the condition of their business and Iowa's economy in general. Their insights are always interesting, and they make this annual survey edition one of the most popular Business Monthly editions of the year.

Also of note, this edition of the Business Monthly is set to be published in conjunction with the 2023 ABI Taking Care of Business Conference. The event will bring hundreds of business leaders to Cedar Rapids for ABI's 120th annual gathering. I hope to see you there!

This column is my last as Chair of the ABI Board of Directors. The year has passed more quickly than I

imagined, and serving as Chair of this great organization has been both an honor and privilege.

As Chair, I have been thankful for the strong leadership provided by the ABI Board of Directors and the Executive Committee. Their leadership and support have led to a very successful year for ABI, with terrific achievements in several program and finance areas.

It is often said that ABI's strength is in its members. Companies throughout Iowa make our organization strong, and it is their support that leads to ABI's success. It is the people of ABI that make our work to build a better Iowa a reality.

Very best wishes to you, your family, and your company and its employees in the coming years. THANK YOU for support of ABI. ABI



Kim Augspurger

ABI Chair
Pigott, Des Moines

SEPTEMBER
6-8

HOUSING IS THE START
HOUSINGIOWA CONFERENCE 2023

DOUBLETREE CEDAR RAPIDS

IOWA FINANCE AUTHORITY

housingiowaconference.com

2023 Legislative Session in the Rearview – Looking Ahead to 2024

Many readers, both ABI members and guests, have taken part in ABI's regional public policy meetings which reported out the results of the 2023 Legislative Session. With major achievements in apprenticeship programs meeting workforce policy priorities, lawsuit judgment caps addressing tort reform goals, and a first step taken to reform and reduce property taxes, the achievements of the 2023 Session match well against goals established by the ABI Board of Directors. ABI member contacts and connections with legislators drove the successes of this Session.



JD Davis
Vice President, Public Policy
ABI
Jddavis@iowaabi.org

If you'd like to dive deeper, join us in Cedar Rapids June 13-15 for the Taking Care of Business Conference. At that time, the ABI Public Policy team will hold a break-out session reviewing how the public policy results of the 2023 session compared to the priorities set out for ABI Board of Directors in September of 2022. We will also discuss how Iowa business and industry is impacted.

As an association, it is essential to reflect on our progress, but we must also remain forward-thinking as we approach the upcoming 2024 Session. Time moves swiftly, and it is crucial to purposefully set our sights on the future. That is where ABI member input is front and center.

All members are invited to participate in the next phase of policy development as we convene five issue area committees in late summer to propose new policy goals for the consideration of the ABI Board of Directors. Think about the needs of your

company or your industry. Are there opportunities or impediments that can be addressed with changes in state law? Has your company developed an issue expert that would bring value to policy development? We are grateful to the members that take part in the issue committee process. If your company is not being represented, please consider joining one or more of our policy committees.

Our five committees are employment and workforce, workplace and product safety, economic growth, environment, and tax. You can learn more about these committees here: www.iowaabi.org/public-policy/get-involved/

For more information on how to get involved, contact JD Davis at jddavis@iowaabi.org or you can call or text JD at 515-979-1212. ABI



ABI staff update Council Bluffs Regional Meeting attendees of legislative successes.



www.IADG.com

Low-Cost Financing for Business Energy Efficiency Projects



Low Interest Revolving Loan Fund:

Finance energy efficiency and renewable energy projects through the **IADG Energy Bank**. With qualified energy improvement projects, facilities need no upfront or additional capital. Loan payments can be flexible and arranged to meet your energy savings.

Energy Bank Parameters:

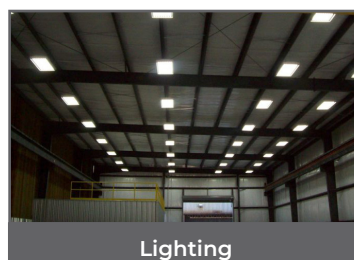
- Loans: \$50,000-\$300,000
- Rate: 1%
- Term: Up to 10 Years
- Origination Fee: 1%

Services Provided:

- Easy Application and Approval Process
- Independent and Unbiased Project Review
- Customized Financing Solutions
- Project Implementation Assistance
- Ongoing Project Monitoring and Support

Eligible Borrowers:

The IADG Energy Bank is focused on making loans to businesses and industries for energy efficiency improvements and renewable energy projects. Preference will be given to manufacturers.



MORE DETAILS:

For a program overview, related requirements, and ensure availability of funds visit:

IADG.com/EnergyBank

Contact:
Bruce Nuzum
800-888-4743



COVER STORY FROM PAGE 19

ABI CEO Survey Reveals Cautious Optimism Among Leaders

By Steve Gravelle

news@corridorbusiness.com

Leaders of Iowa companies working through the lingering effects of the COVID-19 pandemic found cause for cautious optimism, fueled in part by their success adapting to unprecedented economic times.

"We're in a business cycle I don't think we've seen before," said Connor Deering, CEO and president of Cemen Tech Inc. "I'm not sure anyone is sure what's going to happen."

The Iowa Association of Business and Industry's annual anonymous CEO survey drew replies from 89 executives. Most reported they're coping with disruptions to supply and labor, further complicated by interest rates raised to counter the inflation resulting from those disruptions.

"Uncertainty of any type always creates challenges, whether you're a buyer or a seller or you're looking for funding," observed Steve Jacobs, president of BCC Advisers. The Des Moines firm advises privately held businesses on mergers and acquisitions, business valuation, and litigation support.

"Good companies with strong balance sheets can obtain funding, albeit at a higher cost," said Mr. Jacobs. "Banks are still lending money; they're just not making cash-flow loans like they used to."

Mr. Jacobs said lenders have tightened their underwriting guidelines, making it more difficult to value goodwill or intangible assets.

Mr. Deering, the Indianola manufacturer, is not alone in facing the challenge of rising costs for labor and materials. In fact, according to a recent survey of CEOs (refer to the chart), more than 75

percent of them have experienced similar cost increases. In response to this industry-wide issue, Mr. Deering has made the necessary adjustments by incorporating these costs into their line of specialized cement-mixing trucks.

"We don't have the ability to do anything but pass those along to our customers," Mr. Deering said. "We've gotten a significant number and volume to the price increases on components and raw materials. I don't think we've been able to pass all of those along, but we've worked hard to pass those increases on."

"We have a very small percentage of costs that have decreased lately," said Mary Landhuis, president of Clarinda-based Lisle Corporation, noting the cost of shipping containers as an example. "The majority of our costs have not." Most CEOs report their supply chains seem to have stabilized, perhaps a sign the Fed's interest-rate hikes are taking effect.

"It's not wonderful today, but it's getting better," said David Cooper, chairman of the University of Iowa's economics department. "A pretty strong majority (of those surveyed) say it's stabilized, it's not getting worse. That's a positive thing."

Accustomed to adjusting to spot shortages from their suppliers, manufacturers recognize they're in turn part of their own customers' supply worries.

"We're not the only one in this boat," Ms. Landhuis said. "Now that the supply chain is more stable or at least normal, we're seeing that right-sizing inventories has been happening at the customer level and at the supplier level."

Cemen Tech's costs have been driven by the rising cost of the heavy truck chassis that carry the firm's volumetric concrete mixer. Most of the company's 200 workers are in Indianola, with sales

and service staff nationwide.

"Those trucks have risen in price pretty significantly," Mr. Deering said. "The availability has been very difficult. We've placed orders in the spring or early summer of '22 for '23, and we get about 50 percent of what we were looking to get."

Recent trends support respondents' belief inputs may be stabilizing.

"We've seen some mild improvement in the last six months," Mr. Deering said. "We've gotten calls from a couple of truck manufacturers, and we've been able to squeeze a few more trucks out of them."

Workforce issues are especially acute in rural Iowa, where some employers have adopted coping strategies.

"We've learned to be much more flexible in terms of part-time versus full-time hours, things of that nature, and just look for opportunities to attract parts of the workforce," said Ms. Landhuis. Lisle employs about 340 in Clarinda, most producing the automotive service tools that are the backbone of the 120-year-old company.

"We're very open-minded and always looking at the ways we can offer those opportunities for the existing labor force," Ms. Landhuis said. "In rural Iowa, for the longer term it's going to be a challenge."

Lisle works closely with Iowa Western Community College to develop its workers' skills.

"Our focus is really on maintaining and upscaling the workforce - investing in training with them, classes and coursework that will add to their skill sets," Ms. Landhuis said.

Mr. Deering, who estimated his company had about 30 openings one day last month, is putting the finish-



"Good companies with strong balance sheets can obtain funding, albeit at a

higher cost. Banks are still lending money; they're just not making cash-flow loans like they used to."

- CONNOR DEERING, CEO AND PRESIDENT OF CEMEN TECH INC.



"We've learned to be much more flexible in terms of part-time versus full-time hours, things

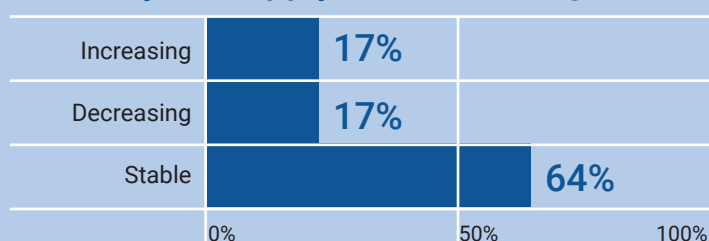
of that nature, and just look for opportunities to attract parts of the workforce."

- MARY LANDHUIS, PRESIDENT OF LISLE CORPORATION

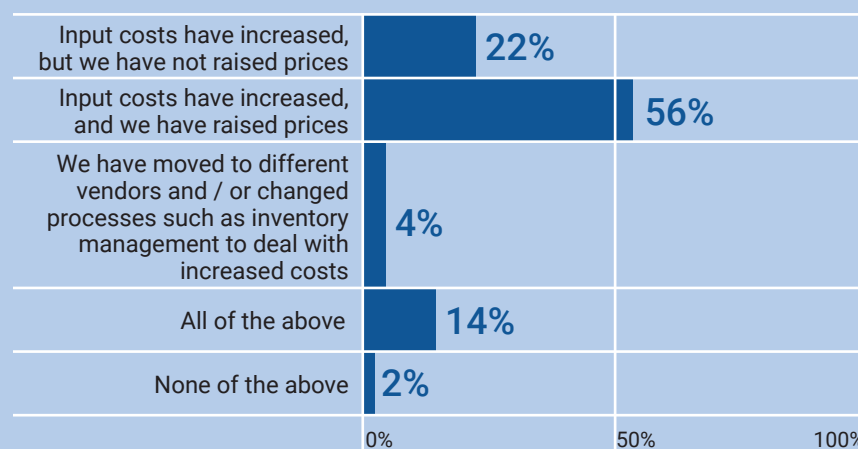
SURVEY PAGE 26

2023 CEO SURVEY

Are your supply chain challenges?



How is inflation impacting your business?





WE APPRECIATE INNOVATION.

LET MVS HELP PROTECT IT.

Since 1924, McKee, Voorhees & Sease, PLC has proudly protected the creations of clients across the globe. Our attorneys are leaders at ensuring your innovations maintain a strong advantage against the competition while establishing yourself as an authority in your industry, representing corporations, universities, research institutions, small businesses and individuals.

In an area of law that is constantly changing and evolving, the attorneys who make up our Mechanical-Electrical Practice Group have both the experience and expertise to meet our clients' intellectual property needs with current and expert-level knowledge. In addition to their law degrees, these attorneys also boast engineering or science degrees, possessing a deeper understanding of the ins and outs for a variety of industries.

We look forward to meeting you at the ABI Taking Care of Business Conference next week in Cedar Rapids!

Please stop by the **MVS Exhibit Booth #38** to learn more about what we can do for you and receive a nice gift.

Meet Our Mechanical-Electrical Practice Group



Luke T. Mohrhauser
Managing Partner, Chair of
The Mechanical-Electrical
Practice Group



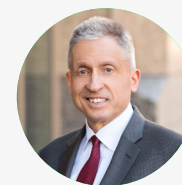
Glenn Johnson
Practicing in Commercial,
Employment and Intellectual
Property Law and Litigation



Mark D. Hansing
Intellectual Property
Attorney



Kirk M. Hartung
Intellectual Property
Attorney



Kevin M. Kercher
Intellectual Property
Attorney



Michael C. Gilchrist
Intellectual Property Attorney



Gregory Lars Gunnerson
Intellectual Property Attorney



Julie L. Spieker
Intellectual Property Attorney



Joseph M. Hallman
Intellectual Property Attorney

Learn more about these attorneys online at www.ipmvs.com/practices/mechanical-patents.

Let's Create Connections

Do you have an idea but are unsure about what direction to take?
Contact us to learn more about how we can serve and protect you!

📞 515-288-3667 🌐 www.ipmvs.com ✉️ www.ipmvs.com/subscribe



Are You Maximizing Your Commercial Banking Relationship?

Selecting the best commercial banking partner for your business is an important decision. You want to choose a bank that can help you make the most of growth opportunities and, even more importantly, successfully navigate times of economic headwinds.

Here are a few questions to consider when thinking about your lending partner:

- **Do you know your debt capacity?** Economic slowdowns can push companies into uncomfortable situations or create transformational opportunities. Your banker should be leading these discussions and walking you through your options.
- **Do you know who approves your deal?** Establishing relationships with executives early on may make future deal changes easier. Your banker should encourage and foster these important relationships.
- **Is your banking relationship based on an aggressive pricing, loose credit structure, or a long-term mutual relationship?** As your business changes from year-to-year, so can your banking terms and requirements. Ask your trusted advisors about the reputation of your current or potential bank partner, particularly in times of stress or challenge. Your banking partner should be able to help you prepare for potential risks and opportunities.

Additionally, your treasury partner should be helping you prepare for the future. Here are a few additional questions to consider:

- **Does your treasury officer understand industry challenges?** As your business faces different challenges, your treasury officer should be able to understand and deploy various solutions that will help you manage your cash more effectively.
- **Is your bank staying ahead of the technology curve while keeping customer service a top priority?** Your bank should have a dedicated product team that works closely with treasury officers to deploy best-in-class products. This team studies industry trends to identify technological advancements and heavily vets these technologies to ensure they provide the maximum benefit to their clients.

Whether you're considering changing banks or want to prepare for the future with your current partners, asking these questions will help you elevate the relationship you have with your banker and better understand the role they can – and should – play in your company's long-term success. **ABI**



Jayme Fry
VP, Senior Commercial
Relationship Manager
Bankers Trust
jfry@bankerstrust.com

60 Baker GROUP
YEARS

LEADING EDGE SOLUTIONS

IOWA'S PREMIER FULL-SERVICE SPECIALTY CONTRACTOR
Proudly Employee Owned

Mechanical | Electrical | Sheet Metal
Automation | Industrial | Fire Alarm
Security | Service

Des Moines | Cedar Rapids | Quad Cities
855.262.4000 | www.thebakergroup.com

Make your space work®

Flexion™

A Versatile Seat for Versatile Work

HON.

Q and A: The More Things Change, the More They Stay the Same

It seems fair to say that change is the one constant that every business faces. Whether the pandemic, inflation, or increasing interest rates for the first time in a decade, the fact that there will always be change, challenges, opportunities, and surprises remains one of the few constants. Currently, I am getting a number of questions about how these changes are affecting our clients and the market. Here are some of the most common questions.

By Drew Larson

Attorney | BrownWinick | drew.larson@brownwinick.com



How Have Interest Rates Impacted M&A and Investment Activity?

Interest rates clearly have an impact on M&A and investment activity (both internal and external), both in terms of the cost of deals and speed to market. However, we have not seen the large negative impact many feared. Certain industries have clearly been more directly impacted by interest rate changes, including homebuilders and developers, who are impacted both in their own cost structures and the fact that home loans are more expensive for buyers. But for other industries, the interest rates are not high enough to stop growth plans, plant expansions, or strategic acquisitions that are expected to provide significant returns. In addition, climbing interest rates were counterbalanced by reductions in other costs, such as shipping costs that have now basically returned to pre-pandemic levels.

From what I have seen, I believe it is fair to say that the macro environment matters, but firm-specific factors are much more important in most situations. Many Iowa businesses continue to have significant demand for their products, face challenges finding workers, and need additional space. Those firm-specific factors have continued to support reasonable levels of investment and strategic M&A activity in a number of markets. Many have fairly strong balance sheets as well, making them less sensitive to borrowing costs when making investment and M&A decisions.

Overall, I expect to see slightly slower M&A and investment activity overall in 2023, but within the normal variation we see here in Iowa.

Am I Still Going to be Able to Transition my Business in this Economic Environment?

Another major factor driving some M&A activity is the lack of a transition plan for many business owners. As baby boomers continue to age and retire, many have not seriously invested the time and resources into building a strong transition plan, whether to their children, their employees, or to a third-party buyer. Some sellers also fear that more challenges could be coming and want to get out before the other shoe drops. While these owners

desire to get a good price for their business in order to meet their retirement goals, they also know that they can't wait forever. Their timing is driven more by personal factors than by the macro environment.

For family transitions, the higher interest rates and other macroeconomic factors may lead to lower projections and valuations for gifting purposes. Combined with the estate tax exemption that is scheduled to be cut in half after 2025, now may be a good time to consider intra-family transactions to move a transition plan forward. Time remains the one asset you can't get more of, so acting sooner rather than later tends to pay real dividends when it comes to family transitions and estate planning.

For those without family members interested in the business, many are taking the opportunity to look at alternative transition structures, like sales to employees directly or through an ESOP transaction. While not a fit for all businesses, selling to a company's employees can meet both the owner's financial expectations and their long-term goals for the business and community. Iowa and the upper-Midwest have long had a strong employee-ownership culture that tends to fit the values and interests of transitioning owners. The owner also has the advantage of not having to search for a buyer, but rather can find one internally or build it themselves instead of having to negotiate with private equity or other third-parties.

Lastly, while slightly slower we still see strategic and financial acquisitions from other companies and private equity firms. While those deals are moving a little slower and the multiples may have mellowed a bit from some frothy peaks in recent times, they are still available for companies with strong and stable cash flow, management, and markets.

Are Noncompete Agreements Really Going to be Banned?

Another hot topic that has been in the news a lot in 2023 is the FTC's proposed ban on noncompete agreements. As background, in January the Federal Trade Commission ("FTC") proposed a rule banning nearly all noncompete clauses and would require all existing noncompete clauses to be rescinded. The comment period with respect to the proposed rule ended in April, and it is unclear if/when a final rule will be issued. It is generally expected that the final rule will be challenged

in court regardless of the particular language implemented, which will further delay the implementation of the rule. The FTC has also stepped up enforcement against specific companies with respect to their non-compete practices, claiming that the specific policies of those employers constituted unfair trade practices.

Unwilling to wait on the FTC, many states and the U.S. Congress have also increased their activity in this area. Numerous states have passed bills banning or otherwise limiting the use of noncompete clauses. For example, in Iowa the legislature recently passed a rule prohibiting noncompete clauses in healthcare employment agency contracts. The U.S. Senate is considering a bill to ban noncompete clauses as well. The trend to ban or limit noncompete clauses clearly has some momentum and we expect noncompete clauses to come under increasing pressure over the coming years through regulations. Businesses would be well served to start preparing for changes now.

Since a number of states have already banned non-compete clauses, businesses have already started adapting and finding ways to protect themselves and their businesses. For companies with substantial intellectual property, trade secret protection under state law and the federal Defend Trade Secrets Act ("DTSA") will become even more important that it is currently. Employee handbooks, policies, and agreements should be reviewed to confirm that you have appropriate confidentiality and trade secret language, including the required language under DTSA.

Companies with sales employees will likely also rely more on customer non-solicitation clauses. Such provisions will need to be carefully constructed to be reasonable in scope and duration, reasonably tied to the job performed by the subject employee, and not so broad that they are effectively treated like a noncompete clause.

Practical protections to secure your proprietary information will also become more important. If you have sensitive information, making sure you have implemented strong access controls, audit trails/access logs, encryption, and copy protection can help ensure your data is protected and can't be taken with a departing employee. The audit trails/access logs will also provide evidence about what data the employee accessed and may have taken with them if you ever need it. As with all secrets, it is easier to prevent someone from using or sharing the information if they never had access to it in the first place. **ABI**

SURVEY FROM PAGE 22

ing touches to “Cemen Tech University,” designed to train new hires and build the skills of current workers. The company has spent “a couple hundred thousand dollars” on a refurbished training facility and hired a staff member to coordinate training efforts.

“We used to hire for certain skills, whether it’s welders or painters,” Mr. Deering said. “Rather than hiring for skill, we’re going to hire for work ethic and attitude. We’re going to train them to become a welder, but we’re also going to train them on what our culture means and what the value of our ESOP is and individual financial planning, so they get a better foundation. We’ll end up with a better, more loyal employee, and stronger culture.”

“That’s very much a good thing,” said Anne Villamil, a University of Iowa economics professor and research fellow. “Welding is an area where there have been shortages for some time, and it’s important that firms are taking action to get the kinds of people they need.”

“Given the issues with unemployment being so low and so difficult to attract employees, what we’ve done is to make sure we’re good to our employees,” said Cemen Tech’s Mr. Deering. “We’re taking the time to see what their expectations are.”

“The Great Resignation is starting to die out, but it was very powerful for a long time,” Mr. Cooper said.

The unsettled economy has meant opportunity for some Iowa companies. Lisle’s core automotive products helped boost the average age of vehicles on

American roads to a record 12.2 years this spring, for example.

“There’s still somewhat of a shortage of new cars coming onto the market, so they’re hanging on to those vehicles,” Ms. Landhuis said.

Similarly, Cemen Tech’s volumetric mixers enable contractors to produce concrete on their own instead of relying on ready-mix vendors, potentially reducing costs by up to 25 percent while avoiding delays due to missed deliveries.

“It’s a high-ROI product, because they can go out and execute jobs on their timeline,” Mr. Deering said. “It allows them to go out and get more work done with the same resources.”

Like about half of Iowa companies, both Lisle and Cemen Tech plan to expand through mergers and acquisitions.

“Three (acquisitions) within the past eight years, and hopefully more to come,” said Ms. Landhuis. Drawing on its existing skill set has allowed Lisle to add healthcare products such as lifts for moving bedridden patients.

“It really does well when we find a niche that’s in the automotive aftermarket or healthcare,” Ms. Landhuis said. “We keep our minds open to other types of industries as well.”

“We’re constantly and actively looking for an acquisition that would be the right fit and the right product for our business,” Mr. Deering said.

“Really good companies are looking to go through acquisition and take advantage of the opportunities that are out there,” said Mr. Jacobs. “There are a lot of business owners that are aging out.”

That may be reflected in a shift BCC has noted in clients’ merger and acquisition strategies. Pre-2020, interest was often split about evenly between companies looking to buy or sell; “now it’s usually 80 percent on the sell side,” according to Mr. Jacobs.

“If you’re a good business with a strong balance sheet, you can pretty much still do as much as you want,” he said. “There are a lot of other ways of getting something for both buyer and seller.”

Fewer than half of those surveyed have a formal succession plan, a potential weakness.

“At a well-run firm, you’d like to have a succession plan,” Mr. Cooper said. “If the founder dies, you’d like to have something a little better than, ‘The eldest kid will take over.’ It’s a little worrisome that we have that many without a formal plan.”

“For organizations our size it’s sometimes tough to have one individual plan for some of the (management) roles,” Mr. Deering said. “We look at where we’ve got key folks, and where those opportunities exist for other folks.”

Companies that have managed to navigate post-pandemic find cause for optimism, tempered by continued vigilance for the next challenges.

“Is it a great economy right now? That would be a bit much,” Mr. Cooper said. “But all the interest rate hikes coming out of the Fed did what they were supposed to do.”

“Last year was an extremely busy and successful year for us,” said Jacobs. “This year started off extremely strong, and



“Really good companies are looking to go through acquisition and take advantage of the opportunities

that are out there. There are a lot of business owners that are aging out.”

- STEVE JACOBS, PRESIDENT OF BCC ADVISERS

if we can get some breaks, we’ll have a good year.”

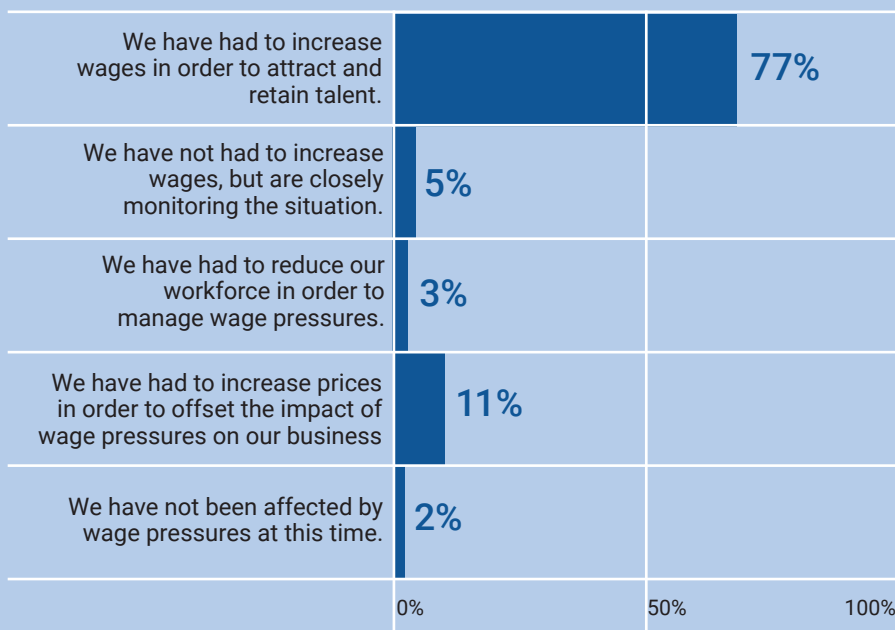
“It depends on what week it is,” Mr. Deering said of his outlook, noting a recent “slight slowing” in orders.

“Everybody is a lot more cautious.” Villamil said the glass-half-full outlook for well-managed firms may be an expression of confidence in their new coping skills.

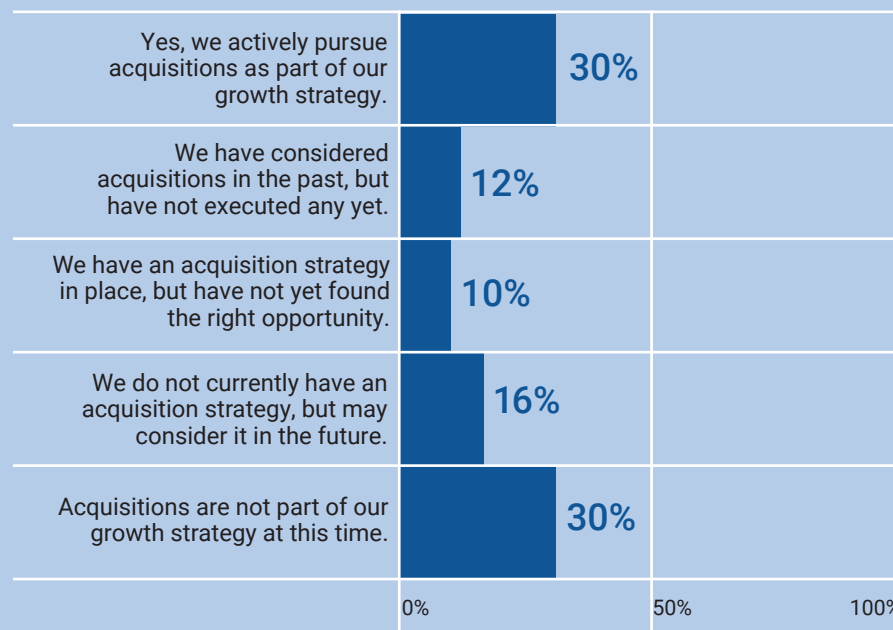
“When I talk to people, the word they use a lot is ‘resiliency,’” she said. “They’ve been through so much, and they’ve learned how to pivot. They’ve learned some important things – communicating with customers and employees, communicating with their bankers.” ABI

2023 CEO SURVEY

How has your business/industry been affected by current wage pressures?

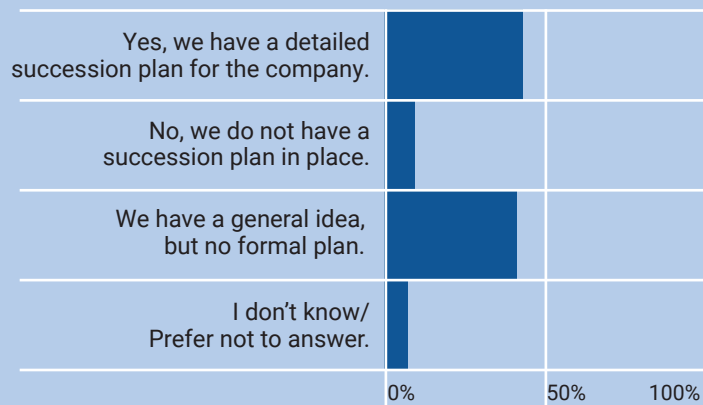


As it pertains to your business plan, do you have a strategy involving acquisitions?

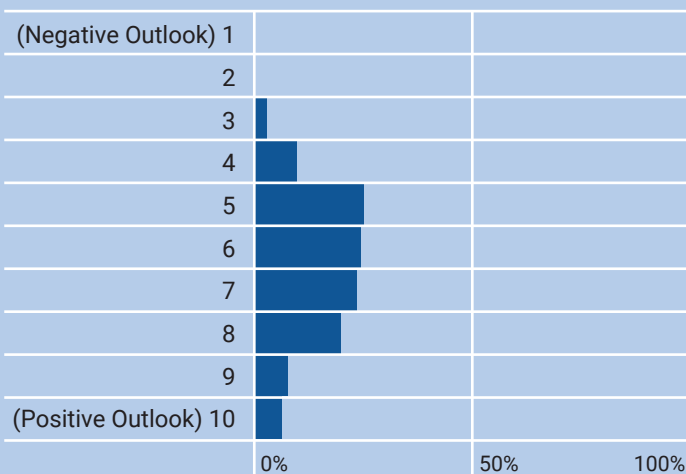


2023 CEO SURVEY

Do you currently have a succession plan in place for your company?



What is your view of your business for the second half of 2023?



I Think I Need a Business Valuation

Determining the value of a business is a critical step when a business owner is considering selling, gifting, obtaining financing, acquiring new investors, or settling shareholder disputes. Before hiring a business valuation professional, there are certain things every business owner should know.

It is crucial to have a clear understanding of the purpose for your valuation and the interest to be valued. The value of a 100% interest in your company can vary considerably from the value of a small, minority interest. It shouldn't be assumed that the minority interest value can simply be obtained by multiplying the percentage of that interest by the value of the whole. You must also remember a previous valuation may not be indicative of the current value of your company. Valuations are estimates based on a number of assumptions and factors that can change drastically over a short period of time.

It is essential to select the right valuation provider. Business valuations require specialized knowledge and expertise, and you want to work with a professional who has the relevant experience and a track record of providing accurate and reliable valuations. Experts with designations such as Accredited Senior Appraiser (ASA), Accredited in Business Valuation (ABV) or Certified Valuation Analyst (CVA) are all certified by accredited organizations in the industry.

Be prepared to provide access to detailed finan-



By Jim Nalley
CPA/ABV, CFF, CVA
Vice President & Shareholder
BCC Advisers
jim@bccadvisers.com

cial records including audits, tax returns, budgets, operating and buy-sell agreements, and various other records that may be requested. Valuation professionals will generally conduct a management interview and may also perform a site visit.

Valuations are a fundamental process during the life of a business and provide key feedback to business owners. No different than knowing your starting point on a roadmap, it is imperative to know where you are today to plan and make decisions on where you and your company want to be in the future. **ABI**

BECOME A STELLAR EMPLOYEE-OWNER

Stellar is a 100% employee-owned leader in building high-quality work trucks, trailers and accessories. With a wide range of onsite and professional openings, you can join our team and own your future. Text "Stellar" to 97211 to apply.

**COMPETITIVE PAY / PAID VACATION & HOLIDAYS
HEALTH, DENTAL & VISION / 401(K) / PROFIT SHARING**

stellarindustries.com/careers



ADVISORY COUNCIL

Congratulations Leadership Iowa 2022-23 Class

The Iowa Association of Business and Industry (ABI) would like to congratulate these terrific Iowa leaders for their completion of the 41st year of Leadership Iowa. Beginning in October, participants have traveled to eight different host communities – each with its own session focus – to gain insight on the opportunities and challenges facing our state.



Thank you to these incredible Iowa communities for graciously hosting the program this year: Jefferson, Red Oak, Stanton, Ames, Des Moines, Waverly, Sioux City, Burlington, and Cedar Rapids. In addition, Leadership Iowa extends its sincerest appreciation to more than 75 session sponsors, the Leadership Iowa Board of Governors, and 250+ individuals who lent their time, talents, and exper-

tise to help create another special Leadership Iowa year.

The 2022-23 Leadership Iowa program was made possible by presenting sponsor EMC Insurance. Additional annual sponsors include: CIPCO, Community State Bank, Emerson, Grinnell Mutual, the Iowa Soybean Association, BrownWinick Law Firm, the Iowa Farm Bureau Federation, MidAmerican Energy, Pella Corporation, Phelps, Principal Financial Group, and Winger Companies. ABI



Leadership for Iowa Award Honoree

DAN CULHANE

LEADERSHIP IOWA '02-03
Ames Chamber of Commerce
Ames, Iowa

Congratulations, Dan!

Dan Culhane (LI '02-03) President & CEO of the Ames Chamber of Commerce, has been selected as this year's Leadership for Iowa Award winner! The Leadership for Iowa Award is presented annually to an alum of the Lead-

ership Iowa program who exemplifies quality leadership both on a community and statewide level, and demonstrates a commitment to serve Iowa.

Professionally, Dan has led numerous initiatives supporting business and industry throughout the Ames area, leading to a significant number of new companies brought to the state and thousands of jobs. He has also served on several boards including the YSS Foundation, United Way of Story County, Reggie's Sleep Out, and more, and has chaired multiple organizations such as the ISU Athletics Letterwinner's Club, the Iowa Chamber Alliance, Professional Developers of Iowa, and the Mid America Economic Development Council. Dan remains active with Leadership Iowa, and we are proud to honor him as this year's award recipient. ABI



WHO: Iowa high school students currently in grades 9-12

WHEN: July 16-20

WHERE: Drake University

PARTICIPATION FEE: \$400

Applications will be accepted through July 7 or until the program is filled.

*Includes all meals, lodging, and activities.

*Need-based financial assistance is available and can be requested through the online application form.

To learn more, nominate, or register students for the program, visit www.BusinessHorizonsIowa.org.

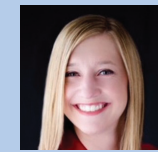
REGISTER TODAY:



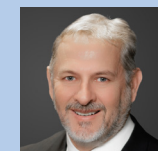
SARAH MILLER
Anthologic



JACK CARRA
AssuredPartners



JAYME FRY
Bankers Trust



JIM NALLEY
BCC Advisers



DREW LARSON
BrownWinick Law Firm



MIKE O'DONNELL
CIRAS



DAVID WEBER
CLA



AMY FERGUSON
EMC Insurance



MICHAEL TEACHOUT
G&A Partners



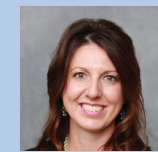
KENDRA SIMMONS
Fredrikson & Byron



BRIAN CROTTY
HDH Advisors



LANCE GARDNER
Principal® Financial Network of Central Iowa



JODI SCHWEIGER
The Iowa Clinic



DEAN GILKES
Wellmark Blue Cross and Blue Shield



CASEY CASON
Wells Fargo



JUNE 2023 | VOL 13 | #6

The Iowa Association of Business and Industry (ABI) is the voice of Iowa business. It is Iowa's oldest and largest business network, representing 1,500 businesses that employ more than 333,000 Iowans. ABI benefits members by advocating on their behalf at the statehouse, connecting them with decision-makers to share ideas and services, offering solutions and best practices for issues that affect their businesses and developing our state's business and civic leaders.

PRESIDENT: Michael Ralston
EXECUTIVE VICE PRESIDENT: Nicole Crain
VICE PRESIDENT OF PUBLIC POLICY: JD Davis
VICE PRESIDENT, MEMBER AND INVESTOR RELATIONS: Michele Farrell
DIRECTOR, PUBLIC POLICY: Brad Hartkopf
MEMBER PROGRAMS DIRECTOR: Holly Mueggenberg
ABI FOUNDATION – DIRECTOR, PROGRAMS: Jessi McQuerrey
MARKETING AND COMMUNICATIONS DIRECTOR: Kelsey O'Connor
MEMBER SERVICES COORDINATOR: Levi Lefebure
EXECUTIVE ADMINISTRATIVE ASSISTANT: Michelle Vollstedt
ABI FOUNDATION – ADMINISTRATIVE ASSISTANT: Jane Galloway
ABI FOUNDATION – PROGRAMS & ENGAGEMENT COORDINATOR: Kendall Antle
COMMUNICATIONS & MARKETING CONSULTANT: Katelyn Adams
MEMBERSHIP DEVELOPMENT SERVICES: Kerry Servas

Iowa Association of Business and Industry
 400 East Court Avenue,
 Suite 100
 Des Moines, IA 50309
 515-280-8000
 or 800-383-4224
abi@iowaabi.org
www.iowaabi.org