



ABI SURVEY: Cautious Optimism As 2024 Begins

2024

STORY ON PAGE 13

CALENDAR OF EVENTS

JANUARY 19
Legislative Update
VIRTUAL CONTINUES EVERY
OTHER FRIDAY DURING SESSION

FEBRUARY 1
Automation Summit
CARROLL

MARCH 6
Business Day in Des Moines
DES MOINES

MARCH 7-8
Leadership Iowa Session:
Healthcare
DUBUQUE

MARCH 7
Connecting Statewide Leaders
DUBUQUE

MARCH 25
Nominations Open for
Coolest Thing Made in Iowa

APRIL 4-5
Leadership Iowa Session:
Education
GRINNELL

MAY 2-3
Leadership Iowa Session:
Economic Development &
Workforce
FOREST CITY

JUNE 4-6
Taking Care of Business
Conference
QUAD CITIES (DAVENPORT)

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

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

Recoop Disaster Insurance | West Des Moines | www.recoopinsurance.com

Ascend Technologies | Des Moines | www.teamascend.com

fullCIRCLE creative + coaching, LLC | Earlham | www.seekfullcircle.com

Metal Wholesale LLC | Bloomfield | www.metalwholesalellc.com

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

CONGRATULATIONS!
**2023 IOWA VENTURE AWARD
 HONOREES**

CENTRO, INCORPORATED

HAMPTON, IOWA

Nominated by Franklin Rural Electric Cooperative

HIPER CERAMICS

SPIRIT LAKE, IOWA

Nominated by Iowa Lakes Electric Cooperative

IHLE FABRICATIONS, LLC

POLK CITY, IOWA

Nominated by Midland Power Cooperative

M3 FABRICATION, LLC

BLOOMFIELD, IOWA

Nominated by Southern Iowa Electric Cooperative

POST EQUIPMENT COMPANY, LLC

ROCK VALLEY, IOWA

Nominated by North West Rural Electric Cooperative

COLD-LINK LOGISTICS

SIOUX CITY, IOWA

"Outstanding Business of the Year"

Nominated by Woodbury County Rural Electric Cooperative

Iowa Area Development Group established the Iowa Venture Award in 1988 to honor entrepreneurial achievement, innovation, and leadership. The organization and its member-owned electric cooperative, municipal utility and independent telecommunication company members take great pride in presenting the 2023 Iowa Venture Awards. Each of these recipients has made a significant contribution to their community, our state, and the economy of Iowa.

Visit www.IADG.com to view the **293 honorees** in the **Iowa Venture Award Hall of Fame**.



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FROM THE CHAIR:

**Reflecting on Success and
 Looking Ahead to 2024**

I am pleased to share that from my perspective, 2023 was a very busy and highly successful year at ABI. Those successes reflect directly on the strength of our members and the quality and professionalism of our staff. While it is great to think you are winning, leading organizations ensure winning by always looking ahead. At ABI, one of the things we are looking ahead to is the 2024 session of the Iowa General Assembly.

In that regard, outreach with our legislative delegations is one of the most important things each of us can do to help build relationships that advance ABI's membership-driven public policy agenda. At Winnebago Industries, like many other ABI members, we provide exceptional innovation, quality, and service in the industries we engage and are an additive factor to our communities. We foster opportunities to touch base with elected officials by inviting them into our facilities on a regular basis and sharing input on issues that are impacting our employees and our business. I encourage you to take advantage of these opportunities in your plants and offices not just during session, but all year long.

2024 is a presidential election year and with that we are flooded with political messaging. One great resource for objective, nonpartisan information about candidates and issues is found at IAVOTES.com. IAVOTES.com is ABI's award-winning voter resource and issues



Chad Reece

ABI Vice Chair
 Winnebago Industries

website. Go to IAVOTES.com to find information about candidates, see candidate videos, and learn about issues.

By the time you read this, ABI will have held its second largest event of the year, the association's annual Legislative Briefing and Reception. Over 500 Iowa businesspeople and elected officials will have participated. The largest event is the upcoming annual conference. The 2024 ABI Taking Care of Business Conference will be held in Davenport on June 4-6. Visit www.iowaabi.org for more information and to register. We hope to see you there!

As I noted earlier, ABI enjoyed a strong 2023 and ended the year better than ever. That is thanks to your support, and we never take that support for granted. Thank you for all you do. ABI

CAPITOL BUSINESS:

ABI Member Polling Confirms 2024 Policy Priorities Important to Move Iowa Forward

This month's edition of Business Monthly focuses on ABI's latest quarterly business survey, offering valuable insights into the direction of the Iowa economy. Encouragingly, a significant number of ABI member companies anticipate increased sales and project either maintaining or expanding their workforce.

ABI's public policy team views the survey as an opportunity to cross-check that the policy priorities of the Association are in alignment with the needs of Iowa employers and employees. By relying on our member company issue experts, our priorities are spot-on to deliver value to the membership.

In order for member companies to meet their sales expectations, Iowa businesses need to compete effectively in both national and global markets. ABI is committed to ensuring that taxes paid by business owners, including partnerships, corporations, and LLCs, contribute to an efficient government. We will inform policymakers that imposing costly mandates on businesses, regardless of their purpose, functions similarly to taxes and

hinders a business's competitive edge.

To support the expansion of the workforce for ABI member companies, it is essential to comprehend the current realities. Iowans are actively engaged in work, and two years post-pandemic, the state has successfully returned to robust workforce participation. Iowa consistently ranks at the forefront of national workforce participation rates overall and in terms of the percentage of women in the workforce. However, despite population growth, it is evident that this growth will not occur rapidly enough to meet the demands of the workforce.

ABI is committed to reducing barriers to entry into the workforce, as demonstrated in recent years. A concerted effort is needed to establish pathways to employment for all individuals capable and willing to work.

ABI will also collaborate with employers and policymakers to maximize the value of workers by increasing productivity through technology. As demonstrated through the successful Manufacturing 4.0 initiative, employers

win through productivity gain, and employees win by bringing greater value to the workplace. A well-trained employee, running an automated process can help transform the workplace and company performance. These new workplaces can attract a new younger workforce. ABI will be building on recent policies that familiarize younger Iowans to career opportunities through school to work programs and youth apprenticeships.

When it comes to childcare, ABI continues to advocate for policies addressing the affordability and availability of childcare, as well as the support and sustainability of childcare providers. Additionally, ABI will underscore the importance of focusing on workforce housing to bring workers closer to available career opportunities.

Members can track ABI's public policy progress through our weekly newsletters and by signing up for our biweekly Zoom updates by emailing mvollstedt@iowaabi.org. And don't forget to mark your calendars for Business Day in Des Moines, taking place on March 6th. **ABI**



JD Davis

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ABI will also collaborate with employers and policymakers to maximize the value of workers by increasing productivity through technology.

FROM THE FOUNDATION:

Leadership Iowa: Connections for Years to Come

As we grow through our careers, we come to recognize the valuable development opportunities available to us. From community programs and industry peer groups, to conferences, courses, and coaching – all uniquely beneficial in their own way.

We were fortunate that our own development included participating in the Leadership Iowa classes of 2018-19 and 2020-21. Through the program, we appreciated the opportunity to travel the state and visit communities we only knew by name. We were amazed to visit companies in rural Iowa towns making their mark both nationally and globally. And have you ever stood at the bottom of the Mississippi River? The class of 2020-21 visited a drained Lock & Dam system and learned the vital role Iowa plays in transportation across the country.

Participation in Leadership Iowa afforded us unique insight, unforgettable experiences, and friendships to last a lifetime. Now, it's our role as the Alumni Co-Chairs of the Leadership Iowa Board of Governors to ensure that the nine months in the program are only the beginning.

We work to engage past participants through regional socials, virtual discussions, and annual gatherings. Opportunities may be open to all alumni or Alumni Society members who choose



CO-AUTHORS: Charity Tyler (Cedar Rapids) & Chris Wood (Des Moines), Leadership Iowa Board of Governors Alumni Co-Chairs

to pay their experience forward through an annual donation. If you're one of our 1,300+ alumni, we invite you to relive your experience in these small ways.

- Leadership Iowa "Regional Representatives" exist in five regions throughout Iowa. At least one social event

is held each quarter, and while each event may look different, the purpose is the same: to connect current and past participants for conversation and networking. This is the easiest way to get involved as an alumnus of the program.

- The monthly LI Connect series vir-

tually convenes members of the Alumni Society and class to discuss Iowa-focused topics, from workforce and education to healthcare and agriculture. Attendees hear from experts in the field and have the chance to ask questions, share their own experience, and learn from others.

- At the top of our list of annual events is the Alumni Society Dinner held in Des Moines each January. The reunion brings together 130+ alumni for fellowship and celebration. The event includes honoring a program champion as a lifetime Honorary Leadership Iowa Alumni Society Member, and awarding the year's "Best Class Ever," recognizing the class with the most Alumni Society members.

Participating in the Leadership Iowa program was an amazing experience both personally and professionally, and it's an experience that doesn't have to end after graduation. If you're an alum, check out the Alumni page at LeadershipIowa.com and make plans to join us at an upcoming event. If you've not yet gone through Leadership Iowa, we encourage you to nominate yourself (or have someone nominate you) this year. It's a gift that truly keeps on giving. **ABI**

Automated Bank Services: Tools to Help Your AP Team Gain Efficiencies



By Kevin Tiernan, CTP, SVP

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To reduce the impact of current economic conditions and inflationary pressures, business leaders have looked for ways to reduce costs, often by reducing staff, decreasing production, or looking for other ways to improve efficiencies.

One area businesses should explore to improve efficiencies and reduce costs is accounts payable (AP) automation.

How do AP Systems Work?

An automated payables system consolidates a business's payment generation process into a single file. Most businesses use checks, ACH, wires, and credit cards for accounts payables. Traditionally, each of these payment methods required a separate file to generate a payment, which required significant human intervention and other costs to carry out each day.

Through an automated system, all these files are consolidated into a single payment file. An artificial intelligence (AI) program reads this file, separates it into subsequent payment files and processes the files so all payees receive the correct payment type. This reduces room for human error and reduces labor costs.

How Are Electronic Payment Options More Cost-Effective?

While electronic payments have grown in popularity over the last two decades, many businesses still use checks for payments. However, this option comes at a high cost. According to the leading financial services company FIS, printing a check in-house costs most businesses \$4.00 per check. This includes the cost of the paper, ink, printer, envelopes, stamps, and an employee's time to manually process it. Automation service providers print hundreds of thousands of checks per day. This reduces the overall cost to produce a check by as much as 75%.

How Are Electronic Payment Options More Time-Effective?

Additionally, an automated AP process can mimic a company's existing payment approval process and include fraud mitigation reviews. These efficiencies reduce the time it takes to produce payments and allow companies to manage their payment process from anywhere.

Am I at a Higher Risk of Fraud if I Pay Via Check?

Checks remain the payment method most preferred by fraudsters. The Association of Financial Professionals found that over 60% of businesses surveyed in 2020 encountered some type of check fraud. ACH and virtual card payment methods came in at 19% and 3%, respectively. With these risks in mind, more businesses understand they must find alternatives to checks, and AP automation systems are an attractive option.

Are There Additional Product and Service Options?

1. Vendor Data Management

To further encourage this transition, many AP automation system providers offer vendor data management. This is typically offered through a portal where vendors can manage their accounts, choose payment preferences and monitor incoming payments. Some providers also include ACH verification services within the portal, which allows the service provider to electronically verify the ownership of submitted account and routing numbers. This extra step helps reduce the likelihood of a payment being sent to a fraudulent account.

2. Reduce Liability

By taking ownership of vendor data manage-

ment, the AP automation system provider eliminates the need for businesses to maintain account and routing numbers. Businesses can purge this data from servers, significantly reducing their liability if a data compromise were to occur.

3. One-Time Use Virtual Card Payments

Most AP automation systems also offer one-time use virtual card payments as another way to reduce paper checks. Unlike a typical virtual card generated through a purchasing-card system, automated AP systems generate a card number used for a single transaction. The transaction limit is set to the amount of the payment. Once the card is processed, the system deletes the card and prevents it from being used again.

4. Additional Revenue Stream

Since these payments process as credit cards, they are subject to interchange fees, which are charged after the vendor processes the virtual card through their merchant terminal. The interchange fees are typically a small percentage of the entire transaction. Many automation system providers will share part of these fees with the payor, providing a new revenue stream to the business.

How are Automation Technologies Revolutionizing AP Processes?

Manual AP processes remain costly, inefficient and prone to fraud. Through automation, a business can significantly reduce its cost, time spent generating payments and fraud exposure, and even earn additional revenue. These technologies help revolutionize AP processes and give team members more time to focus on activities that provide more benefit to the business. **ABI**

COVER STORY FROM PAGE 9

ABI Survey: Cautious Optimism As 2024 Begins

BY EMERY STYRON

ABI members are guardedly upbeat on their companies' prospects for sales growth, additional hiring and capital expenditures in the first quarter of 2024, judging from ABI's most recent Quarterly Business Survey.

Of 34 respondents participating in the survey, 38% describe their overall outlook on the economy for the first quarter as "optimistic," 47% as "neutral" and just 14% as "pessimistic."

That broad neutral-to-positive sentiment tracks with responses to the survey's three other questions:

- Asked about sales growth for the first quarter, 32% foresee expansion, 52% expect sales to stay about even and 14% project sales to retract.
- On the question of hiring, 35% expect employee headcount in their businesses to grow, 58% predict it will stay about the same and 5% look for a decrease.
- Nearly two-thirds (64%) of survey respondents indicated plans for capital expenditures in the first quarter, and 35% said they had no such plans.

"People in our three markets are thinking growth and are optimistic," said Grant Friesth, senior vice president and market president – commercial banking, for Security National Bank of Iowa. Even the folks that responded "stay about the same" on the survey questions may be tempering their optimism with a bit of caution, said the West Des Moines-based banking veteran. "There's a greater feeling of uncertainty with the recent interest rate changes."

Security National, founded in Omaha in 1964, operates in Iowa, Nebraska and Texas. Businesses across the bank's territory "are continuing to find ways to grow and looking for opportunities," Mr. Friesth said.

"The uncertainty lies with the inflationary environment and the impact on interest rates," Mr. Friesth added. "People are also wondering 'How much purchasing power does the consumer have left?'"

Overall numbers have been supported by the strong consumer, who

in turn has been supported by a strong job market, he said. "How much longer will that last?"

"Hangover from Covid" remains a factor in the business environment, Mr. Friesth said. The pandemic brought changes in the workforce and supply chains that are still evolving. At the same time, automation and robotics are adding efficiencies that are getting down to the small business level, he added.

Jerry Krantz, director - commercial business planning for Quad Cities steel plate manufacturer SSAB Americas, agrees that cautious optimism is the prevailing sentiment and that interest rates underlie the instability in the economy. Markets were encouraged by the Federal Reserve's decision to hold rates flat the past two months, he noted.

Mr. Krantz said SSAB has no plans for large capital expenditures in the first quarter, but otherwise, he responded "along with the majority" on the survey questions. He expects SSAB's employment and sales growth to both remain "pretty flat," but he's not complaining. "If there's any growth it's going to be flat to up slightly 2-3%. That's very good considering on average we're still working at elevated levels from the previous couple years."

A lot of the optimism in the steel industry has to do with infrastructure and energy, he explained. "We're definitely seeing some good things from the IRA (Inflation Reduction Act). That law modified and extended the clean energy Investment Tax Credit to provide up to a 30% credit for qualifying investments in certain wind, solar and other renewable energy projects.

"We supply a lot of wind tower manufacturers with plate that is formed into towers. Expect that to be strong especially as we get into second half of 2024," Mr. Krantz said.

"It's a real circular economy for us," Mr. Krantz noted. SSAB uses energy produced by MidAmerican Energy and supplies a lot of the material for MidAmerican's wind towers that generate that energy.

"We had a press event with Governor Reynolds mid-last year. SSAB was the first steel company in the world to pro-

duce a zero carbon emission plate and that steel - produced here in Iowa - was then used to build wind towers. That's pretty exciting for us here, and exciting for Iowa," he said.

The Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL), signed into law by President Joe Biden in 2021, has also been good for the steel plate demand. "We expect very strong business for bridge repair and replacement and road construction. Heavy equipment and forestry equipment are also expecting a good year," said Mr. Krantz.

"I honestly think people are being cautious. We get affected a lot by weather. The Fed announced they would cut back interest rates next year. That made (the) markets go up. There is some reason for optimism, but people are going to be cautious," said Charese Yanney, owner of Sioux City-based Guarantee Roofing, Siding and Insulation Co., LLC.

Ms. Yanney said weather is a huge factor in her business, which operates in a 100-miles radius of Sioux City. Her region has seen strong capital investment in the past five to seven years, with some companies expanding significantly, she said. Guarantee is booked through September of 2024.

Membership on the Iowa Transportation Commission gives Ms. Yanney a statewide perspective. "The northwest region is strong, but not as strong as the eastern and central Iowa. We get our fair share of new companies to land," she said. "The Cedar Rapids-Iowa City corridor has expanded significantly."

Ms. Yanney doesn't expect the year to start with a bang for her business — "It all depends on the weather," she says — but things are looking positive for Iowa overall. "I would guess the first quarter would be pretty strong for the state. I have noticed with the Department of Transportation that people are buying cars. Tax receipts are staying strong, between gas tax and taxes on new or used vehicles."

Policy Prescription: 'Stay the Course'

Things are reasonably good, say these observers, but what should policymakers be doing in 2024 to keep the ball rolling or make the economy run even better?

"We still have a little more tax cutting to do in the state of Iowa," said Ms. Yanney. "Also, it's important to keep education strong. I'm a little bit concerned about education and public schools. People look at that when planning to expand or move to Iowa. It's imperative that public education stay strong. We were at the top. We're no longer there. When the kids aren't reading and retaining and their tests scores aren't as high as they should be, that concerns me. We need to figure out the problem and fix it."

Things the Fed is doing right now" are helpful at the macro level, said Mr. Krantz. "We need to try to get mortgage rates down a bit to spur economy. At local level, when it comes to business,



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- Grant Friesth, Senior Vice President and Market President – Commercial Banking, Security National Bank of Iowa



"If there's any growth it's going to be flat to up slightly 2-3%. That's very good considering on average we're still working at elevated levels from the previous couple years."

-Jerry Krantz, Director - Commercial Business Planning, SSAB Americas

politicians in place now are very friendly to business."

"Stay the course, it's definitely helping. Find a way to get some more people to the state to help with the employment issues," he said. SSAB struggles to find skilled workers, and this issue comes up as a big concern as he talks with other business people in the state, Mr. Krantz said.

Mr. Friesth in central Iowa advises state officials to stick with the path they've been following over the past year. "The added focus and changes with the workforce and workforce development has been very positive. For quality of life, having a robust job environment is good for everybody," he said.

He's also a fan of efforts to find "creative solutions around childcare". "It's a huge issue," he said. Mr. Friesth also supports the new apprentice program being rolled out. "Helping with the State's manufacturers will be key to create a broader and deeper labor pool," he said.

"We have a solid education network in Iowa, with three great state universities. We also have a very strong community college network. We need to continue to look for ways to improve, but also continue to focus on our current strengths." ABI



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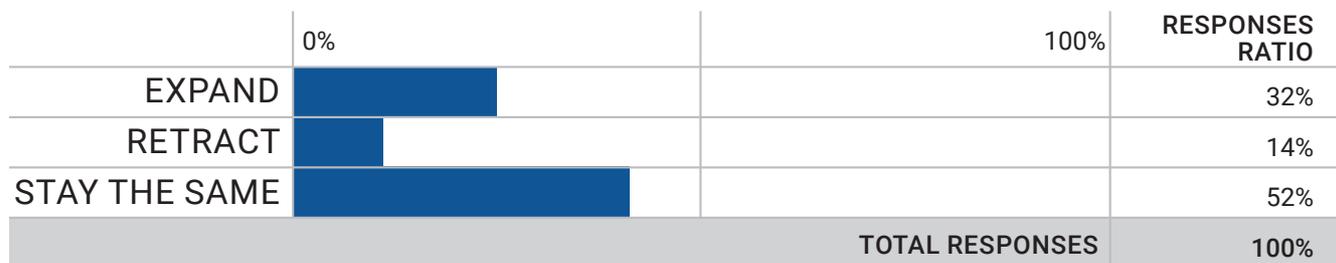
- Charese Yanney, Owner, Guarantee Roofing, Siding and Insulation

CREDIT: SIOUX CITY JOURNAL



Quarterly Business Survey Results 2024 | Q1

Over the next quarter, do you expect sales to



Over the next quarter, do you expect the number of employees in your business to



Do you plan to make capital expenditures in the next quarter?



How would you describe your overall outlook on the economy in the first quarter of 2024?



EXPERT ADVICE:

The Search Generative Experience and What it Means for Your SEO Strategy

Have you heard about Google's new Search Generative Experience (SGE)? It's still in beta testing but is estimated to launch in 2024 — and we predict it to be the biggest change to SEO in the last 10 years.

In a nutshell, SGE is an AI-powered information snapshot that will appear at the top of a results page and will allow people to get the answers they need without clicking further. It's great for people, not so much for brands trying to drive website traffic.

So, how can companies adapt to this impending change? Here's our two-part answer.

First, you'll need to figure out what people are asking (their whole question, not just simple search terms). This will help you craft and deliver the right answers on your website for Google and other search engines to easily find. If Google sees that you have the answer to a specific question, your information will be more likely to show up in the top SGE spot (with supporting links to your website for those who want to dive deeper, of course).

Secondly, structured data. Structured data is HTML code that, when organized and formatted correctly, makes it easier for humans and search engines to read



Amanda Phillips
Director of Digital Experience + Automation
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and understand your content better. Types of structured data that you can code for your website include article, breadcrumb, event, FAQ and more.

What the SEO industry experts have discovered from beta testing SGE is that websites with applicable and valuable structured data get a spot in the SGE result section more often than sites without structured data (unless it has a very high domain authority, like ESPN). So, it's a step that's proving to be worth the effort.

If you have any questions about SGE or what specific steps you need to prepare your website, our team is here to help. **ABI**



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The Iowa Association of Business and Industry (ABI) has been the voice of Iowa business since 1903. Its mission is to provide a strong, unified voice to business and industry on issues affecting Iowa employers. ABI is comprised of member companies representing all industries and sizes in Iowa's 99 counties. ABI members employ more than 330,000 Iowans.

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