

April 2016



BUSINESS GURUS

To whom do Iowa leaders turn for advice?

Dan Beenken program manager for Advance Iowa









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Iowa Association of **Business and Industry**

Iowa Association of Business and Industry. "The Voice of Iowa Business since 1903" is the largest business network in the state (serving as lowa's state chamber) with a long legacy of advocating for a competitive business climate in Iowa. ABI offers its nearly 1,500 member companies and their employees opportunities to network, learn best practices in lean processes workforce, workers' compensation, controlling health care cos employee drug testing, environmental issues and leadership. ABI works "to foster a favorable business, economic, governmental and social climate within the State of Iowa so that our citizens have the opportunity to enjoy the highest possible quality of life.

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A VIEW FROM THE TOP



Paul Gregoire ABI Chairman Emerson/Fisher Marshalltown paul.gregoire@emerson.com

Emerson's Buzbee the definition of business guru

One of the things I appreciate most about being a part of the team here at Emerson is the opportunity to work with some great people. One of the best is the longtime CEO of our company, Terry Buzbee. When someone mentions a "business guru," I think of Terry.

That's what the feature story of this edition of Business Record Iowa is all about. Business Gurus: to whom do you turn for advice?

When you read the feature story, I believe you will enjoy learning about - and learning from – these great people. You will find some great ideas to help your company, and I hope that if you have some best practices that work, you will share them.

By the time you read this, the 2016 ABI Taking Care of Business Conference will be a little more than two months away. Now is the time for you to finalize your plans to attend this year's event, which serves as ABI's 113th annual conference. There is no better investment you can make in your business than to attend this event in Sioux City June 14-16.

Your entire management team will find value in the conference. Young professionals and future leaders will also find the conference particularly educational. Do you want to hear from nationally known speakers? Do you want to see first-class venues, experience terrific Iowa hospitality and interact with Iowa's top business people, network with your peers and make sales? You can do all of that at the conference. Please go to abitakingcareofbusiness.com and register! I encourage you to bring three or four future Iowa business leaders to this event as well as your proven leaders.

By the way, when it comes to driving matters that positively affect Iowa, my frequently shared belief of "Why not ABI?" was demonstrated again last month. During Iowa Business Day on the Hill, ABI leaders visiting the Capitol helped drive a tax policy breakthrough that will help our state grow. Who can help lead Iowa to bigger and better things? Again I say, "Why not ABI?" Thank you again for helping us make a difference.

EMBARRASSED EXECUTIVE

Q: I need to terminate an employee, effective immediately. Where do I start?

A: A lot of business owners are unsure of what needs to happen in order to terminate an employee. Here are the three most common questions we are asked by our clients when this business decision comes up.



John Hovey President, Focus OneSource jhovey@focusonesource.com

- 1. I just discharged an employee and they are asking for their last paycheck immediately. Do I have to give it to them right now? Answer: No, not in the state of Iowa. You are, however, required to pay all wages owed to the employee by the next regularly scheduled pay cycle.
- 2. If I give an employee the option to resign, am I still potentially responsible for unemployment compensation? Answer: Yes. Resignation in place of termination does not guarantee removal of the employer's unemployment obligations.
- 3. If I am eliminating a position and the recently terminated employee asks for a letter of separation, am I obligated to write one? Answer: While there is no requirement to write a letter of separation, you can supply one for an employee at your discretion. We recommend you do not write a letter of separation if the reason for the discharge was due to "difficult situations."

Make sure you contact a human resources professional and/or legal counsel before making any termination decisions, if possible.

EVENT REWIND



A CUSTOM PUBLICATION FOR ABI







ABI and NFIB members visited the Statehouse to speak with lawmakers about issues important to lowa businesses, including coupling state tax code with federal tax code and a clarification of the sales and use tax exemption for consumable supplies used in the manufacturing process. Both issues were addressed in legislation that was debated and passed on March 15, lowa Business Day on the Hill.

Iowa Business Day on the Hill participants gathered for a reception March 14 at Scenic Route Bakery. They heard from legislative leaders including House Majority Leader Rep. Chris Hagenow (pictured addressing the crowd in the photo on the left) and Speaker of the House Rep. Linda Upmeyer (pictured speaking with members in the middle photo).













Before heading to the Capitol, participants heard from ABI and NFIB lobbyists about legislation under consideration. They also heard from Jim Gerlach (far left), CEO of the Business and Industry Political Action Committee (BIPAC) and Jordan Forbes, a federal lobbyist for NFIB.

BY THE NUMBERS

28 percent of Iowa employers interviewed for the most recent Manpower Employment Outlook Survey say they *plan to hire* more employees during the second quarter – April through June 2016.

Another **67 percent** expect to maintain their current workforce levels. The hiring outlook in Iowa is *stronger* than in other states and *stronger* than it was during the first quarter, when the Net Employment Outlook was **15 percent**.

Of the more than **11,000 employers** surveyed throughout the U.S., **22 percent** plan to add to their workforces, while **4 percent** expect a decline in their payrolls.

GET TO KNOW

MEET OUR NEWEST ABI MEMBERS

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www.iowaabi.org/membership/why-abi.



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CAPITOL BUSINESS



Legislature passes ABI priorities



Nicole Crain

Senior Vice President,
Public Policy

ncrain@iowaabi.org

The 100th day of the Iowa legislative session – the day lawmakers' per diem runs out – is just 11 days away. This is the goal date when legislators hope to adjourn for the year.

So far, this session has been a successful one for the Iowa Association of Business and Industry and its members. In March, the Legislature passed with overwhelming bipartisan support and the governor signed a significant tax bill that addresses two of ABI's priorities.

First, the legislation couples state tax law with federal tax law for the 2015 tax year. This is critical for small businesses that take Section 179 expensing for equipment purchases and had reasonably anticipated coupling would occur as it has in the past.

The bill also included a clarification in the Iowa Code of the sales and use tax exemptions for supplies used in manufacturing. ABI has been working to implement this legislation for the past three years. This is an all-around good policy that makes it easy for taxpayers and state administrators to understand which purchases qualify for an exemption.

ABI has also successfully prevented several pieces of bad-for-business legislation from moving forward. Just a few examples include legislation that mandates coverage of certain medical conditions, proposals that would change the burden of proof in wage discrimination cases and mandates for paid time off in excess of medically provided or other leave for prenatal visits. Not only would the proposed legislation have increased the administrative burden for employers; it would have provided opportunities for frivolous lawsuits against employers.

ABI members are critical to defeating bad legislation and educating lawmakers about the importance of good tax policy. This session is an example of how your voice matters and that legislators listen to your concerns. Make sure you stay engaged once the Legislature has adjourned.

APRIL 7-8

Leadership Iowa Session VI: Public Safety

Council Bluffs | 10:30 a.m.

APRIL 8

Legislative Update Teleconference (members only) 9 a.m.

APRIL 27

Creating a Drug-Free Workplace: Beyond a Drug Testing Program ABI Office | 400 E. Court Ave., Suite 100 | Des Moines | 8:30 a.m.

MAY 4

ABI Board Meeting (invite only)

Emerson/Fisher, Marshalltown | Noon

MAY 20

Legislative Update Teleconference (members only)

9 a.m.

JUNE 14-16

2016 Taking Care of Business Conference

Sioux City

AUGUST 29

ABI Executive Open

Des Moines Golf and Country Club | West Des Moines



Visit www.iowaabi.org and click the "Events" tab for details on upcoming events.

Reach Iowa's Top Business Leaders this June.



Don't miss this once-a-year advertising experience. Present your business to an additional 600 of the state's top influential leaders in a special issue of Business Record Iowa.

Each attendee of the Taking Care of Business Conference will receive a complimentary copy of Business Record Iowa on their pillow Tuesday evening, June 14th. Will your message be the one they dream about all night?

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Business Record IOWA | April 2016



program manager for Advance Iowa

Being in charge of a company or business can mean overseeing employees, filling job positions, managing budgetary information and, in general, having many more responsibilities.

The person in the boss's office is expected to balance all of these things and keep the company on track, but this can lead to questions about how to do all of this effectively and in the best interest of the company.

"Sometimes it's lonely at the top," said Bryan Arzani, co-founder and vice president of The Results Group LLC, a consulting firm that helps business owners and executives with employment development needs. "They don't have a lot of people as a sounding board. They don't have a peer because they're at the top. They don't want to talk to a subordinate because that can cause instability or concerns."

That's why many chief executive officers and business managers from industries such as service, manufacturing, government, nonprofit and more turn to professional consultants and third-party firms to provide them with guidance and advice about how to handle these issues and other concerns.

A professional consultant or business coach can provide CEOs and managers with the clarity they need and educate them about all aspects of business from leadership to financial issues to marketing, said Monte Wyatt, owner of ActionCOACH Business Coaching.

Once an executive or manager utilizes the help of a consultant, the business can have greater focus, which can lead to revenue growth, additional employees or even selling the business for a profit, Wyatt said.

CONSULTANTS GUIDE EXECUTIVES, BUSINESS MANAGERS TO MAKE DECISIONS, HANDLE ISSUES

Wyatt said executives and managers need to be made aware of opportunities and challenges in order to help their organization, and to ensure that their mission is understood across all levels of the business

"It starts with me asking a lot of questions that they may not have ever asked themselves or no one has ever asked them,"

A business consultant or coach will help an executive create a plan and guide them to implement it and use it for their business. That expert will then hold the executive or manager accountable for the goals and actions they've committed to making.

Wyatt gives his clients a 90-day action plan to follow and stays connected with them throughout the 90-day period and afterward to ensure they're making progress and taking action. He works with the CEOs or owners of about 22 fast-growing businesses and helps provide them with strategy about the future growth of their companies, how to engage their teams and employees, and ways the companies can operate more efficiently.

"Their sales are growing, but their inside effectiveness may not be growing as fast as the outside," he explained. "My goal is to teach them to be the best CEO and business owner possible, and give them new habits and skill sets for them or the organization."

EMPLOYEE DEVELOPMENT, RETENTION QUESTIONS DRIVE NEED FOR PROFESSIONAL HELP

The successful growth of a company can mean the need to hire additional employees. To meet those demands, executives and business managers must ensure that they hire qualified employees with the skills and the personalities needed to perform their duties, know how to retain those employees and create a company culture that makes employees feel valued. Or the company may be in the opposite position and need to trim its workforce in order to operate more efficiently.

Arzani said an employee development consultant can assist a business manager in knowing whether an employee will fit within the organization and then provide them with the necessary tools to be successful.

One of the areas where Arzani's company assists businesses is helping them decide which employees to hire and training their technical employees to have the capacity to work in a client-interaction role. The Results Group helps determine the employee's behavior, their drive, how they process information and how their personality plays into their role as an employee.

Through consulting services such as this, executives and managers - The Results Group's clients include businesses in the oil and gas, insurance, financial, heavy construction and distribution industries - can learn whether an employee is wired to interact with clients rather than throwing that person into a position where they are destined to fail. The bosses are able to understand the personality of the employee and the skill sets that best suit them rather than forcing them to be something they are not, and then providing the employee with the training that is necessary to place them into the appropriate position.

An employee development consultant also helps executives identify potential leaders and how to train them, how to position employees into the best roles for the talents they possess, and how to give employees the training they need in order to be more successful, Arzani said.

Des Moines Area Community College's Business Resources program works with businesses, various manufacturing indus-





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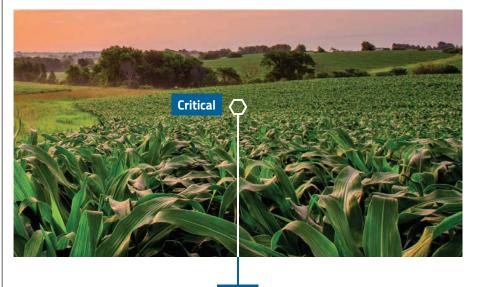


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Mass



(Business owners and executives) don't have a lot of people as a sounding board. They don't have a peer because they're at the top. $_{\Omega\Omega}$

Bryan Arzani, co-founder and vice president, The Results Group, LLC

tries, information technology companies, government agencies and nonprofit organizations in 22 Iowa counties to find talented employees by providing necessary technical training.

For example, if a larger manufacturing company like Vermeer Corp. in Pella needs trained welders, DMACC's Business Resources program will assist the company in finding prospective employees and giving them the technical training they need to do the job, said Kim Didier, executive director of the program.

Business Resources also provides leadership and management skills for executives and managers.

"We help them train and make the business as a whole more successful," Didier said.

The program assists with "lean manufacturing" in which it helps manufacturing companies find ways they can operate more efficiently through examining processes, workloads for employees and machinery, various aspects of their operations, the number of product defects and more.

Small to midsize companies need the help of an outside consultant, Didier said, because they need to devote their attention to increasing the bottom line.

"Through organizations like ours, you can find that subject matter expertise that will help you go to the next level," she said.

PROGRAMS FOCUS ON MIDSIZE BUSINESSES, CREATE PEER SUPPORT GROUPS

The University of Northern Iowa's Advance Iowa program serves midsize companies between 10 and 100 employees located mostly in central and eastern Iowa.

"Our whole concept is there are quite a few services and resources for startups – folks who are just getting started – and on the other hand of the spectrum are the larger companies who can afford to do whatever they want to," said Dan Beenken, the program manager for Advance Iowa, which falls under UNI's Center for Business Growth and Innovation. "Those companies in the middle are kind of squeezed a little bit. They also happen to be the largest subset that provides jobs in the state."

He said the success of these midsize businesses is vital to Iowa's economy, especially rural Iowa, because they can employ most of the people within a community.

The success of a business is often why the owner needs outside assistance. Many times the owner of a smaller or midsize company is the founder and started the business as the only employee.

Before they know it, "they've grown to the point where they're not doing the work, but they're managing everyone else who is," Beenken said. "That's a completely different skill set than they started with. All of a sudden, they're facing completely different challenges than they did in the beginning. ... We're trying to help that person with what we call the 'Loneliness at the Top' feeling."

He said when business owners have a major decision to make, they may consult their spouse, a good friend or a professional acquaintance, but the advice they receive may not be exactly what they need because it's not from an equal.

"Oftentimes, he feels very lonely in terms of people who can relate to situation he's in and offer really robust advice," Beenken said.

This is where groups such as Advance Iowa step in to provide assistance. Most consulting firms start with a strategic needs assessment of the business to find out its history and its future goals: Where does the company plan to be in five years? Have the owners and managers considered this?

"Sometimes that in and of itself, asking questions, really opens their eyes to some things," Beenken said.

Advance Iowa offers services in five major areas:

- · Chief executive officer roundtables, where business owners and managers can meet with peers throughout Iowa to talk with colleagues who are also running businesses and have similar concerns or have handled similar situations. Issues that are raised are revisited during the next month's roundtable, so business managers are held accountable as to whether they've put the changes in place or taken action on the issue.
- Strategic planning about how to look toward the future and the company's bottom line, rather than measuring the company's current checking and bank account balances. Companies need to consider whether they're making more money year after year, if the business is truly growing, or if they're just treading water, as well as their strengths, weaknesses and opportunities as a business.
- Succession planning to ensure that business owners have a plan for the future of their company and their employees should the owner get sick and can no longer manage the business or die prematurely.
- Financial benchmarking and financial-based consulting work to help business owners and managers learn their key metrics, whether they're operating as efficiently as they can, and, if they're losing money, what can be done
- Market intelligence research so business owners can learn how they compare to their competitors and the industry.

IOWA ASSOCIATION OF BUSINESS AND INDUSTRY

Business owners: It's time to prepare for the unexpected

Like most business owners, you spend a lot of time integrated in your business, learning about and dealing with unexpected hurdles to keep it growing and thriving. But are you prepared if an illness or injury kept you from working?

According to the 2015 Principal Financial Group Business Owner Survey, conducted by Harris Interactive, business owners prioritize protection of their business first, personal income second and providing health and wellness solutions for employees third. Surprisingly, very few businesses have protection solutions in place for their top two priorities.

It's time to align your financial strategies with your business priorities to help keep you, your business and those that rely on the success of your business protected.

1) PROTECT YOUR BUSINESS:

- Risk Management Planning Overhead Expense insurance reimburses you for fixed business expenses, such as lease or mortgage payments, business-related loan payments1,2 and employee salaries during a disability.
- Key Person Protection Key Person Replacement insurance provides benefits to your business if a key person becomes totally disabled.2
- Succession Planning Disability Buy-Out insurance provides the funding to

help buy out a disabled partner under a buy-sell agreement.

2) PROTECT PERSONAL INCOME with individual Disability Income (DI) insurance. It helps provide you and your employees (if you choose) with income during a disability. You can also consider solutions that help protect the ability to save for retirement in the event of a disability.

3) WORK WITH A FINANCIAL **PROFESSIONAL** to help you find the right solutions for your business, you and your employees.

Don't let a disability derail your business's future success. Take steps now to align your financial strategies with your business priorities.

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Matt Bral, CFA (top) Tony Niedert, RICP Senior Financial Services Representatives, Principal Financial Group Midwest

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AHEAD OF THE CURVE

Leadership Iowa nominations due May 1

What alumni are saying:

"If not for Leadership Iowa, I would not have known about all the issues impacting our state and how I can make a positive impact by educating myself and others. I am more aware of how I can get involved and help our state, communities and citizens. I feel empowered and hopeful and am proud to have had the opportunity to get involved!" - Nichol Toomire, Alliant Energy Corp., Ottumwa

If not for Leadership Iowa, I would not have the insight into the way Iowa really works. I am inspired to use my new knowledge and statewide contacts as a springboard to help Iowa move boldly forward into the future."

- Joe Lock, Affordable Housing Network, Cedar Rapids

The deadline to submit Leadership Iowa (LI) nominations is approaching quickly! Nominations for the 2016-17 class are due May 1.

Leadership Iowa was established in 1982 with one simple goal: to instill a passion in the state's current and emerging leaders while fostering a high level of civic engagement.

Leadership Iowa offers participants a wide range of experiences and insights that focus on the issues and challenges facing our state and our communities today. The program equips leaders to better appreciate and understand the condition of the entire state.

Participants walk away with an expanded network of trusted professionals, a greater understanding of issues challenging the public and private sectors and inspiration for increased civic engagement.

Do you know someone who is a perfect fit for Leadership Iowa? Nominate him or her today at www.leadershipiowa.com.

11B



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