



Industry Insights Report 2020

Results from the 2018-19
Cedar Valley Regional Partnership
Survey of Existing Business
April 2020



Black Hawk | Bremer | Buchanan | Butler | Chickasaw | Grundy

Business Background

57 Businesses

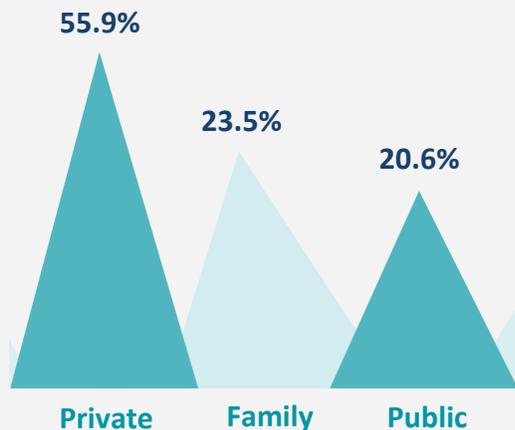
Manufacturing—59.6%

Professional, Scientific, & Technical 12.3%

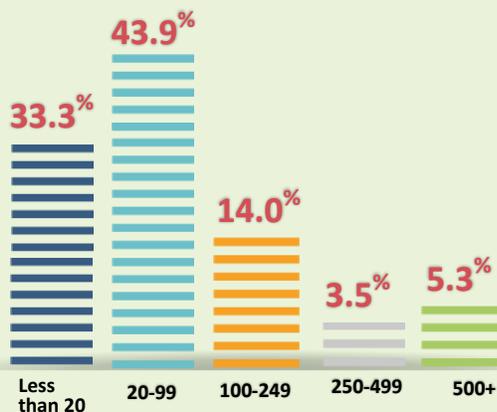
Wholesale Trade—12.3%

Other—15.8%

Type of Ownership



Number of Employees



The Cedar Valley Region's Business Retention and Expansion program utilizes the Synchronist Business Information System® developed by Blane Canada Ltd. as a tool to interview area businesses. Synchronist is designed to collect, analyze and report company data to give decision-makers valuable insight about the regional economy and plan economic programming to compliment the survey findings.

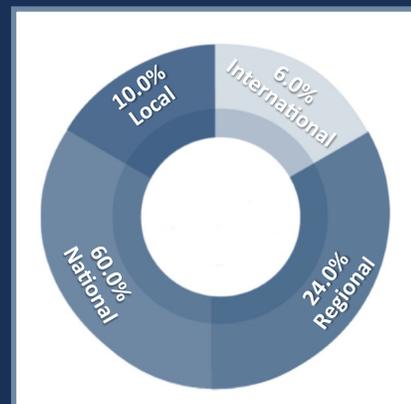
The BEST of the Cedar Valley team completed 57 interviews from May 2018 to August 2019.

Geographically, the participants were located in the following counties:

- Black Hawk 56.1%
- Buchanan 26.3%
- Bremer 12.3%
- Chickasaw 3.5%
- Butler 1.8%

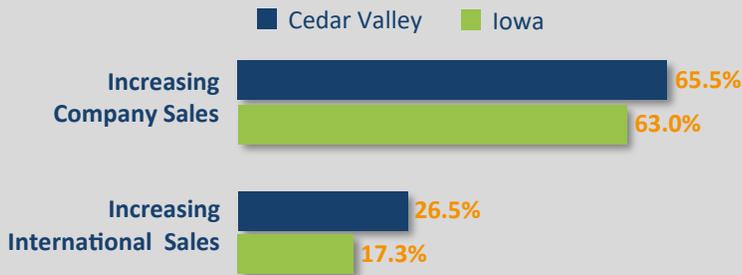
Primary Market

Almost two-thirds of companies reported their primary markets as National or International.



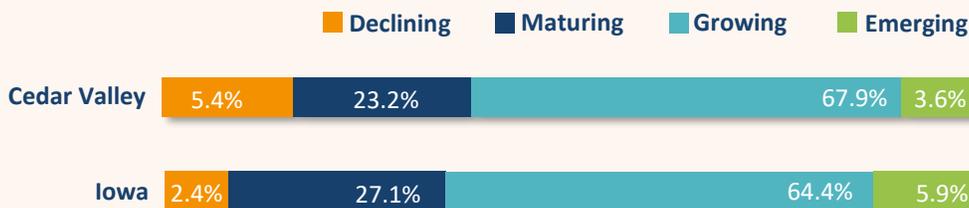
Key Performance Indicators

Sales



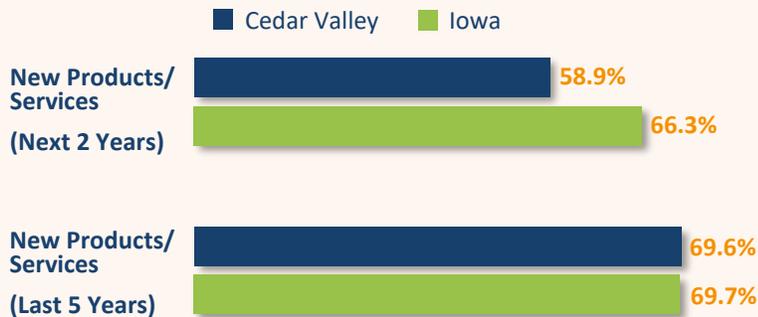
A higher percentage of Cedar Valley businesses reported increasing company sales compared to State of Iowa data. The Cedar Valley also had a higher percentage of companies reporting increasing international sales compared to the State of Iowa.

Product Life Cycle



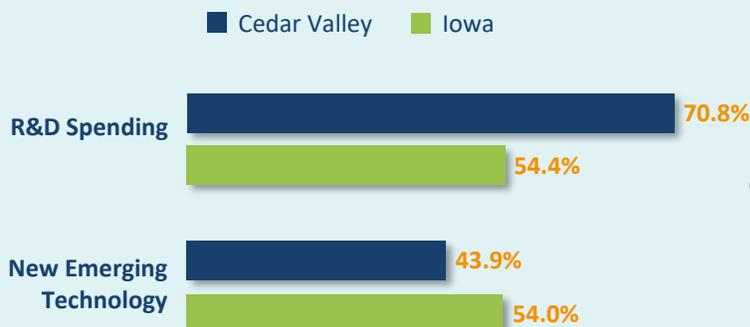
A slightly higher percentage of Cedar Valley businesses stated that the product life cycle for their primary product/service was growing compared to the State of Iowa data.

Product Investment



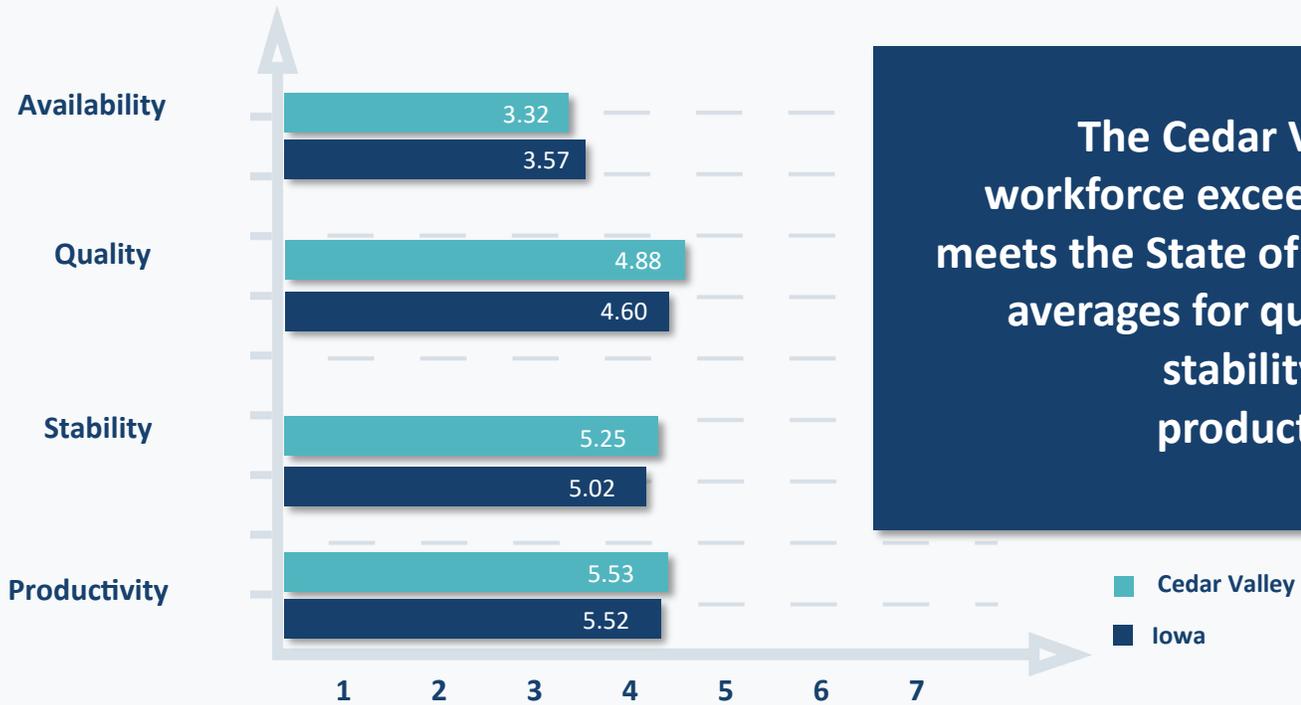
The percentage of businesses in the Cedar Valley that invested in a new primary product/service over the previous 5 years was comparable to Iowa data. However, the percentage of businesses in the region that had plans to introduce a new product/service in the next two years was lower compared to Iowa.

R&D /Technology



Businesses of the Cedar Valley invest significantly more in research & development as compared to the State of Iowa data. A lower percentage of Cedar Valley businesses anticipate new technologies will substantially impact how they conduct business compared to businesses statewide.

Workforce Characteristics



The Cedar Valley workforce exceeds or meets the State of Iowa averages for quality, stability and productivity.

76.4% have **Recruitment Problems**

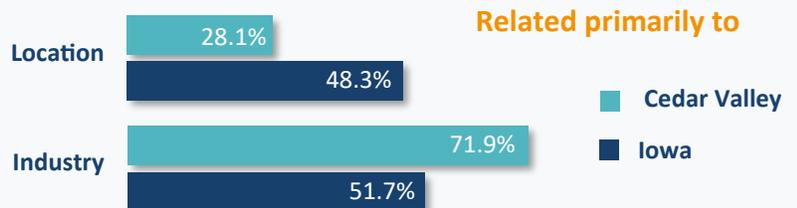
Common Difficult to Fill Positions:

- Welders
- Machinists
- Truck Drivers
- IT/Software
- Engineers

78.1% of companies reporting industry-related recruitment problems are

Manufacturers

Recruitment Problems



Employee Training

Increasing 31.4%
Stable 64.7%

Training Budget Allocation:

- New Job Skills—50.6%
- Proficiency Training—20.0%
- Remedial Skills—7.3%

Expansion Plans

**No Room
for onsite
Expansion**

**54.4%
No**

Over two-thirds of the companies with less than 20 employees and over half of the companies with 100 or more employees stated they did not have room to expand at their current location.

**Community
may not be
Considered
for
Expansion**

**34.5%
Yes**

The primary reason the Cedar Valley Region would not be considered for future expansion was workforce availability.

Total investment is estimated over \$282 million.

75.0% investment in real estate & construction.

An estimated 335 new jobs could be created.

86.4% believe the community's technology infrastructure is adequate for growth plans.

64.6% have no room for expansion at their current location.

31.8% said there are reasons the community may not be considered for future expansion, mostly due to a lack of skilled workers.

39.3%

of companies have plans to expand in the next 3 years.

Key Findings

Strengths & Weaknesses

Quality of life was identified most often by companies interviewed as a major strength of their community and the region. Companies also mentioned the quality of the people, the small town atmosphere of the communities and recreational activities as examples of positive quality of life factors. Other strengths frequently mentioned by companies included the community's business climate, workforce/labor market attributes, customer/supplier accessibility and the transportation system.

The lack of available workers, including both skilled and unskilled workers, was the most frequently identified regional weaknesses by businesses interviewed. The other most frequently identified was transportation related, such as inadequate passenger air service and the lack of public transportation. Labor and workforce issues were identified as the top barriers of growth for the region by the businesses interviewed followed by the availability or cost of building and land.

Adverse Legislation

Among the businesses interviewed in the region, 43.6% of the companies stated they anticipate federal, state or local legislation changes that will adversely affect their business in the next five years. Tariffs, such as those on soybeans, steel and aluminum, was the most frequently identified legislative and regulatory changes. Other legislative and regulatory changes identified include a tax on credit unions, eliminating the right to work laws and the online sales tax.

Technology-Related Opportunities & Challenges

Over a third of the businesses interviewed mentioned new products or product improvements that were impacting them, including 3D imaging or printing, artificial intelligence and coating improvements. Businesses also identified new technologies in the area of production systems/equipment, including 3D printing and automation robotics.



For more information, please contact:
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