

Business Retention & Expansion Report – 2015

Ankeny Business Retention and Expansion Program

Communities recognize that helping existing businesses survive and grow is a vital economic development strategy. The Ankeny Business Retention and Expansion Program is designed to assist local businesses thrive and expand in the city. While attracting businesses from outside the community and encouraging new business start-ups are important components of any economic development strategy, research has shown that up to 86 percent of new jobs are created by businesses already in a community.



Ankeny's Business Retention & Expansion Program is a comprehensive and coordinated community approach to assist existing businesses. The program is a sub-committee of a larger group, called the Ankeny Alliance. The Ankeny Alliance is a partnership between the City of Ankeny, Ankeny Economic Development Corporation, and Ankeny Area Chamber of Commerce.

Visiting current businesses and learning their concerns is only one component of the program. The program builds awareness in the community of issues that businesses face and builds capacity for the community to address these issues. The program also assists local leaders and

community members in working together to provide solutions to business concerns.

Objectives

The Ankeny Business Retention and Expansion Program has the following objectives:

- to demonstrate support for local businesses;
- to help solve immediate business concerns;
- to increase local businesses' ability to compete in the global economy;
- to establish and implement a strategic plan for economic development; and
- to build community capacity to sustain growth and development.

Business Engagement

The Ankeny Business Retention and Expansion Program is led by a committee consisting of members of the Ankeny Alliance. Each of the three organizations that make up the Ankeny Alliance have at least two representatives on the committee. Committee members represent specific industry sectors and economic development partners. This diversity allows the committee to provide maximum value to participating companies by providing resources that are aligned to meet the expected needs of local businesses, such as job training, energy, finance, international trade, etc. The City provides overall program coordination and administrative functions.

Each committee member is responsible for selecting a business every month from a targeted list of local businesses to interview. Once selected, letters are sent to businesses requesting a meeting with a committee member. Following each visit, interview responses are entered into the Synchronist survey database.

Monthly committee meetings with members of Ankeny's economic development organizations, regional economic development partners, and local business professionals allows for quick and thorough follow-up of any pressing issues facing businesses, whether it be international trade assistance, difficultly filling positions, infrastructure issues, site limitations, energy related issues, or other issues.

In the first 18 months, between July 2014 and December 2015, the committee completed 60 formal business retention visits. The results that are identified in this report reflect the aggregate response of those 60 interviews.



Committee Members

Several community leaders representing local and regional economic development organizations participate as committee members. This group visited businesses, addressed warning flag issues, and followed up with pressing concerns. The committee currently includes the following members:

- Larry Anderson – Central Bank
- Joey Beech – Ankeny Economic Development Corp.
- Troy Boelman – Northwest Bank
- Jacki Boldt – Des Moines Area Community College
- Deb Calvert – MidAmerican Energy
- Ryan Carroll – Greater Des Moines Partnership
- Lindsay Fox – City of Ankeny
- Tom Friedman – First National Bank Ankeny
- Derek Lord – City of Ankeny
- Jeff Saddoris – The Anderson Companies
- Jennifer Walter – First National Bank Ankeny
- Amanda Weathers – The Lauridsen Group

Executive Summary

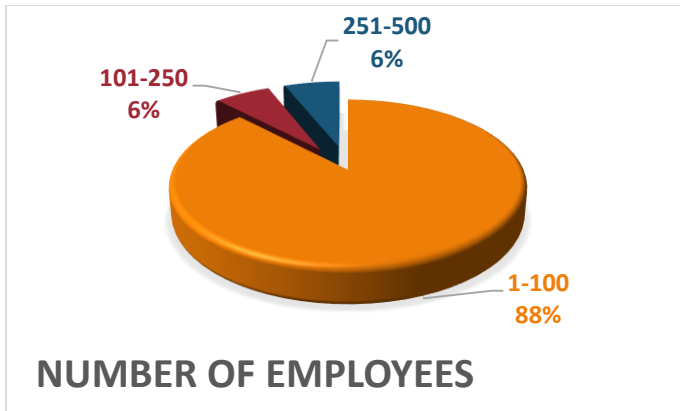
Of the 60 formal visits conducted during this time period, 38 were with companies who had previously not been involved with any business retention outreach efforts.

Through these 60 formal visits with local businesses, the following trends were discovered:

- 88% of businesses visited indicated they felt they had enough room to meet expansion needs in Ankeny
- 68% of businesses visited have released new products or services in the last 5 years
- 61% of businesses visited indicated increasing sales, while only 2% indicated that sales were declining
- 39% of businesses surveyed stated mergers and acquisitions are increasing in their industry
- 41% of businesses surveyed had plans to expand in the next 3 years
- 23% of businesses surveyed rated the availability of workers low, while 23% rated the availability of workers high
- The top two community strengths are location and positive business climate
- 38% of respondents have open unskilled labor positions

Overall, the business interviews reveal a vibrant economy where all sectors, including advanced manufacturing, business services, information technology, logistics, and distribution are strong and growing. Ankeny businesses are responsive to market changes and continually seek new opportunities to increase sales. Many businesses interviewed are capitalizing on the improving economy by expanding, modernizing, and innovating to improve their results. Several Ankeny businesses own their facilities and had the foresight to acquire additional land for future expansion.

Ankeny business owners speak highly of Ankeny's amenities for businesses and families, and its tremendous growth. Several said the community "shows well" when current and prospective clients visit Ankeny. However, Ankeny's desirability is putting pressure on real estate prices and the transportation system. The overall strength of the economy in the Des Moines Metro is making it increasingly difficult to fill open positions.

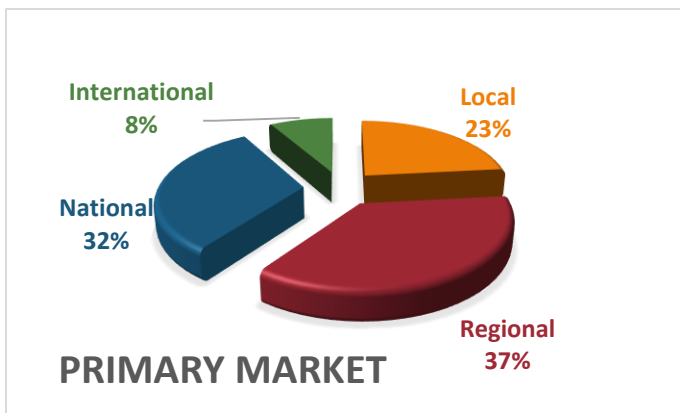


Number of Employees

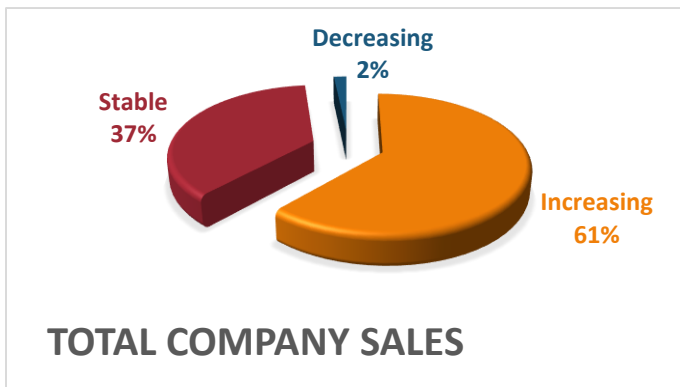
A broad range of businesses were interviewed, ranging from two person office businesses to nearly 500 employee manufacturing businesses. This breadth in scope was intended to capture results that represented the diversity of businesses currently operating in the city and provide results that would accurately represent all businesses in Ankeny.

Primary Market

During the interviews, companies were asked about their market. For the purpose of the survey, the definitions of “local” and “regional” markets are quite broad. These descriptions are working descriptions based on how the executives described their own markets.

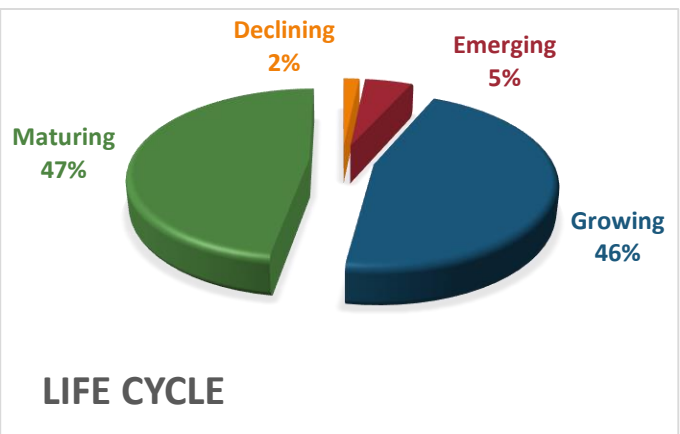


About 37 percent of participating companies cited their primary market being mainly regional. Due to Ankeny’s close proximity to interstates 80 and 35, companies often cited choosing this location as a major advantage for those who work regionally and need to transport goods to other metro areas across the Midwest. Several executives noted that there is demand for their products globally, but they have chosen not to pursue these markets to avoid dealing with the complexities of international trade; however, several executives expressed interest in learning more about international trade assistance.



Total Company Sales

The survey data shows that 61 percent of companies experienced increased sales. Most noted that sales growth ebbed and flowed with the national economy, though not as severely as may have been felt in some regions. A healthy 98 percent of surveyed companies had stable or increasing sales and only 2 percent noted a decrease.



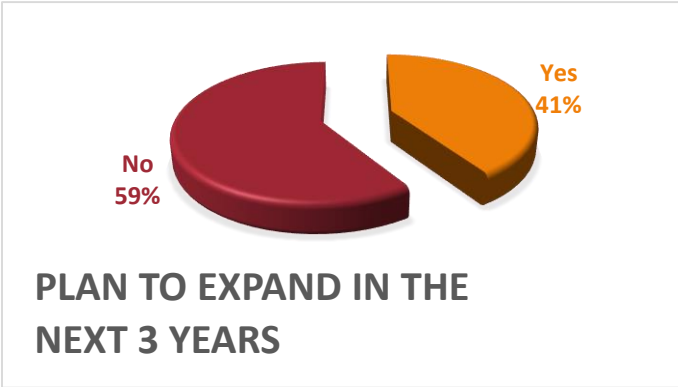
Life Cycle

During the evolution of a business, companies go through the stages of the business life cycle and encounter different challenges that require different solutions. When asked about the life cycle stage of their business, nearly the same the number of respondents felt they were growing (46 percent) as maturing (47 percent).



Merger, Acquisition & Divestiture Activity

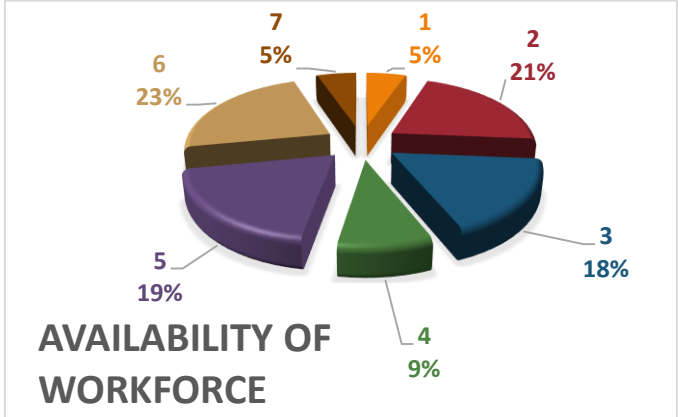
Another factor contributing to Ankeny’s very stable business climate is the merger, acquisition, and divestiture activity. Sixty-one percent of surveyed businesses report that merger and acquisition activity is stable within their industry; however, 39 percent reported activity increasing. Mergers and acquisitions have increased globally and can have a significant impact on local economies.



Plan to Expand in Next 3 Years

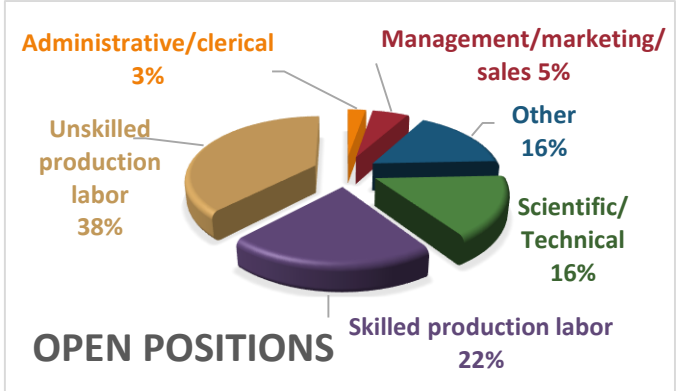
Facility expansion is one key indicator that the Business Retention Committee tracks. In the survey period, 41 percent of companies said they have plans to expand their facility in Ankeny in the next three years. Several had an immediate need that was uncovered by the committee; however, most businesses owners anticipated the need toward the end of the three-year period when asked specifically about their timeline for expansion.

Conversely, 59 percent have no plans to expand during the next three years. Though, some executives are delaying expansion because of the somewhat unknown economic health of the national and international economies.



Availability of Workforce

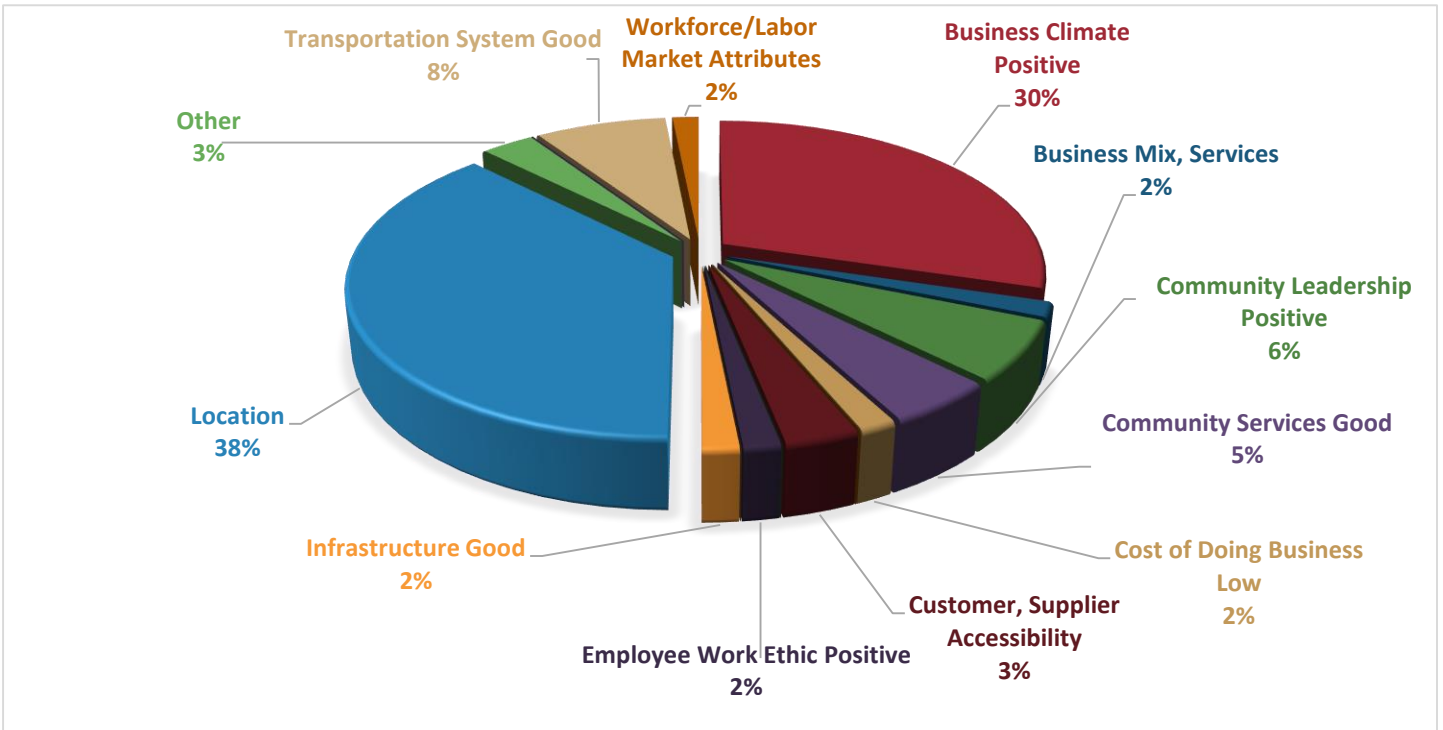
Availability of workforce is rated on a 1-7 scale with low availability being a 1 and high availability being a 7. Several surveyed companies rely heavily on the trucking industry and cited struggles with finding truck drivers. They noted that once they were able to find them, they tended to be loyal, but they were hard to find. The committee connected several businesses with DMACC to connect recent graduates and alums with local employers seeking drivers and other skilled positions.



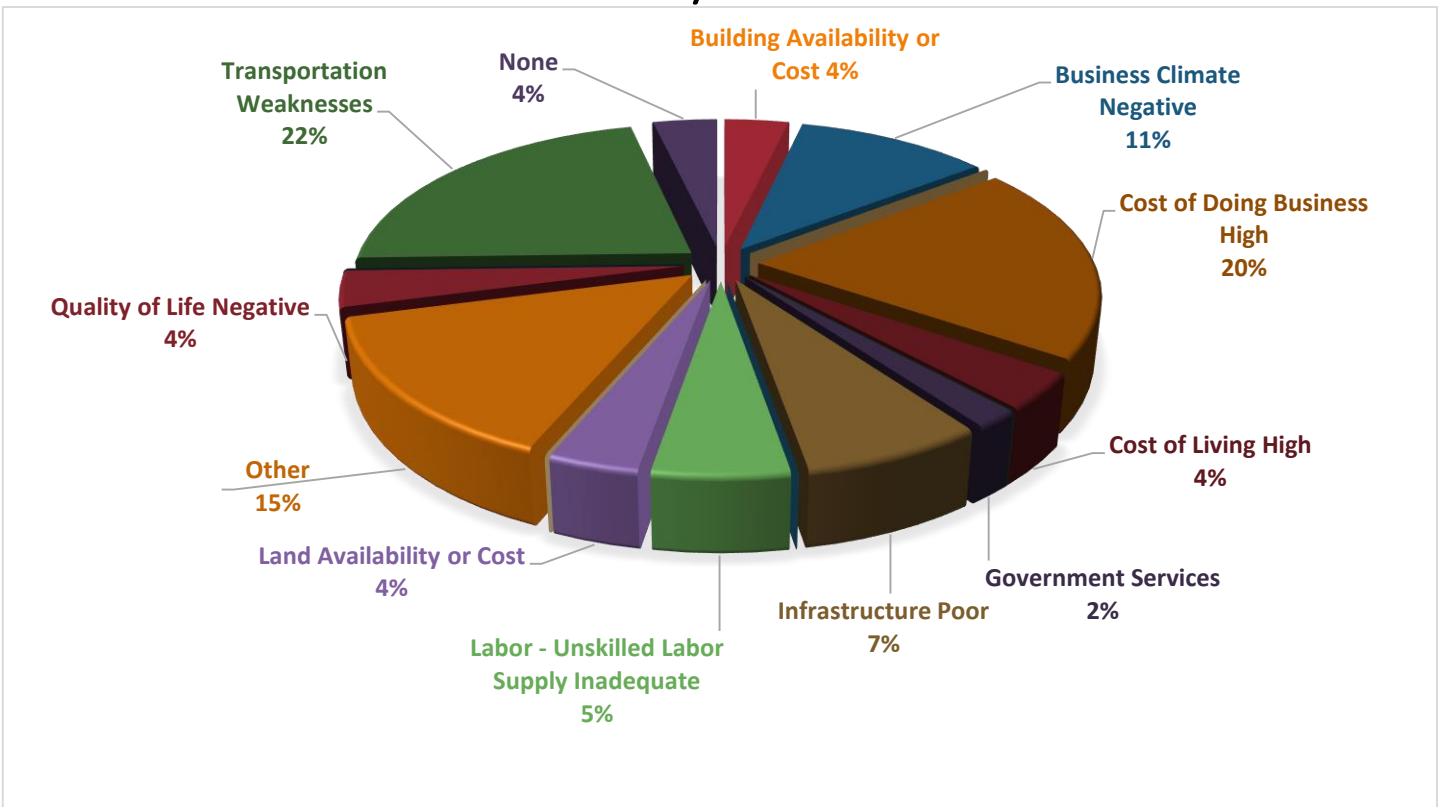
Open Positions

When asked about the current available positions, 60 percent of businesses reported that they had open positions in either skilled, or unskilled labor. This aligns with Ankeny’s strong presence of manufacturers. The Ankeny Alliance Workforce Development Committee, as well as several regional partners, have implemented new programs to help educate students on the need for skilled positions in Ankeny and encourage them to consider middle skills jobs. This is part of a national push to change the stigma tied to many of these jobs and the changing face of manufacturing.

Community Strengths



Community Weaknesses



Conclusion

This year's key takeaways are:

- Ankeny has a healthy and diverse business community that is adapting to changes in the marketplace and growing their businesses
- The 60 businesses surveyed are generally happy operating in Ankeny
- Several businesses have plans to expand and have ample room to expand in Ankeny
- Workforce needs are a growing concern among business owners, especially skilled and unskilled production positions
- Ankeny' location, business climate, and access to the interstate are all positive, while congestion and the cost of doing business is a concern for many business owners.

Businesses Visited

The community greatly appreciates the willingness of participants to help the committee understand their needs. Survey responses are confidential, yet it is important to recognize the 60 participating businesses. Thank You!

72 Degrees
Accumold
ACH Foods/Tone's Spices
AgVision
Airgas
Ankeny Cold Storage & Custom Meat Processing
Ankeny Sanitation
Baumberger & Sons
Bernie Lowe & Associates
C & A Transportation
Chicago Tube & Iron
CJM Financial
Contech Engineered Solutions LLC
Dickten Masch Plastics
DRA Properties
Embria Health Sciences
Exec 1 Aviation
Field Paper Company
Higher Rock Creative Studio
Industrial Refrigeration Services
Innovative Lighting
Iowa Alcoholic Beverage Division
Iowa Concrete Paving Association

Iowa Golf Association
Iowa Soybean Association
Kinzler Companies
Lauridsen Group, Inc.
Mad J Logistics
Meade Computing
Midwest Viking
Moehl Millwork
Moeller Engineering Services
Monsanto
Motion Industries, Inc.
Mrs. Clark's Foods
MSA Professional Services
New Horizon Cuisine
New Horizons Adult Day Center
Northstar Power Company
Old Dominion Freight Lines
Oldcastle Materials Group
On With Life
Perishable Distributors of Iowa, Ltd.
Praxair
Premier Plumbing
Premier Technology
PurFoods
Remington Hybrid Seeds
Robert Half International
Rural Electric Supply Cooperative
Shorr Packaging
Siemens Building Technologies
SPAL USA
Specified Systems
SYSCO Food Services of Iowa
Tailgate Clothing Company
The Stone Shop
Tops Unlimited
Toro
Wurth Service Supply

Business Participation

If your business would like to participate in the Business Retention and Expansion program in the future, please contact the City of Ankeny's Economic Development department at 515-965-6431.