

THE IOWA C-SUITE

ISSUE ONE: Iowa Workforce



Welcome to the Iowa C-Suite white paper series, where CEOs of leading companies in Iowa discuss the challenges they're facing, as well as the biggest opportunities they see just around the corner. This issue focuses on the importance of having the right workforce, and why these CEOs found it in Iowa.

FEATURED IN THIS ISSUE



MARY ANDRINGA
Chair of the Board

VERMEER CORPORATION
/ PELLA, IOWA



STAN ASKREN
Chair, President & CEO

HNI CORPORATION
/ MUSCATINE, IOWA



DAVID BECKER
CEO

COTTINGHAM & BUTLER
/ DUBUQUE, IOWA



PAUL SCHICKLER
President

DUPONT PIONEER
/ JOHNSTON, IOWA



LARRY ZIMPLEMAN
Chairman of the Board

THE PRINCIPAL FINANCIAL GROUP
/ DES MOINES, IOWA

MARY ANDRINGA / Chair of the Board



VERMEER CORPORATION
PELLA, IOWA

Based in Pella for more than 65 years, Vermeer is a global manufacturer of heavy duty agricultural and industrial equipment like bale processors, compost turners and pipeline drills. More than 2,400 engineers, machinists, welders, assemblers, IT, logistics and marketing professionals work for Vermeer in Iowa.



IOWA STEM PROGRAMS
HAVE REACHED NEARLY
100,000 STUDENTS. AFTER
YEAR ONE, STUDENTS WHO
PARTICIPATED **RANKED**
10 PERCENTAGE
POINTS HIGHER
IN MATH AND EIGHT POINTS
HIGHER IN SCIENCE.

SOURCE: Iowa STEM Annual Report 2013-2014,
Governor's STEM Advisory Council

The United States will be five million short on postsecondary-educated workers by 2020. Iowa's government, industry and education leaders have quickly mobilized to tackle this issue head on. And Iowa companies, like Vermeer, are seeing immediate and positive results.

HOW WOULD YOU DESCRIBE YOUR WORKFORCE?

Our workforce is skilled, productive and they are engaged in the vision of the company. They put in the effort to understand the end customer – it's something that we work on a lot.

HOW IS IOWA TACKLING THE SKILLS GAP?

We're a state that collaborates and makes things happen quickly and nothing is more evident of this fact than our science, technology, engineering and mathematics (STEM) initiatives.

For nearly 10 years, we've invited high school teachers within a 70-mile radius of Pella in for a three-week manufacturing overview. We show them the advanced skills we need our team members to have and the STEM-type jobs we have available. This helps change the perception of the manufacturing industry for their students.

ARE THE UNIVERSITIES RESPONSIVE TO YOUR BUSINESS NEEDS?

We have a strong connection with Iowa State University (ISU) because of the engineering program there. Vermeer also has a training facility on campus at the ISU Research Park where we collaborate with Iowa State University professors and student interns.

DO YOU HAVE HELP TRAINING YOUR CURRENT WORKFORCE?

Vermeer has used state funding and developed a nine-week custom welding training program with Des Moines Area Community College (DMACC). The program has increased the talent of our current workforce, and as we bring on more welders, they will already have the advanced skills we need to compete globally.

WHAT WOULD YOU SAY TO ANOTHER CEO THINKING OF DOING BUSINESS IN IOWA?

I would say that Iowa is a great place to have a business; quality of life is very positive. It's a business-friendly state from a governmental standpoint. I'd also say that Iowa is special in that we all collaborate – between education, government, business, health care, really all the industries. Whether it is a focus on STEM education, K through 12, community colleges, four-year independent colleges, universities, all are working together to continually make Iowa really a leader in education.



HNI CORPORATION
MUSCATINE, IOWA

HNI – the second-largest office furniture company in the world. HNI’s team finds its 3,500 members proactively participate in ways to make the company more efficient and sustainable.

Iowa was able to weather the Great Recession because of its strong, educated workforce, nimble approach to business demands and ability to collaborate with industry leaders on economic challenges.

HOW DOES THE STATE SUPPORT YOUR INDUSTRY?

There is a hotbed of manufacturing activity in Iowa, and the state understands our needs for continuous innovation. Plus, there is an excellent base of talent and the universities support the industry as a whole.

HOW WOULD YOU DESCRIBE YOUR WORKFORCE?

People here are real ... they’re not afraid of hard work, they’re not afraid to engage and to be accountable.

ARE THE UNIVERSITIES RESPONSIVE TO THE NEEDS OF BUSINESS?

The universities here have an approach that is balanced between academic and the practical application. So as a result, we feel like we get a continuous stream of high quality, trained talent from the schools. The University of Northern Iowa is great for the business side, accounting, finance, sales and marketing. Iowa State’s great at the technical side, as well as business. And the University of Iowa’s great all the way around.

DO YOU HAVE HELP TRAINING YOUR CURRENT WORKFORCE?

We’ve been proactive in working with the universities, the community colleges, etc., to make sure that we don’t have a skills gap. And we find that the state has been great at supporting us through funding to help train our team members. The community colleges will also develop training programs specifically for us.

WHAT WOULD YOU SAY TO ANOTHER CEO THINKING OF DOING BUSINESS IN IOWA?

The reason they should come to Iowa is the quality of the people. It’s a very Midwest work ethic – a desire to work together, to make things more effective and more efficient.



IOWA UNIVERSITIES
PRODUCE NEARLY **2,000**
ENGINEERING
GRADUATES PER YEAR.

SOURCE: Iowa Dept. of Education/State Universities

IOWA HAS THE **8TH**
LOWEST COST
OF DOING BUSINESS.

SOURCE: CNBC, America’s Top States for Business, 2015



COTTINGHAM & BUTLER
DUBUQUE, IOWA

Helping their customers avoid unnecessary risk, Cottingham & Butler specializes in transportation and trucking insurance. Founded in 1887 in Dubuque, Iowa, Cottingham & Butler has experienced 11 percent organic growth for 25 years straight, with an incredibly young workforce at that.



IOWA IS CONSIDERED
THE NATION'S 9TH
MOST "BUSINESS-
FRIENDLY" STATE.

SOURCE: CNBC, 50 State Comparison Reports, 2014

As outlined by the U.S. General Accounting Office, the growth of a knowledge-based economy requires adoption of the latest technological advancements, high-performance systems and teamwork – all of these factors require a skilled employee. Iowa's current economic growth and prosperity are the result of its quality education and collaborative training programs offered by its network of community colleges and three public universities.

HOW WOULD YOU DESCRIBE YOUR WORKFORCE?

They take initiative; they do the right thing. When you combine work ethic with smarts and a drive to be successful ... you just can't beat a workforce like that.

ARE YOU EXPERIENCING A SKILLS GAP?

Our business is becoming incredibly data and analytics driven. Loras College has a new analytics program that is going to have a major impact on the local graduates we hope to recruit to our company.

DO YOU HAVE HELP TRAINING YOUR CURRENT WORKFORCE?

We have a very strong collaboration with the University of Northern Iowa (UNI) and its sales program. One of our biggest challenges is how to arm our executive sales staff with training to make them even more successful. UNI has one of only a few top-notch sales programs, and their professors are working to develop a program specifically for us.

Over the course of five years, we've leveraged nearly \$500k from Iowa's workforce training tax credit program ... it has been significant and incredibly valuable to our business.

WHAT WOULD YOU SAY TO ANOTHER CEO THINKING OF DOING BUSINESS IN IOWA?

All of us have things that aren't perfect, that we'd like to see improved or changed. In Iowa, you have the ability to actually make a difference in your community.

PAUL SCHICKLER / *President*



DUPONT PIONEER
JOHNSTON, IOWA

An international leader in plant science, DuPont Pioneer opened its second U.S. innovation center in Johnston, Iowa, for cutting-edge research; DuPont Industrial Biosciences also has invested more than \$200 million in its commercial cellulosic ethanol production facility in Iowa.



IOWA OFFERS A
**6.5 PERCENT
REFUNDABLE
TAX CREDIT** ON R&D
ACTIVITIES.

NEARLY **33 PERCENT**
OF IOWANS
(25 – 34 YRS.) HOLD A
BACHELOR'S DEGREE.

SOURCE: U.S. Census Bureau, Population Estimates
and American Community Survey, 2011

In three short years, the U.S. overall employment will reach 165 million with 65 percent of those jobs requiring some level of postsecondary education or training. A greater level of collaboration will need to happen quickly between educational institutions and business. Iowa is already ahead of the game.

DO YOU HAVE A TOUGH TIME RECRUITING TALENT?

DuPont Pioneer uses some of the most advanced science and technology in the world to make our products better, and to do this, we need the best and brightest people. Over the last five to six years, we've added 1,500 people to our workforce in Iowa ... clearly, the solid educational system and the focus on STEM disciplines is one of Iowa's strongest attributes.

ARE YOU EXPERIENCING A SKILLS GAP?

The entire country is facing workforce shortages and a gap in high-tech skills. But in Iowa, we're staying on top of the issue and the companies here are still able to grow, innovate and compete globally.

ARE THE UNIVERSITIES RESPONSIVE TO THE NEEDS OF BUSINESS?

DuPont opened the world's largest cellulosic ethanol plant in Nevada, Iowa. That's a great example of how DuPont, together with the local community, Iowa State University and the state of Iowa, collaborated to bring a new technology and process to the industry.

WHY DID YOU CHOOSE IOWA FOR YOUR NEW INNOVATION CENTER?

We could locate research centers on the West Coast, in Brazil, India, China. We've got a lot of opportunities. But in addition to the talent that is here and the educational institutions, the great environment that the state creates for research investment makes a great case to invest right here in central Iowa.

WHAT WOULD YOU SAY TO ANOTHER CEO THINKING OF DOING BUSINESS IN IOWA?

Whether it is the ability to raise a family, access to education, recreation opportunities and community involvement – our lifestyle is a strong selling point.



THE PRINCIPAL FINANCIAL GROUP
DES MOINES, IOWA

The Principal is a global investment management company that employs 14,800 worldwide with 7,000 in Iowa. Its Des Moines headquarters is currently undergoing a \$400 million renovation.



FORBES RANKED IOWA #14 ON ITS LIST OF "BEST STATES FOR BUSINESS AND CAREERS."

SOURCE: Forbes, Best States for Business, 2015

IOWA HAS THE HIGHEST HIGH SCHOOL GRADUATION RATE IN THE NATION – 90.5 PERCENT.

SOURCE: Iowa Department of Education, 2014

Iowa is the fourth best-managed state in the United States with a perfect credit rating and a balanced budget. The state's fair regulatory environment allows for Iowa CEOs to confidently invest in R&D, hire additional employees and expand into new international markets.

HOW WOULD YOU DESCRIBE YOUR WORKFORCE?

The Principal has the largest staff dedicated to information technology ... we have about 1,800 jobs here in Iowa that are focused on technology.

DO YOU HAVE HELP TRAINING YOUR CURRENT WORKFORCE?

We have partnerships with the local community colleges where our employees take technology courses ... the colleges are open to building curriculum just for us here in Iowa.

ARE THE UNIVERSITIES RESPONSIVE TO THE NEEDS OF BUSINESS?

Our higher education institutions are nationally ranked for finance and insurance programs. In areas that are more technical like actuarial science, both Drake University and the University of Iowa are recognized for the curriculum they offer. Actuaries are often very hard to find in other locations, but in Iowa, we're fortunate.

ARE YOU EXPERIENCING A SKILLS GAP?

The STEM Advisory Council of Iowa is a great example of a public/private and academic partnership that is focused on one of the most critical tasks of our future.

WHAT WOULD YOU SAY TO ANOTHER CEO THINKING OF DOING BUSINESS IN IOWA?

Iowa is a great place to do business globally. We find that if we can get people to come to Iowa, whether they're potential business partners or job candidates ... it's going to significantly enhance our relationships.

To learn more, visit the Iowa C-Suite online. There you'll find CEO video interviews, white papers and more that cover a range of topics that can benefit your company.

Visit iowaeconomicdevelopment.com/CSuite.

FIND OUT WHAT IOWA CAN OFFER YOUR BUSINESS.

Call the Iowa Economic Development Authority at 515.725.3100.
Or visit us at iowaeconomicdevelopment.com.



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