



THE STATE OF OUR BUSINESS

A PERSPECTIVE FROM
INDIANA EXECUTIVES

2010 Executive Summary



*A collaborative effort by Inside INdiana Business, Ice Miller LLP and the Butler University College of Business
to discover the opinions and attitudes of Indiana's business leaders.*

The complete report is available at www.inceosurvey.com.

EXECUTIVE SUMMARY

When the 2009 survey of Indiana CEOs and executives was conducted, we were several months into the worst economic downturn since the Great Depression. CEOs were less than enthusiastic about funding sources being available and felt the state was only “somewhat effective” in attracting new business. Job satisfaction for employees was a top concern as was acquiring talented managers.

Another year has gone by. There have been major economic changes. Do CEOs see things differently? Do their views align with the economic indicators being tracked so closely by the media and reported on so diligently?

In many cases, things have not changed much since 2009, leading us to believe that for many companies in Indiana it has been “business as usual” in spite of the bleak economic conditions. But in other areas, CEOs are anticipating change and growth for 2010. Expanding outside Indiana is a strategy that ranked highest as one that CEOs plan to pursue in 2010. Green development, succession planning and adding jobs also rank high on their “to do” list for 2010.

Does this mean that the economy is indeed recovering and companies can once again look forward to continued growth?

STUDY HIGHLIGHTS

Section 1: CEO Challenges and Issues

- ✦ Corporate reputation is back on top as the highest ranked business issue. In 2009 the highest ranked issue was customer loyalty and retention.
- ✦ Corporate reputation is followed closely by customer loyalty and retention, although this is not ranked as highly as it was in 2009.
- ✦ CEOs appear optimistic about 2010. There is a stronger likelihood they will pursue adding jobs, green development, outsourcing, mergers and acquisitions, new alliances, and a variety of other forward looking or growth oriented activities, when compared to 2009.
- ✦ Having enough time is still CEOs most challenging issue, although keeping up with technology has moved up in the ranking.

Section 2: Indiana's Economic Climate

- ✦ K-12 education and innovation continue to be ranked as the strongest disadvantages for Indiana as compared to neighboring states.
- ✦ Cost of living is still seen as the strongest advantage that Indiana has over neighboring states and has been on the rise as the strongest advantage since 2007.

Section 3: State's Role in Economic Development

- CEOs believe the availability of private funding sources is significantly less compared to 2009.
- CEOs continue to remain positive about Indiana's ability to attract business to the state.

Section 4: Human Resources

- A category for non-skilled workers was added in 2010 to gauge demand and availability for this group of workers. Non-skilled workers appear to be readily available, but low in demand.
- CEOs report that workers lowest in demand are manufacturing, non-skilled and bio-tech/life science workers.
- Those highest in demand, as perceived by CEOs in the state, are sales/marketing and information technology workers. However, the availability of all workers is perceived to exceed the demand for their services.
- A new question was added to this section in 2010 asking if there are plans to hire workers in 2010. There is optimism among CEOs that they will hire in 2010, as adding full-time and part-time workers was ranked above the midpoint on the scale.
- Job satisfaction and hiring talented managers continue to be the top two workforce related concerns for CEOs.
- Respondents outside central Indiana are more concerned with finding skilled workers than those in central Indiana.

Section 5: Education

- CEOs continue to believe the state has the strongest educational programs in agriculture, motor sports and life sciences.
- Perceptions regarding the strength of education programs in the areas of advanced manufacturing and alternative energy have increased since 2009.

Section 6: Information Technology

- New questions about social media were added to this section in 2010. One-third of CEOs said they have a policy concerning social media usage for employees.
- CEOs do not "completely agree" that they understand social media enough to institute a policy, but rather fall near the midpoint of the scale in terms of their understanding of this media.

WHAT WE LEARNED

The full report shows that between 2006 and 2010, many things have remained consistent, even in the face of vastly different economic environments. The findings indicate Indiana CEOs are unshakable and resilient and there is optimism in looking toward 2011 regarding their companies expanding and growing. We will continue to monitor the trends and evaluate our progress.

The complete report is available at www.inceosurvey.com.

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