

# ExecutiveMemo

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A newsletter of the Illinois Manufacturers' Association

March 5, 2009

## BRIEFLY

### Governor Quinn launches Illinois Recovery Website

*Website will track stimulus projects' spending and job creation*

On February 21st Governor Pat Quinn launched [Recovery.Illinois.gov](http://Recovery.Illinois.gov), a website created to help ensure that Illinois takes full advantage of the American Recovery & Reinvestment Act.

The new website, [Recovery.Illinois.gov](http://Recovery.Illinois.gov), is the portal to Illinois' implementation of the federal stimulus plan and will:

- Keep track of projects, spending and job creation;
- List state run programs receiving supplemental funding including unemployment benefits, food stamps, vocational rehabilitation and other services;
- Connect to agency sites where proposed project lists will be posted as they become available; and
- Allow Illinoisans to suggest a project that is eligible for federal stimulus funds.

"We are moving as quickly as possible to get projects going so that we can get the people of Illinois back to work," said Governor Quinn. "This website will help them learn about important programs and track our progress."

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## Transportation Management Systems . . . the wave of the future

One of the constants in business is that companies are looking for ways to increase their bottom line. One way is to increase sales; another is to raise prices — both difficult to do in today's economy. There is another way, and that is with the implementation of a Transportation Management System (TMS).

According to a recent report from Boston-based AMR Research, the TMS Market broke the \$1 billion mark in 2006 and is growing at about seven percent annually. It also reported that 33 percent of the responding shippers said they are planning to put TMS in production in the near future. So what is it about a TMS implemen-

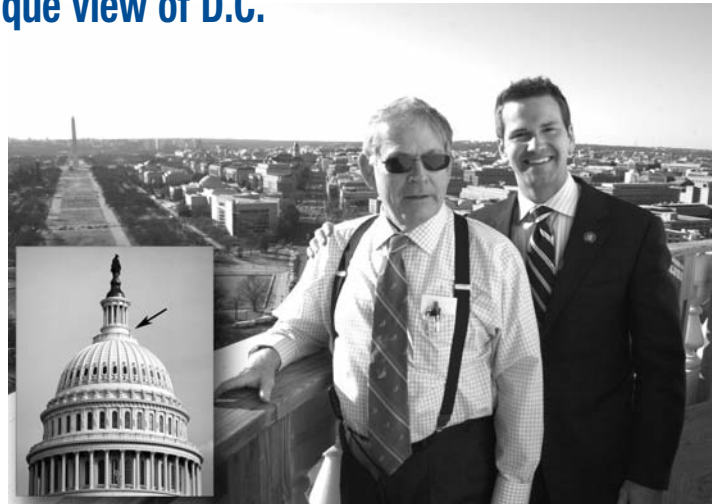
tation that they are looking to leverage?

Many organizations have entered into long-term agreements with their carriers and due to the challenges associated with it, are hesitant to renegotiate those contracts. This manual process of generating spread sheet after spread sheet and sending out the corresponding emails can be quite daunting. However, now is the best time to renegotiate rates: fuel costs are down, volumes and inventories are down and carriers are not generating the same revenues they once were. A best-of-breed TMS solution will allow shippers to easily and quickly renegotiate these rates, thus

See **TMS**, page 2

## Hagenbuch attends State of the Union speech . . . and gets a unique view of D.C.

IMA Board Member LeRoy Hagenbuch (Philippi-Hagenbuch, Inc., Peoria) recently attended President Obama's State of the Union address in Washington, D.C. as a guest of Illinois Congressman Aaron Schock (R-18). While in D.C., Hagenbuch (left next to Congressman Schock) had the rare opportunity to climb the inner dome of the Capitol and take in one of the best views of the Washington historic landscape. "The Capital Dome really consists of a dome



inside a dome," said Hagenbuch. "We climbed up between the two domes and exited just below the top of the Capital where the pictures were taken."

**IMA'S EXECUTIVE MEMO IS UNDERWRITTEN BY:**

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moran

Manufacturing Expertise from  
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increasing their bottom line.

Customer service level requirements are becoming more stringent and penalties are being imposed if those levels are not met. Miss a shipment, pay a penalty. Deliver late, pay a penalty and the list goes on and on. However if you can stay on top of all aspects of your outbound/inbound shipping you can minimize or eliminate these expenses. In the past this had to be done manually but that is no longer the case. A TMS solution will help monitor all aspects associated with customer service levels and the related deliveries.

Another manual process that is taking place today is Freight Audit and Bill Payment. Are you actually being billed the agreed upon amount? Today that requires matching up invoices with bills to determine errors. This manual process lends itself to the potential of missed discrepancies or a missed invoice altogether. A TMS solution with Freight and Bill pay will automate this process, eliminate errors and result in a lower transportation spend.

Order visibility is another aspect of TMS that needs to be looked at closely. Where is the order at any given time, has it been placed, has it been picked up, has it been delivered, is it late or has the bill been paid. With a TMS implementation all of this information is at your fingertips and you can more quickly and accurately use this information to make critical business decisions in a timely fashion.

The iConnect Group's TMS software Logix-Opt will allow you to do all this and more. Are you using the lowest rate that you have negotiated for a particular shipment? Would generating a "spot quote" afford you the opportunity to get a lower rate for a particular shipment? Logix-Opt rate engine will automatically calculate and display the various rates you have from your carrier contracts, compare them with any spot quotes that you received and allow you to quickly, easily and automatically tender the load using the most cost advantageous carrier.

Logix-Opt uses and integrates your existing business data into an application that will allow you to use your existing order entry system or manually enter orders. It will allow you to pool the orders where it makes fiscal sense, track and trace any order, automatically generate Bill of Ladings, renegotiate existing contracts, monitor your Freight Bill Pay and generate the lowest cost for each and every shipment.

There is no requirement to buy additional hardware or software; all this is provided as a service using the internet. This gives you the ability to access your valuable and vital

information from anywhere you have internet access anytime of the day or night.

Join Jim Boehm, Director of Business Development at The iConnect Group, at a FREE Webinar to view Logix-Opt and discuss the impact that a well designed and implemented TMS will have on your business, and as importantly, on your bottom line. Thanks to the Illinois Manufacturers' Association, The iConnect Group is planning a series of Webinars exclusively designed for IMA members. For information on dates and times for the Webinars, contact Janie Stanley at [jstanley@ima-net.org](mailto:jstanley@ima-net.org), or phone 217-522-1240, ext. 3020.

## Award presentation March 16 to honor U.S. Congressman John Shimkus



Join the NAM and the IMA at DICKEY-john Corp. for an award presentation and dialogue with Congressman John Shimkus.

On Monday, March 16, 2009, Harvey Baker, Chief

Operating Officer of DICKEY-john Corporation and the Illinois Manufacturers' Association (IMA) will co-host a National Association of Manufacturers (NAM) Congressional Dialogue and Award presentation with U.S. Congressman John Shimkus (R-IL-19). Join us for this breakfast meeting starting at 9:00 a.m. and adjourning by 10:30 a.m. A brief plant tour will be included. The meeting will be held at DICKEY-john's plant, 5200 DICKEY-john Road, Auburn, Illinois.

Our meeting format will provide for an informal discussion of key issues impacting the competitiveness of manufacturing and allow us to get Congressman Shimkus' thoughts on these important public policies. Congressman Shimkus was named a recipient of the NAM Award for Manufacturing Legislative Excellence acknowledging his stellar support of the NAM's pro-growth agenda in the 110th Congress.

Space for this meeting is limited, so please reserve your seat by March 12th by completing the form at <http://www.ima-net.org/RegShimkus3-16.pdf>. Fax the registration form to 773-243-8301 or contact Lisa Gilliana at [lgilliana@nam.org](mailto:lgilliana@nam.org) or 773-243-8315 if you have questions or need

additional information. Please be sure to note on the registration form or email the two most important issues you want discussed at the meeting.

## Quinn Names Warren Ribley to head Department of Commerce and Economic Opportunity

Governor Pat Quinn named Warren Ribley as Director of the Illinois Department of Commerce and Economic Opportunity. Ribley has served as Director of Operations for the Department since March 2003.

"Warren's experience, professionalism and commitment to economic development throughout Illinois will make him a strong and effective leader of this important agency," said Governor Quinn.

Ribley began working in state government in 1979, serving for twelve years in the Office of the Illinois Senate President. He joined the Office of the State Treasurer in 1991 and became the Director of Banking in 1993, managing relationships between the State of Illinois and over 500 financial institutions.

As Director of Operations for the Department of Commerce and Economic Opportunity, Ribley oversaw the Department's 12 administrative offices and 12 program bureaus. He has 21 years of professional experience in state government and eight years in the private sector, focusing on financial services.

"I am honored Governor Quinn has nominated me to lead the Department of Commerce and Economic Opportunity," said Ribley. "I look forward to continuing my work with the Department during this critical period for our economy and state."

## Attend Manufacturing Roundtable in Rockford on March 20th

*Join the IMA on March 20th to discuss issues critical to manufacturing*

The Illinois Manufacturers' Association invites you to attend a FREE manufacturing roundtable on Friday, March 20th from 1:30-3:00 p.m. Woodward Governor Company has graciously agreed to host this forum in their spacious new cafeteria and meeting facility located at 5001 North Second Street in Rockford.

See **ROUNDTABLE**, page 3

Invited special guests include Congressman Don Manzullo; State Senators Dave Syverson, Brad Burzynski and Tim Bivens; and State Representatives Chuck Jefferson, Ron Wait, Dave Winters, Bob Pritchard and Jim Sacia. In addition, local elected officials and business leaders have been invited to participate.

Employers in Illinois and across the United States are facing difficult economic challenges in today's global economy including high energy costs, an unpredictable tax climate, the need for a skilled work force and a world-class transportation system. Decisions made in Springfield and Washington D.C. will have a lasting impact on the manufacturing sector. This forum will allow manufacturing companies from Rockford and Northwestern Illinois to discuss these important issues with the IMA and our elected leaders. Your input is critical as we strive to improve the industrial sector economy.

Due to limited space, please reserve your seat by contacting Christine Sisk at 217-522-1240 x3042 or by email at [csisk@ima-net.org](mailto:csisk@ima-net.org).

## Natural gas storage inventories tracking toward near-record levels

Despite a slow start to the injection season and lost production as a result of Hurricanes Gustav and Ike, natural gas storage inventories reached a seasonal peak of 3.49 Tcf in 2008. Improved domestic production allowed inventories to end the injection season at a surplus of 140 Bcf to the five-year average after trailing that benchmark for most of the summer. The peak of 3.49 Tcf was second only to the all-time record high of 3.55 Tcf established in 2007.

Below-normal temperatures this winter led to above-average storage withdrawals in the second half of December and most of January. However, despite one of the coldest winters in recent years, total withdrawals in December and January outpaced the five-year average by less than 5 percent, indicating that much of the increased demand for heating was offset by falling demand in other sectors, namely the industrial sector. The weakening U.S. economy began eroding demand for natural gas in the second half of 2008, with significant declines in recent months.

Storage withdrawals averaged 179 Bcf

per week from the middle of January through the first week of February, outpacing the five-year average by 8.6 percent. Since then, however, moderating temperatures and continued weakness in the U.S. economy led to total withdrawals of only 125 Bcf over a two-week period, including a decline of just 24 Bcf for the week ending February 13, equaling the smallest February draw ever reported by the Energy Information Administration (EIA). The overall surplus to the five-year average has increased from less than 20 Bcf at the end of January to nearly 200 Bcf for the week ending February 20.

With five weeks remaining in the traditional withdrawal season, storage inventories are on pace to end the winter above 1.55 Tcf, possibly as high as 1.60 Tcf. This would mark only the second time since the EIA began reporting weekly data in 1994 that inventories remained above 1.52 Tcf ahead of the summer injection season. The all-time record high occurred in 2006, when inventories ended the winter at 1.70 Tcf. Regardless of whether that level is tested this year, storage inventories at the end of March should be well above the five-year average of 1.35 Tcf, as well as year-ago levels of 1.25 Tcf.

Robust storage inventories have contributed to the recent decline in natural gas prices, with the prompt-month NYMEX futures contract reaching its lowest level in more than six years. Near-record storage and ongoing concerns over the economy could put additional downward pressure on the market in the near-term and will almost certainly temper upside price risk. While prices could remain extremely volatile, a repeat of last year's price spikes seems unlikely given current market fundamentals.

To learn more about the storage inventories, please contact Constellation NewEnergy Gas Energy Sales Consultant Jeff Abeln at 312-704-8527, or via email at [jeff.abeln@constellation.com](mailto:jeff.abeln@constellation.com).

Source(s): Energy Information Administration (EIA)

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## DATES OF NOTE

More information/events may be found at <http://www.ima-net.org/calendar.cfm> and <http://www.ima-net.org/MIT/open.cfm>  
Email: [jstanley@ima-net.org](mailto:jstanley@ima-net.org)

Learn more about the "card check" fight at the following meeting:

March 10, 2009 — 8:00-10:00 AM

Marriott — Schaumburg, 50 N. Martingale Rd. Schaumburg

Presenter: James Spizzo, JD, Shareholder, VedderPrice-Chicago. To register, visit [https://www.ima-net.org/cardcheck\\_meets.cfm](https://www.ima-net.org/cardcheck_meets.cfm)

Thursday, March 19, 2009

IMA seminar: R&D Tax Credit Breakfast Briefing: Is Your Company Eligible?

With guest speaker Rick Meyer, CPA, MBA, MST, alliantgroup — 8:30 – 11:00 AM

NIU-Naperville Campus — 1120 E. Diehl Rd., Naperville. Cost: \$65 IMA member; \$90 Non-members. To register visit [https://www.ima-net.org/rdtax\\_seminar.cfm](https://www.ima-net.org/rdtax_seminar.cfm). Contact: Kimberly McNamara at [kmcnamara@ima-net.org](mailto:kmcnamara@ima-net.org) or 630-368-5300 with questions.

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### Powered Industrial Vehicle Incident Prevention

April 7, 2009

Emergency Operations Center, 311 Miracle Ave., Effingham — 1:00 - 3:00 PM  
Contact Russ Thomas at 217-536-6169

April 9, 2009

John Logan College, 700 Logan College Rd., Bldg. F, Rm. 104-106, Carterville — 1:00-3:00 PM  
Contact Dennis White at 618-542-8612

April 14, 2009

Lewis & Clark Community College, 600 Troy Rd., Nelson Campus, LeClaire Rm., Edwardsville, 1:00-3:00 PM  
Contact Tom Monroe at 618-468-3500

April 15, 2009

Illinois Central College, North, 5407 N. University St., Arbor Hall Auditorium, Peoria, 9:00-11:00 AM  
Contact Ellen George at 309-999-4580

April 29, 2009

Carle Foundation Hospital, The Forum at Carle, 611 W. Park St., Urbana, 9:00-11:00 AM  
Contact Larry Krause 217-403-8770  
Since October 1, 2003, 50 employees in Illinois have been killed by powered industrial vehicles (PIV). These machines are used for material handling needs in many industries. OSHA and the Illinois Department of Commerce and Economic Opportunity will host a FREE seminar to learn how to combat PIV hazards. Learn how to protect your company and avoid costly injuries and OSHA enforcement.

Mark your calendar...

**IMA's Business Day at the Capitol**

Wednesday, May 6, 2009

**Springfield**