

ExecutiveMemo

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A newsletter of the Illinois Manufacturers' Association

August 14, 2008

BRIEFLY

Entrepreneurial Woman's Conference to be held September 3 & 4 at Chicago's Navy Pier

The Women's Business Development Center (WBDC) is host to the 22nd Annual Entrepreneurial Woman's Conference, Women's Business & Buyers Mart, the oldest conference and business opportunity fair for women in business in the country, and the premier event for women business owners in the Midwest.

This year's event offers women business owners the opportunity to increase the profitability of their businesses by building relationships with corporate and government buyers, business experts, and other women business owners.

For details of the event, go to: www.wbdc.org/conf/conf.asp. For general information and questions regarding registration for this year's Entrepreneurial Woman's Conference, please call 312-853-3477 ext. 24.

IMTS 2008 — September 8-13, McCormick Place, Chicago

The 2008 International Manufacturing Technology Show (IMTS 2008) is the 27th edition of the premier manufacturing technology show in North America. More than 1,500 exhibiting companies will occupy 1.2 million net square feet of exhibit space and attract more than 91,000 buyers and sellers from 119 countries. Visit www.IMTS.com for more information.

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High impact firms create jobs and growth in Illinois

"High-impact" firms create Illinois' new jobs and growth, according to a study recently released by the Office of Advocacy of the U.S. Small Business Administration. Distributed across all industries, high-impact firms account for almost all employment and revenue growth in the national economy, the study concludes.

Of the 376,604 high impact firms identified by researchers nationwide, 13,443 are located in Illinois. That number represents 2.21 percent of Illinois' firms.

The study High-Impact Firms: Gazelles Revisited, defines high-impact firms as those whose sales have at least doubled over a four-year period and which have an employment "growth quantifier" (the firm's absolute change in employment multiplied by the percent change) of two or more. The study notes that such firms are found across all industries and in all geographic regions. It ranks regions, states, metropolitan statistical areas, and counties by their percentage of high-impact firms. The study finds, with

some data limitations, that high-impact firms are not start-ups but are on average around 25 years old, and that they come in all size classes. The report also documents that over the periods studied, nearly all job losses came from large, low-impact firms.

"High-impact firms are important to Illinois' economic growth and development," said Dr. Chad Moutray, Chief Economist for the Office of Advocacy. "State policy makers would be wise to consider how their policies can encourage such firms."

The Office of Advocacy, the "small business watchdog" of the federal government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President. For more information, a complete copy of the report and rankings of high-impact firms by region, state, MSA, and county, visit the Office of Advocacy website at www.sba.gov/advo.

Networking a focus for Young Leaders Conference

The IMA's Young Leaders Council (YLC) provides unique opportunities for members to network with professionals from all walks of business life, and that can help a company's bottom line.

The YLC was designed to be open to more than just women and men in manufacturing and to include potential leaders from allied businesses. Those attending the Fall Conference on October 3-5 at Galena's Eagle Ridge Resort & Spa will be building networks of professional relationships with suppliers, vendors and other professionals.

The state of business continues to be challenging and networking is critical to being in business. Networking is more than just passing out a bunch of business cards at

a random function in one's hometown. It is a step-by-step process to building relationships. In the business world, networking is considered social capital and absolutely necessary for company success.

Networking can be done through strategic partnerships as well. Teaming up with businesses that complement what you do and that are a good source of referrals can help expand market areas and target larger accounts. They are relationships that last through the harshest economic downturns.

Register for the YLC Fall Conference, "Managing in Multi-generational Environments" before September 1 to save \$50 on registration. Visit: www.ima-net.org/ylc08.cfm for details and convenient online registration.

THRIVE!
Attend IMTS 2008, the largest manufacturing trade show in North America.

IMTS08
CONNECTING GLOBAL TECHNOLOGY
International Manufacturing Technology Show
September 8-13, 2008
McCormick Place | Chicago, IL
www.IMTS.com

Industrial Directory adds thousands of manufacturers and distributors worldwide

Industrial Leaders, a US-based website designed to promote American industrial goods overseas announced that its industry-focused directory has swelled to over 8,000 manufacturers, exporters, importers, distributors and other sellers of industrial equipment, machinery, materials and custom manufacturing services. According to Conrad Bailey, spokesperson for the company, the directory is now one of the top five industrial directories on the Web and the leading trade portal to buy and sell a broad range of industrial products and services.

IndustrialLEADERS.com and the Industrial Leaders Group (ILG) is utilized by engineers, plant maintenance mechanics, coordinators and technicians, manufacturing and production managers and other professionals sourcing for products and solutions for their manufacturing facility. The site includes a recently launched blog-based forum called 'Buy American' at www.IndustrialLeaders.com/reviews where US-based companies and international industrial buyers can connect with one another, network with their peers, share ideas and discuss the possibility of a trading partnership.

Manufacturers worldwide seeking to buy or sell industrial supplies, equipment and machinery are able to include the details of their company, product line and corporate capabilities on the site free-of-charge at www.WorldwideIndustrialMarketplace.com/freelisting.html

"The primary purpose of Industrial Leaders has always been to help U.S. companies enter or expand into overseas markets by connecting them with potential trading partners as well as governmental agencies, import/export professionals and other helpful foreign trade resources," stated Bailey. He went on to say, "Although Buy

Illinois Manufacturers' Association presents . . .

Young Leaders Council Fall Retreat

"Managing in a Multi-Generational Environment"
three days of golf, seminars and networking for professionals under age 45.

Sponsored by Phillip-Hagenbuch, Inc., Altria and RSM McGladrey

Register today for the IMA-YLC Fall Retreat, October 3-5, 2008, at Eagle Ridge Resort and Conference Center in Galena. Register online at www.ima-net.org/ylc08.cfm.

American is geared toward promoting industrial goods manufactured in America, the site also supports and encourages international trade between U.S. and foreign companies." Bailey said he believes the key to growing the economy and creating jobs is not through legislation or enforced trade regulations but to help U.S. manufacturers increase their competitiveness in the international industrial marketplace.

IndustrialLeaders.com, the 'American Industrial Marketplace' connects buyers and suppliers of industrial supplies, equipment and machinery throughout North and South America with emphasis on Canada and the United States. The primary focus of Industrial Leaders is to promote American manufacturers overseas.

American manufacturers get a Web presence in China

While many American manufacturers are looking to sell their products to China, most rely exclusively on distribution partners in China to market their products. German manufacturers have long had a focus on selling to China, which has helped to make Germany the world's number one exporter. Many German companies don't simply rely on distributors in China to generate business but actively pursue a Web strategy to gain a foothold in China's B2B market. Often times this strategy translates into creating a Web site

in Chinese hosted in China for maximum search engine visibility. Now with Makopolo.com, American manufacturers of any size can get the same Web presence to gain marketing traction directly inside China.

Why is a web presence in Chinese and hosted in China important? Typically, B2B searches in China are in Chinese on Chinese search engines. American Web sites are at a real disadvantage. Also, the Chinese Internet access to the outside world is filtered: U.S. Web sites perform slowly in China, and are intermittently available. However, with Makopolo American companies can effectively overcome these challenges to get a Web presence directly within China. Makopolo give U.S. manufacturers an affordable and targeted Web presence to aggressively position them from within the booming market in China for B2B.

Proposed rules affecting Illinois business

The following proposed regulation will impact businesses engaged in moving oversized or overweight loads over interstate highways:

IDOT is expanding weekend hours of movement for oversized permit moves. Some requirements for a permit are repealed because they are obsolete; the requirement concerning the distance an oversized tow truck may travel when moving a disabled vehicle is relaxed. For more information or to submit comments, contact Christine

See **RULES**, page 3

Chicago Manufacturing Renaissance Council upcoming events

CMRC members and associates: Be sure to mark your calendars for these important events being held in the fall.

September 8, 2008 (Monday): Executive Committee Forum

In place of our regular committee meeting, the CMRC will hold a special forum featuring John Colm, president and executive director of WIRE-Net. Based in Cleveland, WIRE-Net supports that city's manufacturing economy by creating public-private partnerships, and promoting investment in education and the redevelopment of urban communities. Last year, WIRE-Net launched the Great Lakes Wind Network, which connects manufacturing suppliers to international wind turbine producers. To learn more about WIRE-Net, visit www.wire-net.org. **When: 3:00 to 5pm.** • **Where: location TBA**

October 18, 2008 (Saturday): Advanced Technology, Manufacturing and Leadership: A Renaissance for the West Side — Digital Divide Town Hall, Expo & Conference

CMRC is sponsoring this event in its continuing efforts to raise community awareness about the importance of manufacturing and the viability of careers in the industry. **When: 12 to 5:30 p.m.** • **Where: Austin Polytechnical Academy, 231 N. Pine Ave.**

More details to come as the dates approach.

Caronna-Beard, Rules Manager, IDOT, at 217-524-3838 or email Christine.Caronna-Beard@Illinois.gov.

The following proposed regulation will impact employers seeking guidance on income tax withholding:

The rulemaking provides guidance for all sized businesses on the application of the Illinois income tax withholding requirements for employers, as amended by Public Act 95-0008. For small businesses, this means that if they withhold less than \$1,000 per year, the Department will allow them to file yearly (rather than quarterly) if they have a good filing record. For questions or comments, contact Paul Caselton at 217-524-3951.

Illinois 30th in state/local tax burden

Despite efforts by Governor Rod Blagojevich over the last two years to impose a Gross Receipts tax, which would have been the single largest state tax increase in national history, state lawmakers' opposition has resulted in Illinois maintaining its ranking when it comes to its tax burden on citizens.

According to the highly respected Tax Foundation, New Jersey taxpayers bear the heaviest state-local tax burden in 2008 (#1), and Alaskans have the lightest tax burden (#50). In Tax Foundation Special Report, No. 163, "State-Local Tax Burdens Dip As

Income Growth Outpaces Tax Growth," senior economist Gerald Prante computes each state's combined state-local tax burden, accounting for taxes paid out of state.

The nation as a whole paid 9.7 percent of its income in state-local taxes, down from 9.9 percent in 2007 primarily because income grew faster than tax collections between 2007 and 2008. New Jersey residents paid 11.8 percent, topping the charts. New Yorkers were close behind, paying 11.7 percent, and Connecticut was third at 11.1 percent. The top ten were rounded out by Maryland (10.8 percent), Hawaii (10.6 percent), California (10.5 percent), Ohio (10.4 percent), Vermont (10.3 percent), Wisconsin (10.2 percent) and Rhode Island (10.2 percent).

Illinois' 30th ranking (9.3 percent of income) remains unchanged from 2007. The state ranked 35th in 2000, but due to the myriad of tax increases approved during the first year of the Blagojevich administration in 2003, the state's position weakened to 30th where it has remained. Illinois residents averaged payments of \$2,948 to state and local governments, \$1,398 to other states for a total of \$4,346 against a per capita income of \$46,693 (13th highest nationally).

Indiana ranked 28th, Iowa 31st, Kentucky 25th, Missouri 32nd and Wisconsin ranked 9th.

The full report is available at no cost from the Tax Foundation. Visit: www.taxfoundation.org/publications/show/2320.html

Order your IMA Annual Compensation and Benefits Reports today

The IMA Annual Compensation and Benefits Reports, conducted with the assistance of RSM McGladrey, will be available in late August. Emerging trends include:

- 91 percent of survey respondents indicated that they now provide non-vacation company-paid days (such as funeral leave and jury duty), compared to 51 percent in 2007
- In accordance with the trend towards consumer-driven healthcare, half of the survey respondents (54 percent) reported offering Medical Flexible Spending Accounts for all expenses (Section 125). This is up from 2007 where less than five percent of respondents reported offering this benefit.
- Companies may be tailoring their benefits plans to deal with the trend of an aging workforce. Last year, only 45 percent of companies allow continued benefit accruals for employees that work beyond age 65. This year, almost three-quarters (73 percent) of survey respondents allow these accruals.
- Companies may offer specific insurance coverage to employees on a voluntary basis such as accident, cancer, dental, vision, and long-term care coverage. Last year, only 65 percent of employers felt these insurance options provided moderate or high value relative to the entire benefits package. This year, 87 percent of employers feel that these options bring moderate or high value to the benefits package.

Pre-order your copies of the IMA Annual Benefits and Compensations Reports online at www.ima-net.org/ben_report_order.cfm. For more information, contact Janie Stanley at 800-875-4462 or email jstanley@ima-net.org.

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>

For IMA-MIT events, contact Judy Parker, phone: 800-875-4462, ext. 3036, or email jparker@ima-net.org

August 21, 2008

IMA-MIT Event: Time Management and Personal Effectiveness Skills
DePaul University's O'Hare Campus, 3166 River Rd., Des Plaines

Learn to delegate with confidence, plan and execute productive meetings, prioritize daily activities for ultimate results, develop techniques for planning and achieving goals.

September 4, 2008

IMA-MIT Event: Essential Leadership Skills for Newly Promoted and Frontline Supervisors — DePaul University's O'Hare Campus, 3166 River Rd., Des Plaines

This fast-paced one-day workshop will provide you with the skills to build better working relationships, develop a leader's perspective, and establish realistic performance goals for employees.

IMA-MIT Event:

Lean Manufacturing: Quick Start
September 8, 2008 — Decatur Conference Center & Hotel, US Hwy 36, Decatur
September 9 — DePaul University, 150 W. Warrenville Rd., Naperville

Designed to help participants quickly initiate team oriented on-going Lean activities. Learn Lean terms and definitions, waste identification and analysis, team organization and choosing Lean tools for waste free processes.

IMA-MIT Event — 5 S and Visual Controls
September 22, 2008 — Decatur Conference Center & Hotel, US Highway 36, Decatur
September 23, 2008 — DePaul University, 150 W. Warrenville Road, Naperville

This workshop will focus on effective methods of applying 5 S and Visual Controls techniques and tools in the manufacturing and office environments. Learn to maximize the benefits of red tag techniques, orderly work environment and visual workplace methodology.

September 23, 2008

IMA-MIT Event — Mentoring Skills for High Performance
DePaul University's O'Hare Campus, 3166 River Road, Des Plaines

Participants will successfully establish mentoring relationships, ensuring optimal development skills for identified growth requirements. By the end of this workshop, the participants will: Determine the actions for creating an environment for mentoring; understand tools and approaches available to assist them in the development of the individual to be mentored; and, increase the effectiveness of their own mentoring skills.