

# Cincinnati USA Partnership Regional Business Retention Report

OHIO KENTUCKY INDIANA

Boone Bracken Brown Butler Campbell Clermont Dearborn Franklin Gallatin Grant Hamilton Kenton Ohio Pendleton Warren

## The Power of Partnership Helps Retain Our Most Important

# Customers

The Cincinnati USA Partnership builds on the power of partnership by working to retain our existing businesses in the region. Existing firms are the foundation of our success. Over generations, they have built a solid, diverse economy, and they will continue to be the building blocks for future growth.

That's why the Cincinnati USA Partnership—the regional economic development initiative supported by the Greater Cincinnati Chamber of Commerce—works to stay in tune with the needs of businesses within our three-state, 15-county region. One tool in that process is the business retention survey conducted by the Regional Business Retention Committee. The committee conducted these surveys throughout the year during site visits, as well as through community call blitzes with the City of Forest Park and the City of Springdale.

In addition, during the summer of 2004, Fifth Third Bank contributed the services of its Madisonville call center to stage a business-retention blitz, reaching out to 1,500 companies in the region.

The results of this research comprise the report on the following pages. This ongoing survey process gathers insight and information from business leaders on the challenges, opportunities and issues they face.

The surveys help identify potential problems and also help drive potential solutions.

According to the 2004 surveys, 70 percent of companies reported an increase in sales, up from 56 percent in 2003. More than half of the companies contacted—55 percent—were planning an expansion. The survey reflected a consistent willingness to invest in product development, an indication that our economy is pushing ahead.

That's great news for our region. Our economy is positioned to continue its upward trend, with more jobs, better wages and more opportunities on the horizon.

Success is not a sure thing, however. Many business leaders are concerned about current and future barriers to their growth. They are concerned about competition. They are concerned about the labor force.

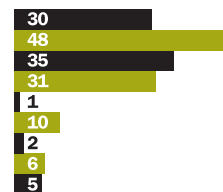
As a community, and as economic development professionals, we need to pay attention to these concerns and work together to address them. Informed, collaborative solutions to real-life business issues hold the key to our success.

The number one axiom in marketing: Your most important customer is the one you already have.

## Corporate Growth

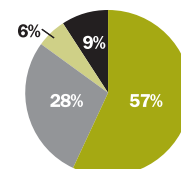
### 1. What is your company's greatest achievement in the last five years?

Staying in business	30
Growth in sales	48
Product and service development	35
New location/Facility expansion	31
Increase in market share	1
Merger/Acquisition	10
Award recognition	2
Employee growth	6
Opening new business	5



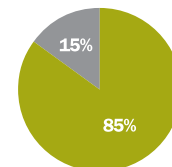
### 2. Where is the company's primary product/service in its life cycle:

Growing	87	57%
Maturing	43	28%
Emerging	10	6%
Declining	14	9%



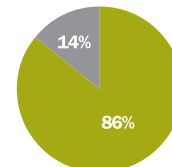
### 3. Has the company introduced new products/services/capabilities during the last five years?

Yes	124	85%
No	22	15%



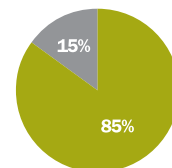
### 4. Are new products/services anticipated in the next two years?

Yes	127	86%
No	22	14%



### 5. Is there new technology emerging that will substantially change either your company's primary product or how it is produced?

Yes	128	85%
No	22	15%



#### If yes, please explain:

Advanced products and processes	29
Internet based applications	14
More high-tech equipment	35

## Research & Development

**2 6. As a percent of sales, how much does the company spend on R&D?**

0%	42	39%
3%	34	32%
3-6%	22	20%
More than 6%	10	9%



**7. As a percentage, approximately how is the R&D budget divided among:**

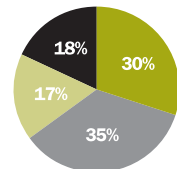
New product development	48% on average
Product improvements	38% on average
Production improvements	35% on average

**8. Where is the R&D facility located?**

Greater Cincinnati	49
Ohio	2
United States	8
Outside the United States	4

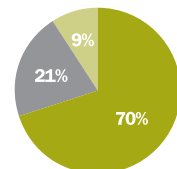
**9. Is the company's primary market:**

Local	28	18%
Regional	55	35%
National	47	30%
International	27	17%



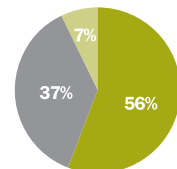
**10. Are total sales:**

Increasing	108	70%
Stable	33	21%
Decreasing	14	9%



**11. Is the market share of the company's key products:**

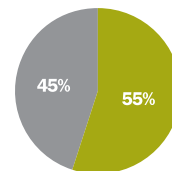
Increasing	83	56%
Stable	56	37%
Decreasing	10	7%



## Expansion & Sales

### 12. Does the company plan to expand in the next three years?

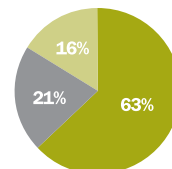
Yes	83	55%
No	68	45%
Estimated dollar amount	\$161,660,250	
Average expansion cost	\$22,038,675	
Estimated number of jobs to be created	4,224	
Average number of jobs created	81	
Estimated additional space	2,195,300 square feet	
Average additional space	60,980 square feet	
<b>Approximate date of expansion</b>		
2004	19 companies	
2005	14 companies	
2006	10 companies	
2007	1 company	



3

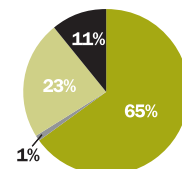
### 13. Are export sales as a percentage of total sales:

Increasing	23	21%
Stable	18	16%
Decreasing	0	0%
No Exports	71	63%



### 14. Is the percentage of products and/or components imported by the company:

Increasing	12	11%
Stable	26	23%
Decreasing	1	1%
No Imports	73	65%



## International Focus

4 **15. Does the company have overseas production?**

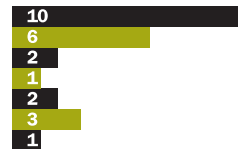
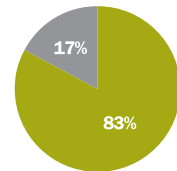
Yes	19	17%
No	95	83%

**If yes, where is the overseas production located?**

Europe	10
Asia	6
South America	2
Central America	1
Australia/Pacific Rim	2
Canada	3
Middle East	1

**Is it contract production or company facility?**

Contract production	7
Company facility	7



**16. Approximately what percentage of U.S. market share do international competitors control for your company's primary product?**

0%	47	46%
Under 20%	37	36%
21-50%	10	10%
More than 50%	13	8%

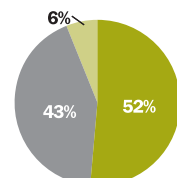
**Where are the international competitors located?**

Europe	23
Asia	28
Central America	5
Australia/Pacific Rim	4
South America	0
Canada	6



**17. Is overseas production by U.S. competitors:**

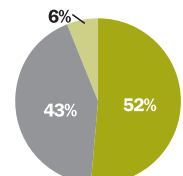
Increasing	32	52%
Stable	57	43%
Decreasing	7	6%



## Mergers & Acquisitions

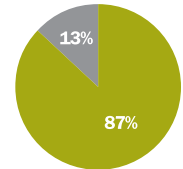
### 18. Is merger and acquisition or divestiture in your industry:

Increasing	70	52%
Stable	57	43%
Decreasing	4	6%



### 19. Has the company's ownership changed in the last 18 months, or do you anticipate a change?

Yes	20	13%
No	137	87%

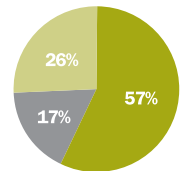


#### If yes, explain:

Acquisition/Merger	9
Internal promotion	1
Family transition	8

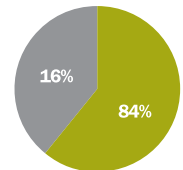
### 20. In your industry is production:

Under capacity	33	26%
Balanced	73	57%
Over capacity	22	17%



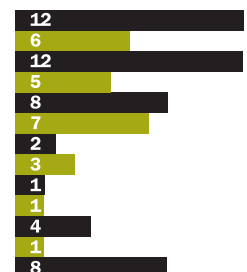
### 21. Do you anticipate any federal, state, or local legislation changes that will adversely affect your business in the next five years?

Yes	61	39%
No	97	61%



#### If yes, what changes:

Tax increases	12
Environmental regulations	6
Health care costs	12
Workers' compensation costs	5
Foreign trade policies	8
Labor laws	7
OSHA regulations	2
Homeland security regulations	3
Cuts in state spending	1
USDA/FDA regulations	1
HIPPA legislation	4
Cost of natural gas	1
Others	8



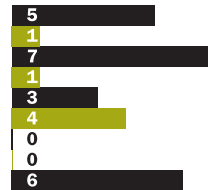
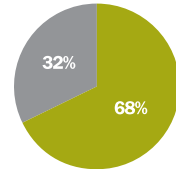
## Anticipated Changes

**22. Do you anticipate any federal, state, or local legislation changes that will benefit your business in the next five years?**

Yes	48	32%
No	101	68%

**If yes, explain:**

Tax reductions	5
Tort reform	1
Health care cost controls	7
Working capital for small businesses	1
Tax incentives	3
EPA regulations	4
Reduce foreign trade regulations	0
Electricity deregulation	0
Others	6

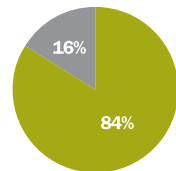


**23. Has the company's top management changed or is it expected to change in the next 18 months?**

Yes	25	16%
No	129	84%

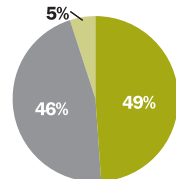
**If yes, explain:**

New management	10
Merger/Acquisition	2
Family transition	7



**24. Are the projected employment needs for this facility:**

Increasing	68	49%
Stable	64	46%
Decreasing	8	5%



## Utilities & Facilities

### 25. Will the following projected utility needs for this facility be increasing, stable or decreasing?

**Water:**

Increasing	21	14%
Stable	128	84%
Decreasing	3	1%

**Sewer:**

Increasing	21	14%
Stable	128	84%
Decreasing	3	1%

**Gas:**

Increasing	27	18%
Stable	123	80%
Decreasing	3	2%

**Electric:**

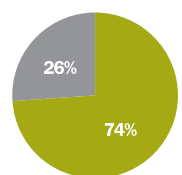
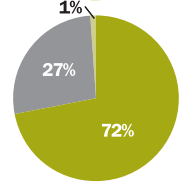
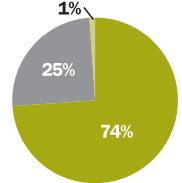
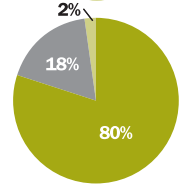
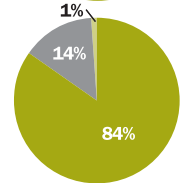
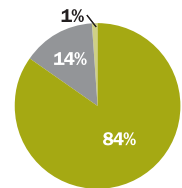
Increasing	38	25%
Stable	113	74%
Decreasing	2	1%

**Telecommunications:**

Increasing	39	27%
Stable	105	72%
Decreasing	3	1%

### 26. Are the company's current facilities adequate for anticipated future operations?

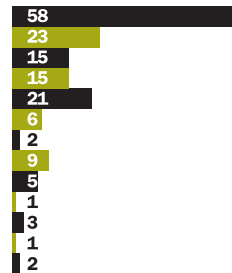
Yes	117	74%
No	41	26%



## Community Outlook

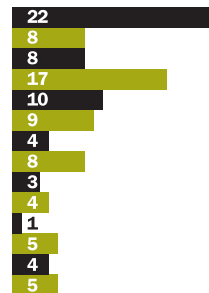
### 8 27. What are the community's strengths as a place to do business?

Central location	58
Support of local government	23
Strong, stable economy	15
Quality of life/Cost of living	15
Qualified labor	21
Low cost of doing business	6
Airport	2
Infrastructure/Utilities	9
Police and fire services	5
Available real estate	1
Public transportation	3
Schools	1
Low crime rate	2



### 28. What are the community's weaknesses as a place to do business?

Lack of political leadership	22
Crime/Safety issues	8
Deteriorating neighborhoods	8
Lack of infrastructure	17
Traffic congestion	10
Lack of qualified labor	9
Taxes	4
Negative image	8
Stagnant economy	3
Zoning/Permitting	4
Parking	1
Cost of doing business	5
Racial tension	4
Schools	5

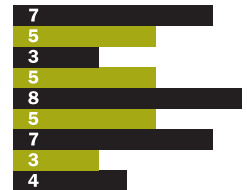
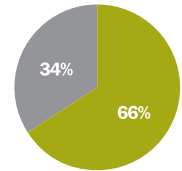


**29. Are there any barriers to growth in this community?**

Yes	51	34%
No	100	66%

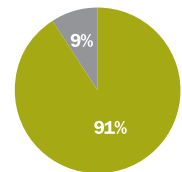
**If so, what:**

Lack of political leadership	7
Land locked	5
Crime/Safety concerns	3
Poor infrastructure	5
Lack of skilled labor	8
Taxes	5
Traffic congestion	7
Zoning/Permitting	3
Racial tensions	4



**30. Does the attitude among executives at corporate headquarters toward this community as a place to do business differ from local management?**

Yes	8	9%
No	80	91%
Does not apply	0	0%

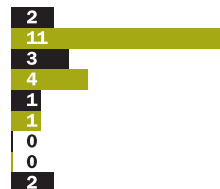
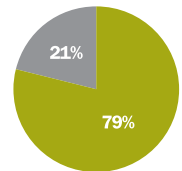


**31. Are there any reasons the community may not be considered for future expansion?**

Yes	31	21%
No	118	79%

**If yes, please explain:**

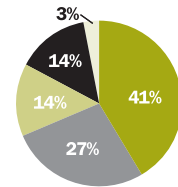
Crime/Safety issues	2
Land locked	11
Taxes	3
Cost of doing business	4
Lack of political leadership	1
Racial tensions	1
Closing business	0
Lack of parking	0
Zoning/Permitting	2



## Workforce & Productivity

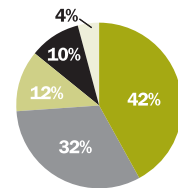
**10 32. How do you rate the availability of workers in this area?**

1 (Low)	5	3%
2	22	14%
3	41	27%
4	62	41%
5 (High)	22	14%



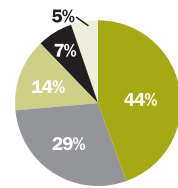
**33. How do you rate the quality of workforce in this area?**

1 (Low)	6	4%
2	15	10%
3	48	32%
4	63	42%
5 (High)	19	12%



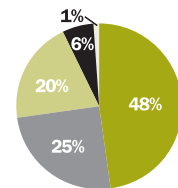
**34. How do you rate the stability of workforce in this area?**

1 (Low)	7	5%
2	11	7%
3	42	29%
4	65	44%
5 (High)	22	14%



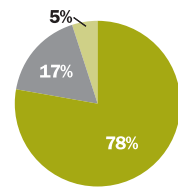
**35. As compared to other company facilities, how would you rate productivity in this facility?**

1 (Low)	2	1%
2	6	6%
3	22	20%
4	52	48%
5 (High)	27	25%



**36. Is the number of unfilled positions:**

Increasing	32	17%
Stable	144	78%
Decreasing	9	5%

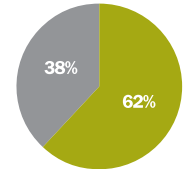


**37. Is the company experiencing recruitment problems with any employee positions or skills?**

Yes	53	38%
No	88	62%

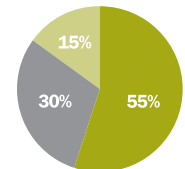
**If yes, what problems, positions or skills?**

Professionals	22
Unskilled labor	7
Skilled labor	27
Poor work ethic	4



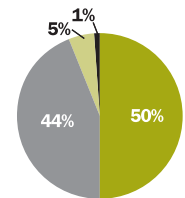
**38. Do these recruiting problems relate to:**

Industry	35	55%
Community	19	30%
Both	10	15%



**39. Is the company investment in employee training:**

Increasing	57	44%
Stable	65	50%
Decreasing	1	1%
No company training	7	5%

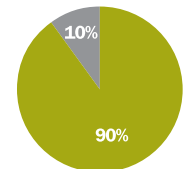


**40. If investing in employee training, what percentage of the training budget is for:**

New job skills training	63% average
Remedial skills training	52% average

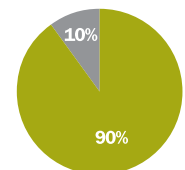
**41. Are there suppliers or services that would benefit by being located closer to this facility?**

Yes	14	10%
No	130	90%



**42. Are there customers that would benefit by being closer to this facility?**

Yes	13	10%
No	120	90%



## Participating Companies

12 A & E Butscha Co.	Cincinnati Construction Management	Eco Packaging Inc.	Heekin and Heekin LPA
ABM Greiffenberger Antriebstechnik	Cincinnati Container Co.	Enable Medical Corp.	Hill Top Research Inc.
Ace Reporting Services	Cincinnati Milacron Inc.	Encore Production Services	Hoffman Electric Co. Inc.
ACORDIA	Cincinnati Mills	Engrave Inc.	Holiday Homes Inc.
Aerospace International Materials Inc.	The Cincinnati Steel Treating Co.	Environmental Quality Management	Hosea Concrete Construction
The Al Naish Moving & Storage Co.	Cincinnati Time Systems	F. James Geers & Co.	Indiana Insurance
AluChem Inc.	Cinergy Corp.	Faxon Machining Inc.	Iron Wind Metals
Andres Lumber Co.	Cintech Industrial Coatings Inc.	FECOM INC	Jackson Rolfes Spurgeon & Co.
Anest Iwata USA Inc.	Clermont Senior Services, Inc.	Feiner Pattern Works Inc.	JM Peters Inc.
Arents Auto Body & Paint Service Inc.	Clermont Steel Fabricators Inc.	Ficks Reed	JM Smucker Co.
Armor Metal Group Sharonville, Inc.	Clermont Sun Publishing Co.	Findlow Filtration	John Pfeiffer Co.
Artitudes Graphic Design	The Closet Factory	The F. L. Emmert Co.	Johnson & Gordon Inc.
Ascus Micro, Inc.	Coffee Break Service Inc.	FlexTech Packaging Ltd.	Justice & Young Advertising
Atkins & Stang Electric Inc.	Combined Containerboard Inc.	Force Control Industries Inc.	K C Robotics Inc.
Atlantic Packing Co. Inc.	Consolidated Container Co.	Funch Lumber Co.	Kaeser & Blair Inc.
B C M Inks U.S.A. Inc.	Corporate Security Solutions	G. J. Berding Surveying Inc.	Kamphaus Henning & Hood CPA'S
Bahrs Die & Stamping Co. Inc.	Cox Financial Corp.	GameMaster	KeyBank
Barnett, Inc.	Cox Ohio Publishing	Gardner Publications Inc.	KGB Advertising
Bass Pro Shops Outdoor World	Curbell, Inc.	GBI/Globe Business Interiors	L M Castner Picture Frame Co.
Benner Mechanical & Electrical Inc.	Custom Quality Products Inc.	Genex Services, Inc.	Landor Associates
Bic Precision Machine Co.	Custom Railing & Wood Products	George Manufacturing Co.	Lees Inn & Suites
Bintzler Inc.	DBK David + Baader	Givaudan	Lo Bill Foods
The BMW Store Inc.	DBS Trading, Inc.	Glendale Body Shop	M/I Homes
Buchalters, Inc.	Degussa Coatings & Colorants	Gold Medal Products Co.	Main Awning & Tent Inc.
Burd Brothers Inc.	Deimling - Jeliho Plastics Inc.	H B Fuller Co.	Malcolm Pirnie Inc.
C A I Insurance Agency Inc.	Deltec Inc.	H. Nagel & Son Co. aka Brighton Mills	Marketing Support Services, Inc.
CBS Technologies, Inc.	Deskey Associates Inc.	Hamilton Fixture Co.	The Meadows Health Care Center
Champion Screen Printing Co.	Diversapack, LLC	Hamilton Stands Inc.	Megen Construction Co., Inc.
	Downing Displays Inc.	Harris Rising dba Breadsmith	Meineke Muffler
	Drake Center Inc.	Harrison Corp.	Met-Fab Fabrication & Machine
		Hart Industries Inc.	
		HealthSpan	

Michelman Inc.  
 Middle Earth Developer Inc.  
 Miroku Machine Tool, Inc.  
 MVD Communications, LLC  
 Neufoms Graphics  
 New Creative Enterprises Inc.  
 Neyra Industries Inc.  
 Noveon, Inc.  
 Ohio Valley Gasket Inc.  
 Oil Distributing Co.  
 OK Interiors Corp.  
 OKL CAN LINE INC  
 On Display  
 PFB Architects Inc.  
 Photonics Graphics, Inc.  
 PM Company  
 Porter Guerin Co.  
 Positive Business Solutions Inc.  
 Positrol Inc.  
 Premier Mortgage Group  
 Prestige Travel  
 PricewaterhouseCoopers LLP  
 Primax Marketing Group  
 Print Sales  
 Process Plus  
 Process Pump & Seal  
 PSI Group, Inc.  
 QC Industries  
 Quality Associates Inc.  
 Queen City Mechanicals Inc.  
 R&M Grinding, Inc.  
 Ramsay-Cohron Mechanical  
 Equipment Inc.  
 Reliance Medical Products Inc.

Richards Industries Inc.  
 Right Management  
 Consultants  
 RME Machining, Inc.  
 S S I Manufacturing, Inc.  
 Sauls Construction Co. Inc.  
 SigmaTEK Corp.  
 Smurfit Stone  
 Snelling Personnel  
 Services - Tri County  
 Source One Healthcare  
 Technologies  
 Spectra-Tech Manufacturing,  
 Inc.  
 Spectrum Marketing  
 Support  
 Spirit of America  
 National Bank  
 Standard Publishing  
 Standard Textile Co.  
 Syncor International Corp.  
 TechSolve, Inc.  
 Tisch Environmental Inc.  
 Tri State Juice Co.  
 UBE Automotive Corp.  
 The Union Central Life  
 Insurance Co.  
 Venco/Venturo  
 Manufacturing  
 Woolpert LLP  
 The Wornick Company  
 WSTR-TV Star 64  
 The Zero-Breese Co.

**TOTAL 178**

## 2004 Regional Business Retention Committee

**George Schaefer Jr.**

*Ex Officio Chair*  
Fifth Third Bank

**Glenn Clevenger**  
*Chair*

Fifth Third Bank

**Justin Beck**  
Rippe & Kingston

**Jim Benedict**  
KMK Consulting Co., LLC

**Marvin Blade**  
Cinergy Corp.

**Judy Clark**  
City of Blue Ash

**Debbie Dutton-Lambert**  
Greater Cincinnati  
Behavioral Health

**J.R. Foster**  
The Staubach Company

**John Hudson**  
McGill Smith Punshon, Inc.

**Greg Kathman**  
HCDC

**Chris Kelly**  
Kelly & Associates

**Lisa Boland**  
CBS Companies, LLC

**Adam Kocher**  
CRESA Partners

**Swann Fredrickson**  
CRESA Partners

**Rob Lambert, CPCU**  
USI Midwest

**Brian Leonard**  
The Staubach Company

**Jeff McElravy**  
City of Cincinnati

**Roger Mersch**  
Oak Hill Banks

**John Montgomery**  
Contract Interiors

**Nancy Nix**  
Certified Development  
Company of Butler County

**Dan O'Neill**  
University of Cincinnati

**Sean O'Reilly**  
Morgan Stanley

**Chris Perrino**  
Barnes, Dennig & Co.

**Phill Rosenzweig**  
University of Cincinnati

**Bethany Rustic**  
Turner SPD

**Rebecca Ryan**  
City of Mason

**Kathleen Skinner**  
Governor's Initiative  
Enterprise Works

**Greg Tankersley**  
Viox Services

**Leslie Weber**  
Business Courier

**Wade Williams**  
Cinergy Corp.

**Jeff Wolf**  
Everest Group

The Cincinnati USA Partnership is the best first contact for businesses interested in relocating or expanding in Cincinnati USA. Our economic development professionals work in partnership with more than 150 other local public and private economic development teams, providing a unified response to business growth needs. To learn more, please call us at 513.579.3120 or visit our Web site at [CincinnatiUSA.org](http://CincinnatiUSA.org).



**Cincinnati USA**  
PARTNERSHIP

**300 Carew Tower**  
**441 Vine St.**  
**Cincinnati, Ohio 45202-2812**  
**Phone: 513.579.3120**  
**E-mail: [partners@gccc.com](mailto:partners@gccc.com)**  
**[www.CincinnatiUSA.org](http://www.CincinnatiUSA.org)**