

By continuing to work together, Cincinnati USA is clearly emerging as an “all together surprising” force and destination in the global marketplace. Regional Partnership. Global Results.



2006 Regional Business Retention Report

Retaining Our Best Customer

The No. 1 axiom in marketing: Your most important customer is the one you already have. The Partnership's Retention Committee subscribes to that theory, and in 2006 staged a number of phone surveys and on-site, in-person contacts—dubbed community blitzes—with existing firms to retain their investments and jobs in the region.

The Retention Committee, comprised of volunteers under the direction of Chris Perrino, business development director of Barnes, Dennig & Co., conducted blitzes in Blue Ash, Clermont County, Mason and Warren County, completing more than 300 business retention surveys in 2006.

The 30-plus members of the Regional Business Retention Committee actively serve as regional ambassadors, meeting with business leaders each year and then communicating their concerns to the Partnership.

The results of this research are reported on the following pages. Consider the following, according to the 2006 surveys of more than 300 regional businesses:

- 77 percent of the companies reported increasing sales
- 57 percent of the companies indicated a company expansion is likely in the next three years
- Labor and workforce concerns are on the rise, with 56 percent of companies experiencing recruitment problems
- For the third consecutive year, the region's central location was the biggest strength of the community as a place to do business, while the region's infrastructure, qualified labor and political leadership were cited as weaknesses

According to economists, more than 75 percent of new jobs are created through existing businesses. That's why the Partnership's business retention program grows more aggressive every year. By retaining our best customers, the Partnership is forging progress for Cincinnati USA.

2006 Regional Business Retention Committee



Row 1 (Steering Committee):

Rachel Russ
Lisa Boland
Chris Perrino, Chair
Terry Dickey
Marge Limke
Catherine Fitzgerald, Vice Chair
Greg Tankersley
Jack Cameron

Row 2:

Rob Lambert
Shannon Barrow
Judy Clark
Jennifer Fedorov
Arlene Koth
Bethany Rustic Smith
Quinten Harris
Sheila Roth

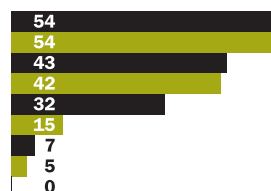
Row 3:

Jeff Wolf
Scott Abernethy
Dan O'Neill
Leslie Weber
Chris Shimala
Shawn Gilreath
Sean O'Reilly

Corporate Growth

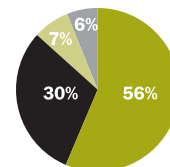
1. What is your company's greatest achievement in the last five years?

Staying in business	54
Growth in sales	54
Product and service development	43
Increase in market share	42
New location/Facility expansion	32
Merger/Acquisition	15
Employee growth	7
Award recognition	5
Opening new business	0



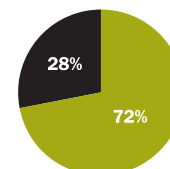
2. Where is the company's primary product/service in its life cycle:

Growing	143	56%
Maturing	76	30%
Emerging	16	6%
Declining	19	7%



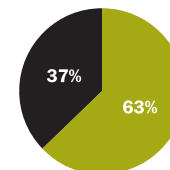
3. Has the company introduced new products/services/capabilities during the last five years?

Yes	176	72%
No	67	28%



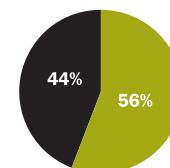
4. Are new products/services anticipated in the next two years?

Yes	152	63%
No	91	37%



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

Yes	102	44%
No	130	56%



If yes, please explain:

Advanced products and processes	38
Internet-based applications	19
More high-tech equipment	36

Research & Development

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

0%	44	32%
3%	44	32%
3-6%	25	18%
More than 6%	23	17%



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

New product development	50% on average
Product improvements	51% on average
Production improvements	45% on average

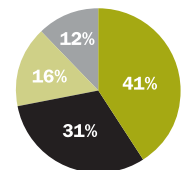
8. Where is the R&D facility located?

Cincinnati USA region	56
Ohio	9
United States	9
Outside the United States	2



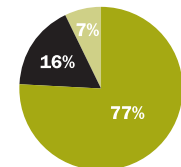
9. Is the company's primary market:

Local	44	16%
Regional	111	41%
National	83	31%
International	32	12%



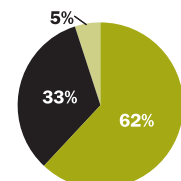
10. Are total sales:

Increasing	201	77%
Stable	43	16%
Decreasing	17	7%



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

Increasing	138	62%
Stable	73	33%
Decreasing	13	5%



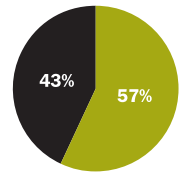
Expansion & Sales

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

Yes	139	57%
No	105	43%
Estimated dollar amount	\$193,879,000	
Average expansion cost	\$4,125,085	
Estimated number of jobs to be created	1,824	
Average number of jobs created	21	
Estimated additional space	1,672,000 square feet	
Average additional space	30,400 square feet	

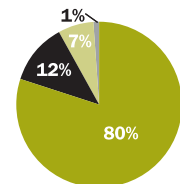
Approximate date of expansion

2007	13 companies
2008	20 companies
2009	12 companies



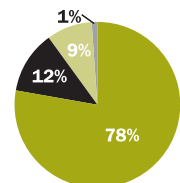
13. Are export sales as a percentage of total sales:

Increasing	25	12%
Stable	15	7%
Decreasing	2	1%
No Exports	169	80%



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

Increasing	26	12%
Stable	18	9%
Decreasing	2	1%
No Imports	167	78%



International Focus

15. Does the company have overseas production?

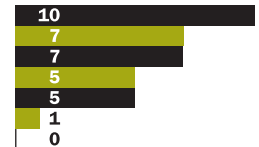
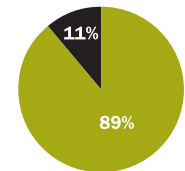
Yes	24	11%
No	198	89%

If yes, where is the overseas production located?

Asia	10
Australia/Pacific Rim	7
Europe	7
South America	5
Canada	5
Central America	1
Middle East	0

Is it contract production or company facility?

Contract production	3
Company facility	8



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

0%	81	57%
Under 20%	43	30%
21-50%	11	8%
More than 50%	6	4%

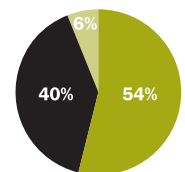
Where are the international competitors located?

Europe	15
Asia	10
Australia/Pacific Rim	5
Central America	1
Canada	1
South America	0



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

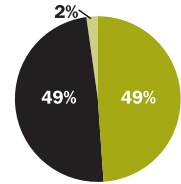
Increasing	38	54%
Stable	28	40%
Decreasing	4	6%



Mergers & Acquisitions

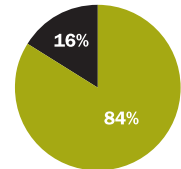
18. Is merger and acquisition or divestiture in your industry:

Increasing	86	49%
Stable	86	49%
Decreasing	3	2%



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

Yes	38	16%
No	205	84%

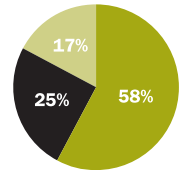


If yes, explain:

Acquisition/Merger	28
Internal promotion	8
Family transition	10

20. In your industry, is production:

Under capacity	45	25%
Balanced	105	58%
Over capacity	30	17%



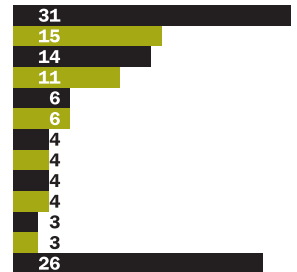
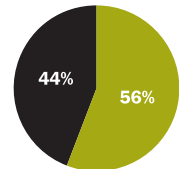
Anticipated Changes

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

Yes	100	44%
No	129	56%

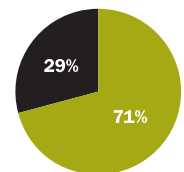
If yes, what changes:

Tax increases	31
Health care costs	15
Environmental regulations	14
Labor laws	11
Cuts in state spending	6
Foreign trade policies	6
Cost of natural gas	4
OSHA regulations	4
USDA/FDA regulations	4
Workers' compensation costs	4
HIPPA legislation	3
Homeland security regulations	3
Others	26



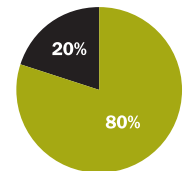
22. Do you anticipate any federal, state, or local legislation changes that will benefit your business in the next five years?

Yes	68	29%
No	163	71%



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

Yes	50	20%
No	200	80%

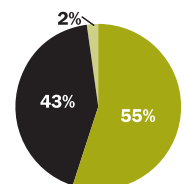


If yes, explain:

New management	34
Merger/Acquisition	5
Family transition	7

24. Are the projected employment needs for this facility:

Increasing	127	55%
Stable	101	43%
Decreasing	5	2%



Utilities & Facilities

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

Water:

Increasing	26	12%
Stable	180	86%
Decreasing	4	2%

Sewer:

Increasing	24	11%
Stable	182	87%
Decreasing	3	2%

Gas:

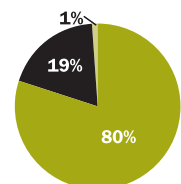
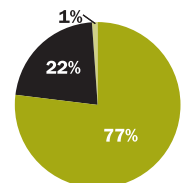
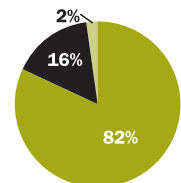
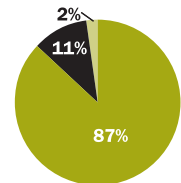
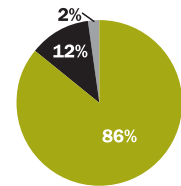
Increasing	34	16%
Stable	171	82%
Decreasing	4	2%

Electric:

Increasing	46	22%
Stable	163	77%
Decreasing	3	1%

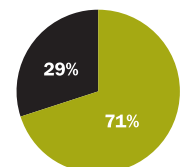
Telecommunications:

Increasing	39	19%
Stable	167	80%
Decreasing	2	1%



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

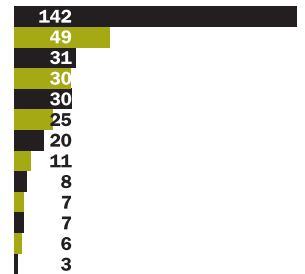
Yes	161	71%
No	65	29%



Community Outlook

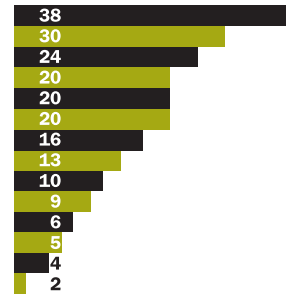
27. What are the community's strengths as a place to do business?

Central location	142
Strong, stable economy	49
Infrastructure/Utilities	31
Qualified labor	30
Support of local government	30
Quality of life/Cost of living	25
Low cost of doing business	20
Low crime rate	11
Police and fire services	8
Available real estate	7
Schools	7
Airport	6
Public transportation	3



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

Lack of infrastructure	38
Lack of qualified labor	30
Lack of political leadership	24
Cost of doing business	20
Stagnant economy	20
Traffic congestion	20
Crime/Safety issues	16
Taxes	13
Zoning/Permitting	10
Negative image	9
Deteriorating neighborhoods	6
Schools	5
Parking	4
Racial tension	2



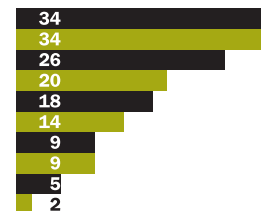
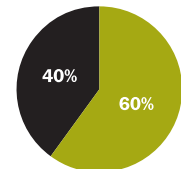
Community Outlook

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

Yes	98	40%
No	147	60%

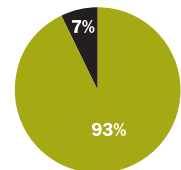
If so, what:

Lack of political leadership	34
Lack of skilled labor	34
Negative image	26
Poor infrastructure	20
Land locked	18
Crime/Safety concerns	14
Taxes	9
Zoning/Permitting	9
Racial tensions	5
Traffic congestion	2



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

Yes	11	7%
No	142	93%
Does not apply	0	0%

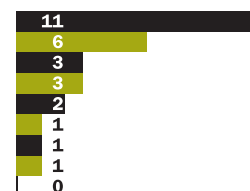
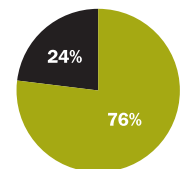


31. Are there any reasons the community may not be considered for future expansion?

Yes	54	24%
No	174	76%

If yes, please explain:

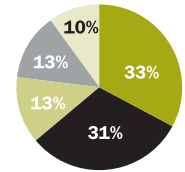
Cost of doing business	11
Land locked	6
Crime/Safety issues	3
Taxes	3
Zoning/Permitting	2
Lack of parking	1
Lack of political leadership	1
Racial tensions	1
Closing business	0



Workforce & Productivity

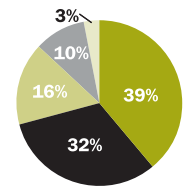
32. How do you rate the availability of workers in this area?

1 (Low)	25	10%
2	33	13%
3	79	31%
4	84	33%
5 (High)	35	13%



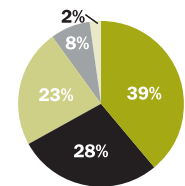
33. How do you rate the quality of workforce in this area?

1 (Low)	8	3%
2	24	10%
3	80	32%
4	97	39%
5 (High)	40	16%



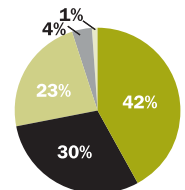
34. How do you rate the stability of workforce in this area?

1 (Low)	5	2%
2	19	8%
3	70	28%
4	99	39%
5 (High)	58	23%



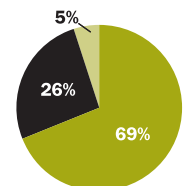
35. As compared to other company facilities, how would you rate productivity in this facility?

1 (Low)	1	1%
2	6	4%
3	38	23%
4	69	42%
5 (High)	49	30%



36. Is the number of unfilled positions:

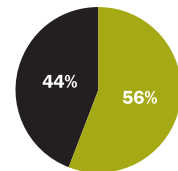
Increasing	59	26%
Stable	160	69%
Decreasing	11	5%



Workforce & Productivity

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

Yes	124	56%
No	98	44%



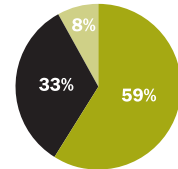
If yes, what problems, positions or skills?

Professionals	63
Skilled labor	54
Unskilled labor	24
Poor work ethic	5



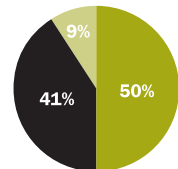
38. Do these recruiting problems relate to:

Industry	83	59%
Community	46	33%
Both	12	8%



39. Is the company investment in employee training:

Increasing	101	50%
Stable	82	41%
Decreasing	0	0%
No company training	19	9%

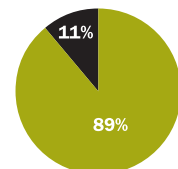


40. If investing in employee training, what percentage of the training budget is for:

New job skills training	68% average
Remedial skills training	46% average

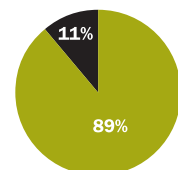
41. Are there suppliers or services that would benefit by being located closer to this facility?

Yes	26	11%
No	216	89%



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

Yes	26	11%
No	211	89%



Participating Companies

A & P Technology	The Cincinnati Enquirer	Fisher Investment Group	K Bar K
A B S Business Products	Cincinnati Testing Laboratories	Flint Ink Corp.	Kanter Corp.
Abco Band Co. Inc.	Cintas Corp.	Floturn Inc.	KBA Architects
Abstract Displays	Citigroup	Folino Printing Co.	Kibby Raynor Productions
ACS Marketing Group.	Clyde Materials Handling	Forte Industries	Kizan Technologies
Adecco	CMC Properties	Fox Run Plant Co. Inc.	Kovsky & Miller
Advanced Textile Sys.	CMI (Advantage Sales & Marketing)	FPC of Cincinnati	The Kroger Co.
Aero Fulfillment Svcs.	Cohen Brothers Inc.	Frank J. Catanzaro & Sons & Daughters Inc.	Kunkel Pharmaceuticals
AI Sys.	Comfort Inn	Frank Messer and Sons Inc.	L.C. Liming Co.
AI Naish Moving & Storage Co.	CommuniCare of Clifton	Franklin Brazing & Metal Treating	Lehn Painting Inc.
Al. Neyer Inc.	Compuware Corp.	Frey Electric Inc.	Libby's Gourmet Desserts
Allright/Central Parking System	Contech Construction Products Inc.	Frisch's Restaurants Inc.	Lindhorst & Dredame Co. LPA
American Cancer Society	Contractors Materials Co.	Fry Hensley Co.	Lykins Cos.
American Financial Group	Convergys Corp.	FT Group Inc.	Lykins Oil Co. Inc.
Anthem Blue Cross Blue Shield Inc.	Core Composites Cincinnati LLC	Fujitec America Inc.	MACTEC Engineering & Consulting
Architechnology Inc.	Cork Equip. & Construction Co. Inc.	G & C Interconnects Ltd.	The Malibu Group
Ashland Distribution	Crosstown Bindery	GBBN Architects	Marble Arch Products Inc.
Ashwood Computer Co. Inc.	Croswell Bus Lines	GE Aviation	MarketVision Research Inc.
ATA Beilharz Architects	CSI/Republic	General Cable Corp.	MAS Construction Sys. Inc.
Automated Machinery Inc.	CTL Aerospace	General Engine Products LLC	Mayhew & Peper Photographers
AWS Industries Inc.	Dan Beard Council – Boy Scouts of America	George Steel Fabricating Inc.	McKenna Assoc. Inc.
Bachman's Inc.	Dandy Products Inc.	Ghent Mfg. Inc.	MCM Electronics
The Berry Co.	Delta Air Lines Inc.	Glaserworks	Mercy Hospital Anderson
Best Upon Request	Derringer Co.	Gold Medal Products Co.	Meridian Diagnostics Inc.
BestNest	Dex-Cut Tools	Great Oaks Institute of Technology & Career Development	Metalex Mfg. Inc.
Black Box Network Svcs.	Directions Research Inc.	Grote Industries	Metaworking Group
Black Machining & Technology Inc.	DocuVision Inc.	H G C Inc.	Midland Co.
Borcherding Enterprises	Dolbey & Co. Inc.	Harris Interactive	Midwest Laundry Inc.
Braden Sutphin Ink Co.	Don Schumacher & Assocs. Inc.	Harrison Concrete Inc.	Milacron Inc.
Brakefire Inc./Silco Fire Protection	Down Lite Products	Hart Industries Inc.	Milford Stamp & Engraving
Brendamour Warehousing Distribution and Services Inc.	Dream Dinners	Hauser Group	Minuteman Press Downtown/ MMP Printing
Brower Insurance Agency Inc.	DuBois Bookstore	Heat & Sensor Technologies	Miracle Welding Inc.
Bryan Equipment Sales	Dugan & Meyers Construction	Holman Motors Inc.	Mobilized Sys. Inc.
Bunge North America	Duke Energy	Horizon Landscaping	Mollett Seamless Gutter Co.
Burke Inc.	The E. W. Scripps Co.	Hospice of Cincinnati Inc.	Monti Inc.
B-Way Corp.	Easy Way Safety Svcs.	Iko Mfg. Inc.	Moody Nolan Ltd. Inc.
C. Garth Semple & Associates	Enerfab Inc.	ILSCO Corp.	Muniz & Associates LLC
Cadre Computer Resources	Enriching Spaces	Inner Peace Holistic Center	Munoz Athletics
Castellini Co.	ERM – Southeast, Inc.	Institute for Entrepreneurial Thinking	NAPA Auto Parts
CDC Distributors Inc.	Esco Technologies	Interact One	Napstak LLC
CE Power Solutions LLC	Ethicon Endo-Surgery Inc.	ITE – Integrated Technologies Engineering	Nation Coating Sys. Inc.
CFP Research	Evans Landscaping Inc.	ITW Angleboard	National Amusements Inc. – Showcase Cinemas
CH2M Hill/Lockwood Greene	Exceller Software	JAM Naturopathy	National City Corp.
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Chiquita Brands International Inc.	Feiner Pattern Works Inc.	Jet Machine & Mfg. Co. Inc.	Nextstep Networking
Cincinnati Art Museum	Fenton Rigging Co.	JM Smucker Co.	Nicholson Consulting
Cincinnati Assoc. for the Blind	Ficks Reed	John R. Grier – Architect	Norandex Inc.
Cincinnati Bell Telephone Co.	Fidelity Investments	JP Construction Co.	North American Properties
Cincinnati Bulk Terminals (CBT)	Fifth Third Bancorp	JTM Provisions Co.	North Side Bank & Trust Co.
Cincinnati Color Press Inc.	Fifth Third Leasing Co.		Northlich
Cincinnati Electronics Corp.	First American Title		

Ohio Casualty Group
 Open Gate Consulting
 OPW
 Pak/Teem Technical Svcs. Inc.
 Palmer Engineering
 Patriot Machining & Maintenance
 Paul Hemmer Cos.
 Pavestone Co.
 Paxico
 The Payne Firm Inc.
 PCS Technical Svcs.
 Phillips Edison & Co.
 Pioneer Vending Inc.
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 Reach Publishing Sys./Reach USA
 Red Barn Flea Market
 Reinhart Food/HMI
 Republic Wire Inc.
 Restaurant Management Inc.
 dba Arby's Restaurants
 RGI Design
 Richards Industries Group
 River Downs
 Riverhills Healthcare Inc.
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 Royer Technologies Inc.
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 Sanford Rose Associates
 The Sant Corp.
 SARCOM
 Sauls Construction Co.
 Savor Seasonings LLC
 Schmidt Progressive LLC
 Senco Products Inc.
 Sharefax Credit Union Inc.
 The Sheakley Group of Cos.
 The Shepherd Color Co.
 Sieb & Meyers
 Skidmore Sales & Distributing Co. Inc.
 Skyline Chili Inc.

Smurfit – Stone Container Corp.
 Sonoco Flexible Packaging
 SORTA/Metro
 Spartan Supply Co.
 Sports Plus
 SRW Environmental Svcs. Inc.
 St. Bernard Soap Co.
 Stack Test Technologies
 Star One Realtors
 Star Personnel Svcs.
 Steel Summit – Ohio
 Strata G Communications
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The Cincinnati USA Partnership is the first and primary contact for businesses interested in relocating or expanding in the Cincinnati USA region. To learn more, please call us at 513.579.3107 or visit our Web site at CincinnatiUSA.org.

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