



News Release

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Iowa Business Council Calls for Vision, Innovation, and Action to Make Iowa's Economy Stronger

Key areas include process improvement, entrepreneurial support, advanced manufacturing and research, education, and workforce attraction.

Des Moines, IOWA – (January 29, 2007) – If Iowa is to compete domestically and internationally, Iowans need to take action now before opportunities pass by.

“Status quo is no longer an option if Iowa wants to remain a player on the world stage of commerce,” said Max Phillips, President of Qwest – Iowa, and chairman of the Iowa Business Council.

In remarks delivered at the Council's 21st Annual Partnership Dinner held Jan. 29 in Des Moines, Phillips outlined key areas that Iowans need to tackle if the state's economy is to grow and prosper. The Council itself is focusing on continuous process improvement, entrepreneurial formation support, encouraging advanced manufacturing and research, education, and attracting a diverse workforce.

CONTINUOUS PROCESS IMPROVEMENT IS CRUCIAL

Successful businesses worldwide have adopted the philosophy behind Lean Enterprise to evaluate and improve administrative and production methods on a continuous basis. The results have been reduced costs, increased product quality, happier employees, and improved customer satisfaction.

The Iowa Coalition for Innovation & Growth (ICIG), a collaboration of the Council and the Iowa Chamber Alliance, has taken the Lean concept into Iowa's hospital industry where it led to improvements in staff efficiencies and patient wait times by 32 to 100 percent.

Similar results were realized after ICIG introduced Lean to the administrative processes of state government. Since 2003, more than 60 Lean events have been staged in 18 state agencies. During fiscal years 2006 and 2007 alone, 35 events led to dramatic improvements within areas such as underground storage tanks, wastewater permitting, financial assistance applications, and elevator inspections. Delays in regulatory approval times with these and other programs were often reduced by 90 percent or more.

In 2006, the Iowa General Assembly supported funding an Office of Lean Enterprise within the state's executive branch. In 2007, ICIG will continue to mentor state officials



in their Lean efforts, with the ultimate goal of transitioning leadership and responsibility for future Lean initiatives in state government to the Department of Management.

NUTURING ENVIRONMENT IS NECESSARY FOR ENTREPRENEURIAL GROWTH

The ICIIG's Entrepreneurial Formation Team has developed the Iowa Entrepreneur Network on its Web site, www.IowaEntrepreneur.com. The network is a virtual "community of practice" venue where entrepreneurs and investors can access business formation and venture capital expertise in real-time online.

"This resource will provide for a 'free exchange of ideas,' more real-time networking and, ultimately, greater degrees of small business success," Phillips said.

The Iowa Entrepreneur site has grown from several hundred page views in 2005 to more than 34,000 in 2006, while specific requests for information or guidance have more than tripled in the past 12 months.

ADVANCED MANUFACTURING AND RESEARCH ARE KEY TO IOWA'S FUTURE

Sustaining Iowa's competitive posture in the global economy is an ongoing challenge. The Council's Advanced Manufacturing & Research Collaboration Cluster (AMRCC) is charged with assuring that Iowa companies remain at the forefront of engineering and advanced manufacturing by leveraging best practices, conducting collaborative research, and sharing state of the art technologies to maintain and improve their competitiveness.

A subgroup has created an online database to warehouse the research and activity of Iowa industry and state colleges regarding advanced manufacturing and bio-product development.

AMRCC is also committed to making Iowa the recognized leader in bio-research, engineering, and product development – seeking to establish the state as the preferred location for bio-related businesses and the epicenter for renewable resources that are viable substitutes for petroleum-based commercial products. For more information, please visit www.amrcc.com.

SUPERIOR EDUCATION IS A MUST

The competitive nature of today's marketplace requires employees to be competent learners and excel in mathematics, reading, and science. Last year, the Council authorized the formation of the Science, Technology, Engineering, and Mathematics, or STEM, Team to generate new interest and create enthusiasm among teachers and students for STEM-oriented courses and related careers. A pilot effort within a number of Cedar Rapids area school districts is currently under way, establishing and refining benchmarks so that eventually the initiative can serve as a model for other Iowa communities.

The Council also advocates voluntary, universal access to quality early childhood education for all 4-year-old Iowa children. This is a key economic development and workforce attraction issue. It affects the ability of Iowa companies to successfully



recruit new hires from out-of-state as well as impacts the learning capacity and productivity potential of employees that emerge from Iowa school systems. In addition, appropriations dedicated to early childhood education have proven to generate returns of much greater amounts than the dollars originally invested. Such efforts have proven to be an invaluable investment that generates a return of many more dollars than originally invested. The Council is encouraged with the results from the 2005 and 2006 Iowa General Assemblies that bolstered Iowa's early childhood education system with up to \$33 million during the next three years.

ATTRACTING A DIVERSE WORKFORCE NEEDS TO HAPPEN

Another area the state needs to focus on is attracting a diverse workforce. In Iowa, the need for new employees by the end of the decade – to replace those who retire as well as fill newly-created jobs – is estimated to be at least 200,000. While the population of the United States is now growing at an annual clip of 4 to 5 percent, Iowa continues to lag at a sluggish pace of 1 to 2 percent.

“This is an Iowa crisis,” Phillips said. “The time has come to get aggressive and innovative in addressing the need to attract and retain skilled, well-educated, and diverse populations that reside elsewhere in the United States and other countries around the world.”

“The future will belong to those with vision, those who are most innovative, and those who are most motivated to action. Local and state policymakers must remain bold and aggressive in deploying initiatives that spur wealth-creating business growth and diverse workforce attraction.”

Part of making Iowa a desirable place for new workers is maintaining the state's safety and security. Earlier in the day, the Council held a new conference to launch the Safeguard Iowa Partnership – a voluntary coalition of business and government leaders who share a commitment to help prevent, effectively respond to, and efficiently recover from natural and man-made catastrophic events in Iowa.

“The diverse industries that support Iowa's economy are inter-dependent,” Phillips said. “By working across industry sectors, and with our government partners, we can help protect Iowa's future, its economy, and the quality of life Iowans enjoy.”

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The Iowa Business Council is a nonprofit, nonpartisan, self-funded organization whose 24 members include the top executives of 20 of the largest businesses in the state, the three Regent university presidents, and Iowa's largest banking association. Collectively, these companies and institutions employ more than 180,000 Iowans. They have made more than \$25 billion worth of capital investments in the state. Founded in 1985, the Council's purpose is to focus the personal commitment of its members to assume active leadership roles on major initiatives that offer opportunity to enhance Iowa's economic vitality and improve the lives of Iowans. For more information, go to www.iowabusinesscouncil.org.