

# 2010 "Voice of the Customer" Summary Report

The end of 2010 marked the completion of nearly four years of our *Rockforward!* strategic plan. It also concluded six successful years of the RAEDC's "Voice of the Customer" survey initiative (VOC). Last year 121 companies participated in the process, a nearly 20% increase over 2009. Survey responses represent crucial contributions to the improvement of our community, and are used in developing *Rockforward!* strategies and identifying a wide variety of improvement efforts throughout the region. Business leaders see the community from an important vantage point, and provide valuable input on their experiences, opinions and expertise. We understand that existing employers drive job growth and capital expansion (70% of which comes from existing employers), which is why VOC is such a priority in our Business Retention and Expansion efforts. This report provides an overview of 2010 VOC survey results. As the region continues to collaborate in public-private partnership, we can build a more sustainable economy that creates increasing opportunities from which our citizens can prosper.

## EXPANSION OPPORTUNITIES IDENTIFIED

Planned expansion for the next three years from companies we visited represent a **potential \$178.8 million dollar investment, 300,000 square feet of new or expanded space, and 158 new jobs**. The Healthcare industry represents more than half of this potential dollar investment, and the balance is projected in manufacturing and other service industries. For companies indicating expansion plans, the average investment has increased from \$1.4 million in 2008 to \$4.7 million in 2010.

- ❖ 37 companies (31%) projected increased market share/total sales
- ❖ 44 companies (36%) projected increased employment needs
- ❖ 32 companies (26%) expressed plans to expand.
- ❖ 13% of the surveyed companies in 2010 identified barriers that would likely prevent them from expanding in the future within our region. Numerous reasons were identified and some of the areas of concern are represented within our 5 key learnings listed below. Other reasons given were of a strategic nature based upon the company's specific plans for growth.

## 5 KEY LEARNINGS

### *Business Environment*

1

The "business friendly" environment in Illinois is often questioned. To improve this situation, employers would like to see changes in legislation concerning worker's compensation, unemployment insurance, state and local tax rates and Enterprise Zone extensions (along with improved communication of available incentives).

### *Workforce*

2

Concern was expressed regarding the younger workforce, specifically their work ethic, stability and problem-solving skills.



3

Business leaders surveyed share a concern for the need of diversity in professional and leadership roles. The issue of minorities being underrepresented and not finding a professional peer group has been communicated as well.

4

The aging workforce is being replaced by individuals with less experience. There appears to be an opportunity for enhanced cooperation between employers and employees in regard to continuous learning approaches in support of company growth.

*Infrastructure*

5

Rockford’s infrastructure continues to be a principle concern, specifically the condition of local streets and roads. There have been many roadway and infrastructure improvements as a result of the 2007 sales tax referendum. Employers continue to value the efforts our municipalities make in regard to enhanced infrastructure and would like to see improvements accelerated.

**ASSISTANCE PROVIDED**

During the VOC conversation, questions are raised or issues are communicated. These issues become open action items within our Synchronist database system. Upon answering the question and providing information to resolve the issue, or making a call on behalf of the client, the action item is closed. The Assistance Tracking function of Synchronist tells us that 181 items were opened. **90% of open action items have been closed.** The average time to close an action item was **4.8 days.** Some items remain open pending on-going meetings and analysis. Topics included:

- ❖ Requests for information (which make up 2/3 of action items.)
  - Make call on behalf of client
  - Arrange meetings, issues/concerns with service providers
- ❖ Match-making collaborations
- ❖ Suggest programs/contacts that could benefit client

**OBSERVATIONS**

- ❖ **Employment needs are increasing slowly.** In 2010, companies found themselves in need of more employees than in '08 and '09. After cutting expenses and shrinking payrolls to weather the recession, companies are starting to add jobs, albeit very slowly.
- ❖ Questions regarding fiber optic internet access were raised. Recently Winnebago County was Co-Awarded the highly competitive BTOP Grant (Broadband Technology Opportunities Program Grant). This grant will anchor institutions like libraries, K-12 schools, and community colleges in northwestern Illinois with broadband connectivity. **Fiber optic internet access would be welcomed by private sector businesses.**



- ❖ As companies express concern with a low level of skilled individuals applying for vacant positions, there appears to be an **opportunity for companies to improve marketing of these career openings** to reach a broader section of the population.

## Workforce

### EVALUATION

A theme that resurfaced from last year is a need for more/better skilled workers. The concern is that workers continue to have inadequate skills/expertise/certifications. **Workforce and education were mentioned as barriers to growth.** Often times, the two were mentioned together. Themes of these comments were very similar to the following:

- Need for available, skilled workforce
- Aging workforce getting replaced with less experienced and trained individuals
- Need skilled, quality people with engineering background
- Education and workforce issues are related impacting the labor pool
- Level of skills for metal-working jobs appears to be lacking
- Hard to find good, devoted people

There was a decline in average workforce rankings of availability, quality and stability in 2010 vs. 2009. Employers are concerned that the skills and training they currently require may not be sufficiently represented in the available labor pool. Trend lines have been added to assist in visualizing movements in each category.



Source: Synchronist Database & 08/09 NA User Study (Blaine Canada)



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## TRAINING

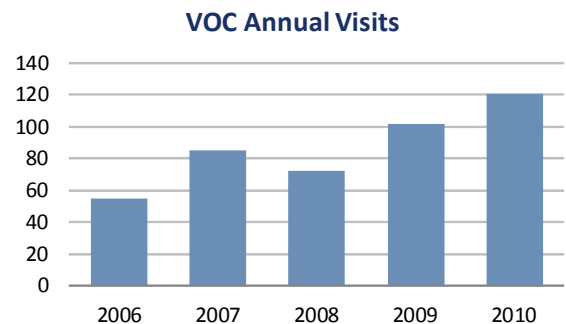
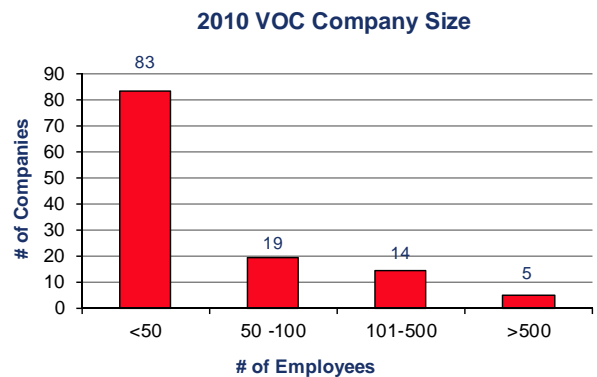
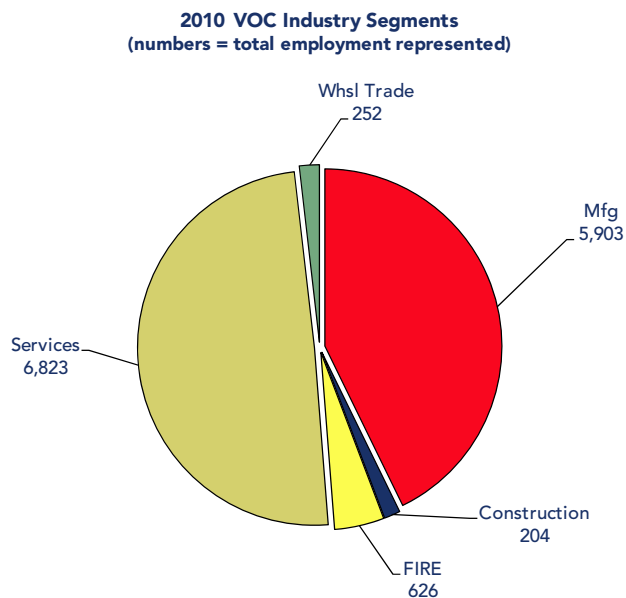
Of the 121 companies:

- ❖ Over 90% provide training
  - 40% are increasing training
  - 59% have stable training
  - 1% are decreasing training

For manufacturing companies, more than 40% of training investment was spent in new job skills, 18% in remedial training and the remainder on proficiency improvement.

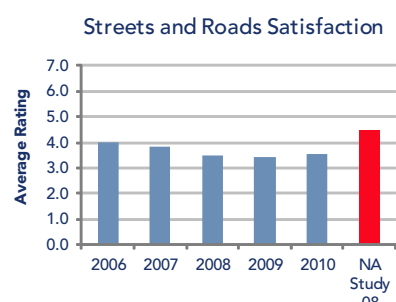
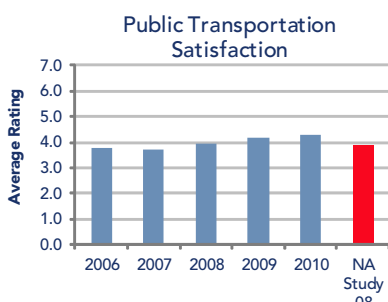
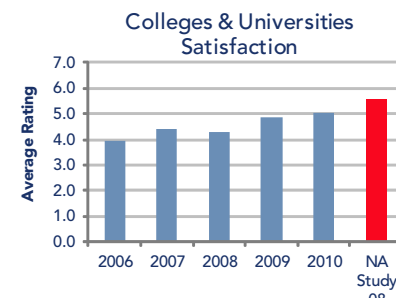
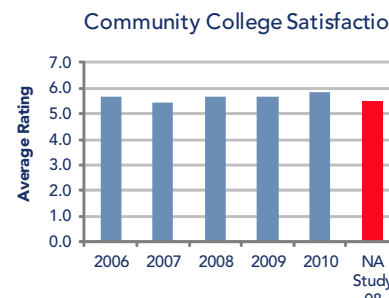
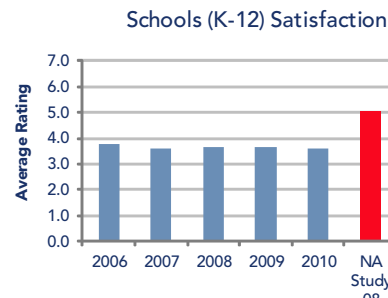
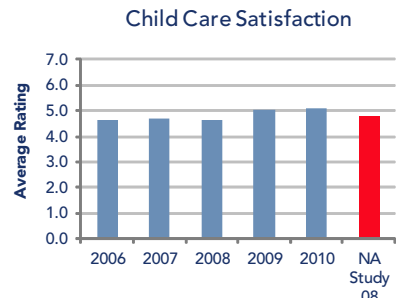
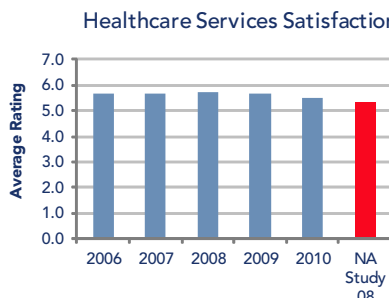
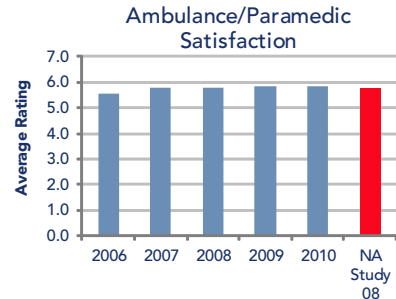
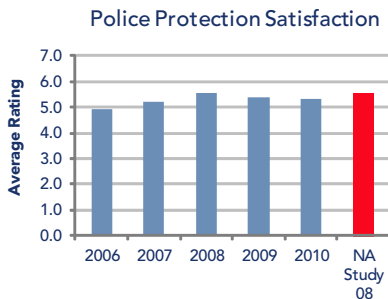
## Survey Population

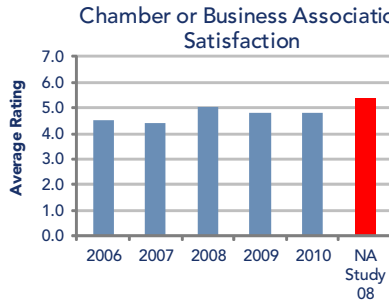
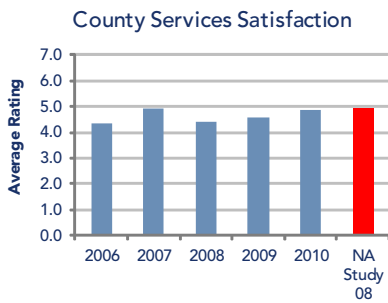
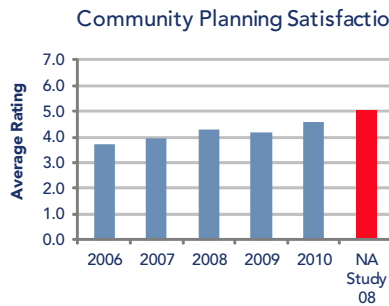
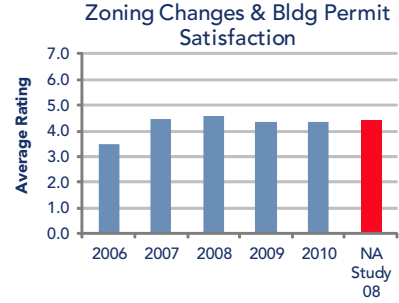
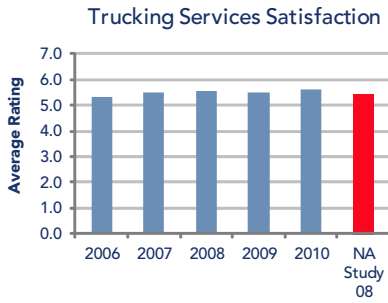
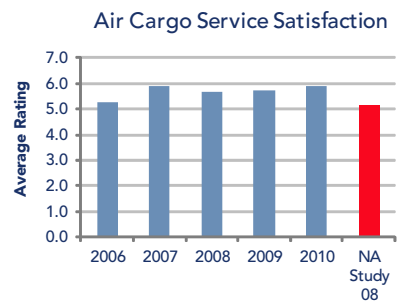
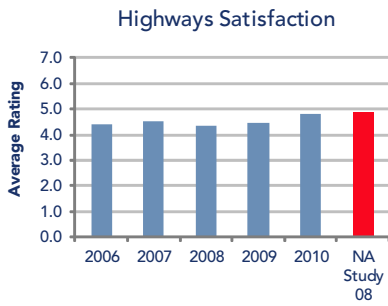
A total of 121 companies are represented in the 2010 on-site interviews. These companies represent more than 13,800 employees in our region (8.3% of the workforce). Over the past five years, we have spoken with companies representing approximately 1/3 of our region's labor force. The industry segments represented are as follows.



# Community Services

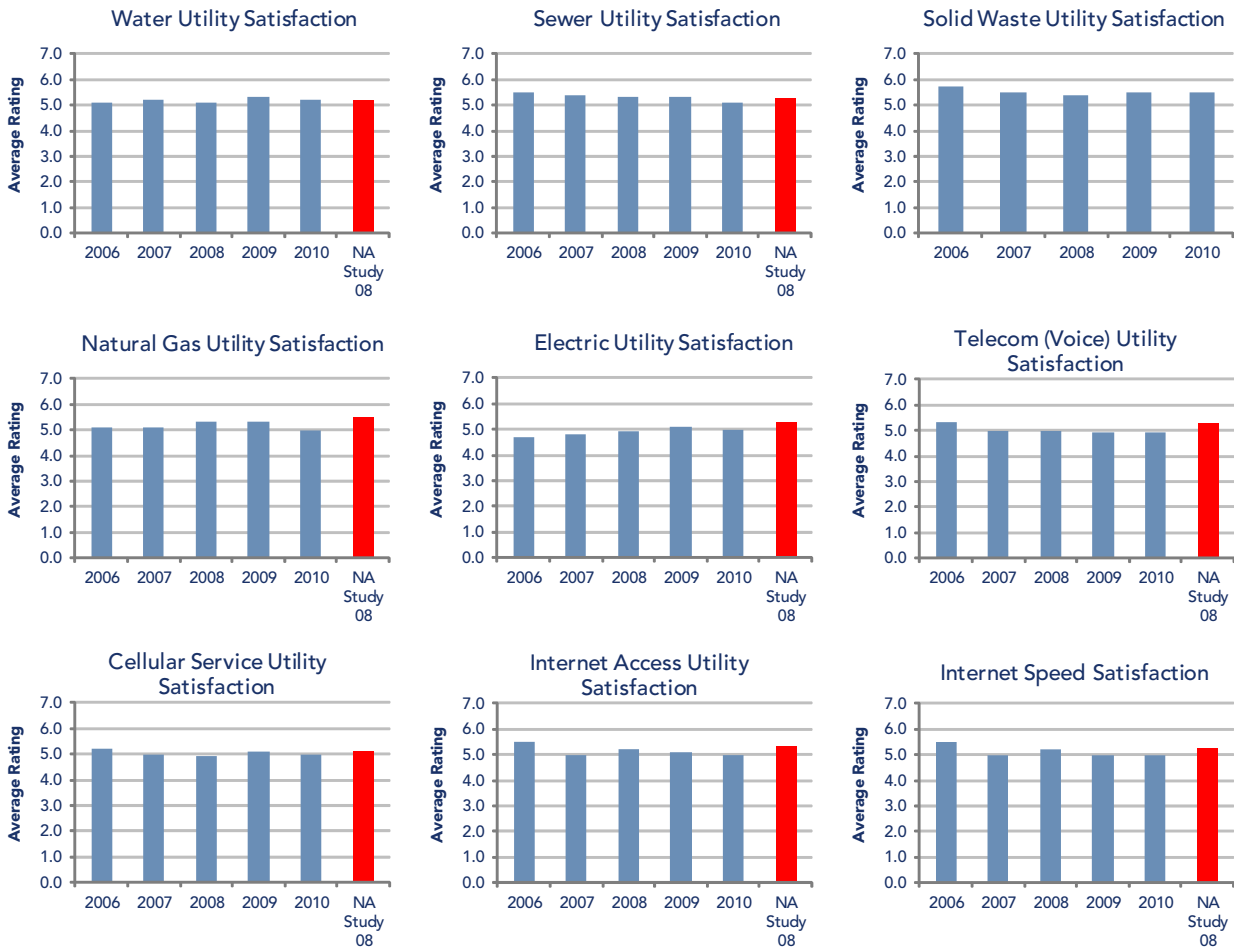
The VOC process affords businesses an opportunity to rate the quality of services provided in the community. Quality ratings are a reflection of the company's experience with (as well as perception of) the service. When compared to benchmark data, our region appears to have relatively higher levels of satisfaction with our air cargo service. Relatively lower levels of satisfaction as compared to benchmarks are perceived with our K-12 system, colleges & universities, streets & roads, property tax assessments, and community planning. The remaining rankings are comparable to the benchmark data. In all of these ratings, 1 = Low Satisfaction and 7 = High Satisfaction.





## Utilities

As we have seen in previous surveys, businesses in the region remain satisfied with utility service. There were no barriers to economic development efforts found. On occasion, companies expressed issues with cost. It may be beneficial for utility providers to offer comparison information so that businesses understand the value of service provided. In all of these ratings, 1 = Low Satisfaction and 7 = High Satisfaction.



## Future Plans for Analysis

Additional analysis will be performed throughout the year to help with a variety of planning processes and to share with our partners in the community. We will analyze the following topics:

- ❖ Workforce
- ❖ Value-Growth-Risk-Satisfaction of companies in the region.
- ❖ Innovation as measured by R&D investments and export strategies.

