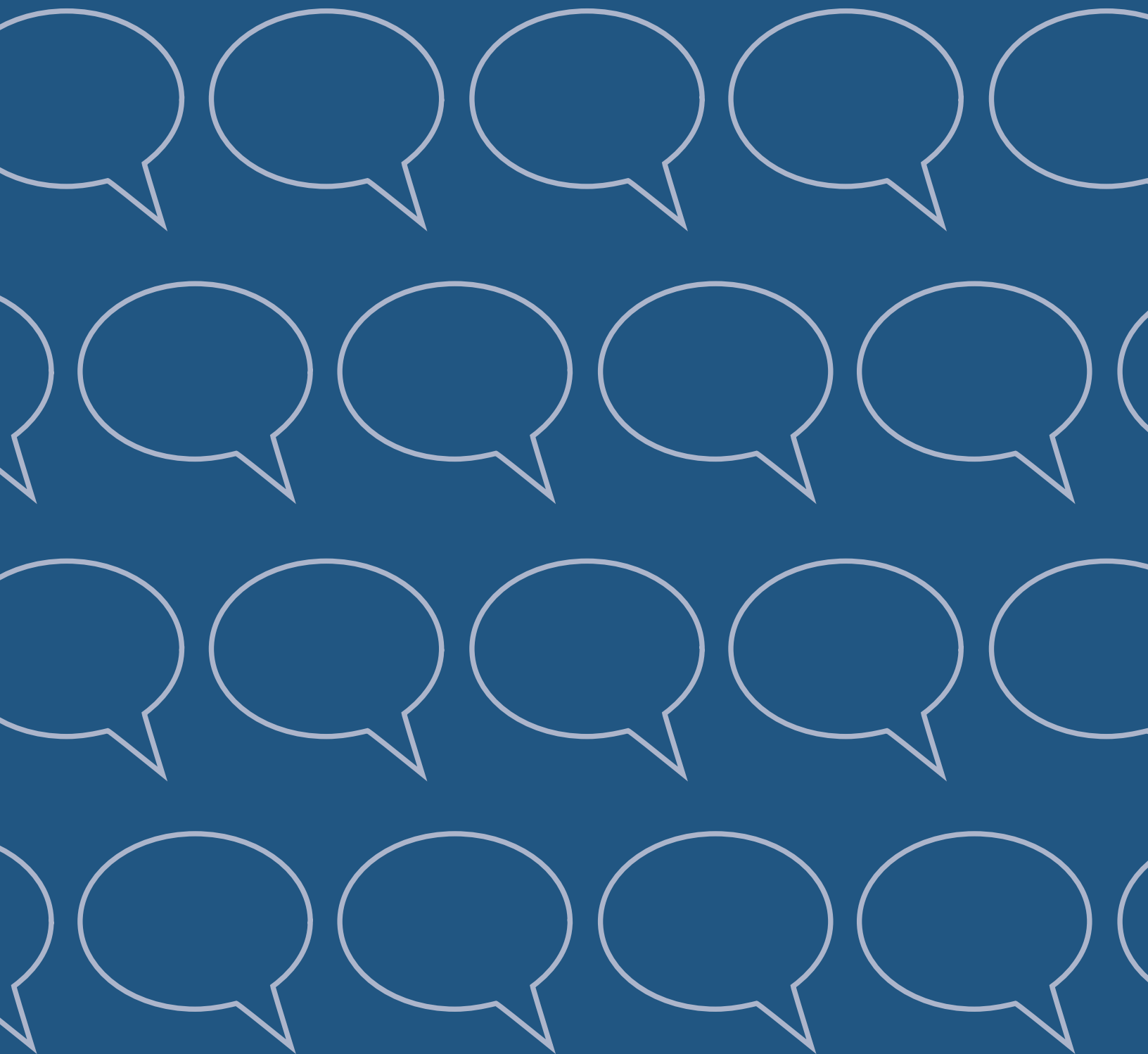


Rockford Area Economic Development Council

## **2007 Voice of the Customer Summary Results**



## Preface

2007 represents the fourth consecutive year that the RAEDC has surveyed local businesses and organizations. During this time, the RAEDC has met with over 200 companies which in aggregate employ over 35,000 people within our region (more than 20% of our workforce). As in past reviews, our primary objectives with this activity are to:

Understand the future plans of existing organizations within our communities

Identify current site issues and improvement opportunities that would help businesses grow

Input information for infrastructure planning, development plans, managing growth expectations, and the development of long and short-term improvement projects

Better use of our local resources

Demonstrate the importance of public-private partnerships in establishing effective approaches to economic development

The list of questions was developed by Blane Canada Ltd. and is marketed as the Synchronist Business Information System®. ComEd provides the financial support to the RAEDC in order to access the online system and we thank them for their assistance. Past information has been used to communicate broad themes and numerous opportunities for improvement within our community. This input is invaluable in helping public and private entities create a more competitive, thriving region. In a number of the charts, you will see comparative data labeled "NA Study 06". This data was provided by Blane Canada Ltd. and was developed from a compilation of over 11,000 interviews throughout the United States during the period 2002-2005. This benchmark data provides a comparison for our region to consider during our analysis.

We appreciate the opportunity to meet with companies throughout the region and for their willingness to openly share their concerns and improvement ideas. Their participation helps our community to maintain forward momentum and will result in an improved business climate. Thank you for your support!



Mark P. Podemski  
Vice President for Development

March 2008

## Executive Summary

### *"Companies do not take care of Communities – Communities take care of Companies"*

This message was delivered by Angelos Angelou, the keynote speaker at the RAEDC Annual Meeting in November of 2007. The 2007 Voice of the Customer Summary Report will provide a detailed look at what is on the minds of our employers and how we can better support their efforts to succeed in today's economy; or in Angelos' words—***how our community can help take care of our companies.***

Our region's wealth is primarily driven by the creation of jobs whose goods and services are exported outside the region. This creates new money in the region that will then circulate throughout other sectors of the local economy creating wealth.

Our region's job growth and capital expansion will be significantly enabled by how well we meet existing employer's expectations for infrastructure and workforce. On average, communities can expect between 70%-80% of their job growth and capital investment to come from existing employers. A region that is a partner with its businesses and helps to create a competitive location for business can expect other companies to be attracted to this location along with jobs and investment. Business attraction typically accounts for 15%-20% of a region's growth.

Blane Canada, the creators of the Synchronist Business Information System<sup>®</sup>, which has been used to collect the information for this report, indicate that:

An emphasis on existing businesses is a trait of progressive communities adopting a portfolio management strategy that works to align their economic development strategy with real world realities. This approach:

- Focuses resources on the greatest opportunities

- Makes business retention/expansion an integral part of a more comprehensive approach to existing business

- Leverages the executive-contact/assessment phase to collect information beneficial to business development, business retention, as well as business-attraction programs

- Improves the community's infrastructure, making it more attractive to prospective investors

- Generates positive success stories documenting company and economic growth

- Works to diversify the economy

From the 2007 results, we can determine that workforce availability continues to be a top concern throughout our region and across a wide variety of industries. While workforce quality ratings have been improving, there is significant concern with the incoming pipeline of workers regarding their work ethic, reading skills and basic math capabilities. Continuous improvement in the quality of our workforce is vital for the competitiveness of employers in our region. It is a shared responsibility requiring a combination of short and long-term strategies.

In aggregate, satisfaction levels with our utility providers are such that they are not considered a barrier to future growth. Significant concerns exist with the condition of our transportation infrastructure and our educational system. There are, however, individual organizations receiving unacceptable service levels that will limit a company's ability to expand within our region. The process for when we receive a red flag like just noted is to personally contact the organization and relay the conversation so that improvements can

be made. During the interviews, it was not clear that many of our utility providers actively seek customer satisfaction input from the business community. This type of input is invaluable for insuring our region creates and sustains the necessary infrastructure to promote growth.

The strengths in the report from which we can build include the following:

**Attitude** is essential for moving a community forward and a large number of respondents believe we are making progress in this area.

Our **business climate** is enhanced by the excellent access to business and political leaders. We reside in a cost-effective region in which to conduct business. Our manufacturing supply chain continues to be a significant force in our economy.

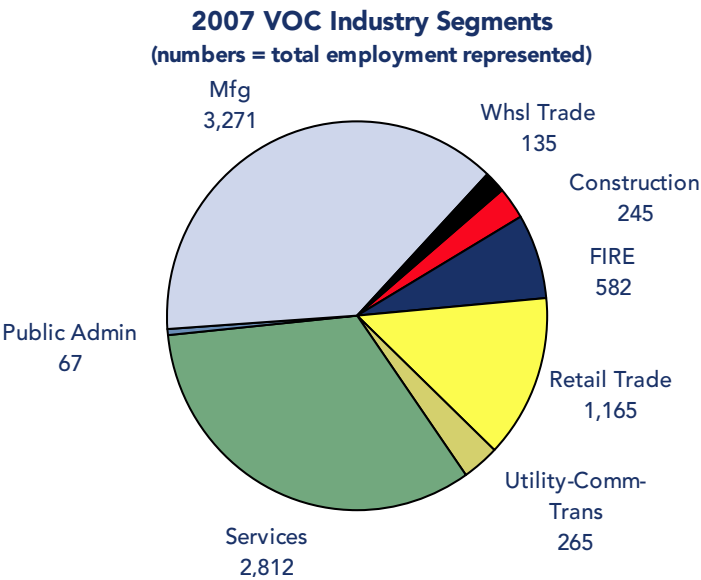
We have excellent **infrastructure** elements such as the Chicago/Rockford International Airport for local cargo and passenger services and O'Hare Airport for numerous international destinations.

Numerous attributes exist in support of an excellent **quality of life** encapsulated by our recreational activities, commute times, affordability, arts & culture, and geological beauty.

This report is not intended to be the definitive work for every issue in our community; however, it is one piece of data out of many that can help lead to building our region's wealth. The Voice of the Customer report has many improvement opportunities for all players in the public-private partnership. One of the exciting improvement opportunities called for by the business leaders is for our government leaders to dream bigger with a comprehensive vision of the future. Continuing to work together can move this opportunity to reality.

# Participants

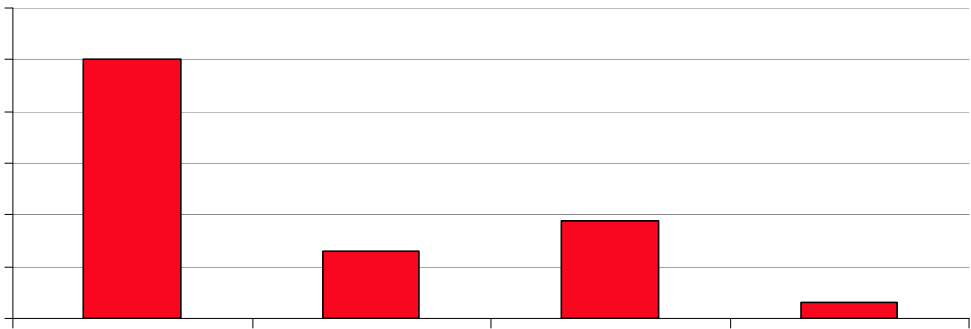
A total of 85 companies are represented in the 2007 on-site interviews. These companies represent more than 8,500 employees in our region. The industry segments represented are as follows:



Companies surveyed in 2007 reside in:

- Belvidere
- Loves Park
- Machesney Park
- Rockford
- Rockton
- Roscoe
- South Beloit

In terms of company size, the 2007 survey population included a higher percentage of companies with fewer than 100 employees than in prior years. This distribution is quite representative of the type of companies that we have in our region. 85% of the group are investors in the RAEDC.



**74% of the respondents employ less than 100 employees**

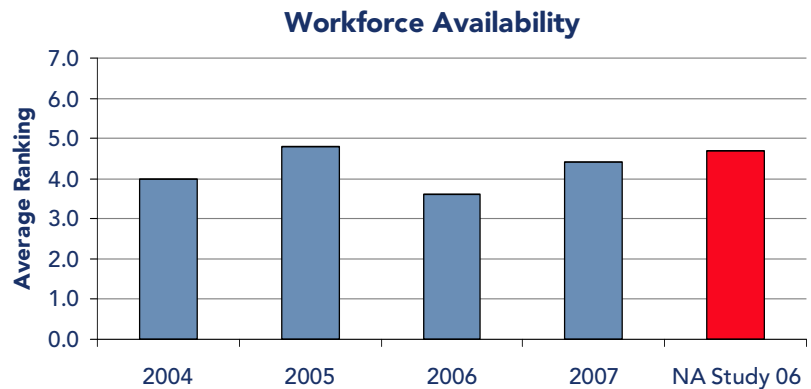
## Key Findings - *Workforce*

In each of the last 4 years, access to a skilled workforce remains one of the top concerns for employers in the region. According to Blane Canada Ltd, when results are above 4.0 on a 7-point scale, the numbers are valuable for business attraction purposes. When asked to rate availability, quality, stability, and productivity of the workforce, the following results were obtained (1=Low, 7=High):

### Availability

In 2007, respondents expressed broad requirements for which they are having difficulty attracting the necessary talent. A few themes emerged during our discussions:

- ✓ Experienced management and supervisory talent in a broad range of industries is difficult to find in our community.
- ✓ There are a variety of industry issues, particularly in the financial services sector that are reducing the availability of experienced workers.
- ✓ Professional, technical positions such as engineering (mechanical, electrical, civil and structural) typically require longer searches to identify suitable candidates.



**Generally positive for our region. Much room for improvement.**

Source: Synchronist Database & 2006 NA User Study (Blane Canada)

**Workforce availability** has been the lowest rated workforce element in 2006 and 2007. Less than 10% of the organizations surveyed in 2007 expected to decrease their hiring within their planning horizon. Employers identified a number of positions for which it has been difficult to find qualified candidates. Here are some identified examples ('06 in parenthesis means this position also mentioned in 2006):

- Bi-lingual personnel (sales & office)
- Architects ('06)
- Welders
- Obstetricians
- Medical Assistants
- Skilled factory operators ('06)
- Skilled maintenance mechanics
- CNC operators ('06)
- Project managers/supervisors ('06)
- Mechanical engineers ('06)
- Electrical engineers ('06)
- Grinding/machining operators ('06)
- Skilled financial service personnel

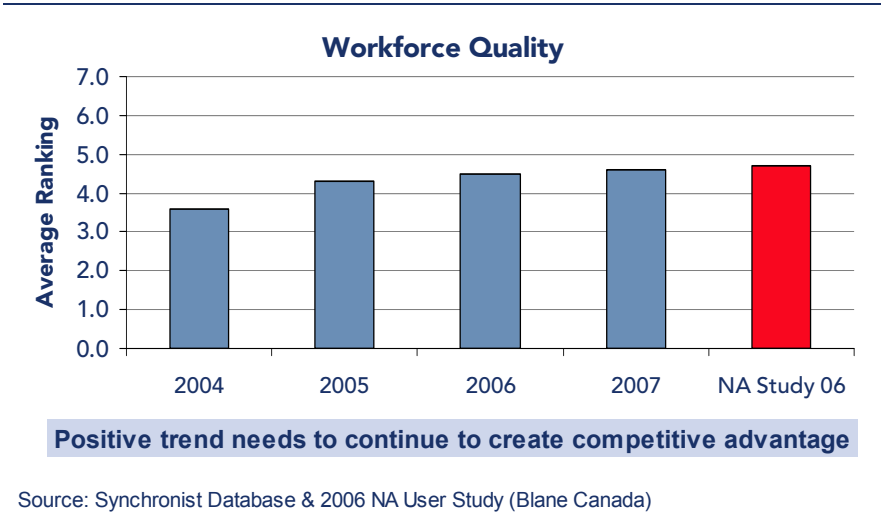
The employment needs continue to be broad and include numerous professional positions and skilled manufacturing operator positions. The December 2007 report from IDES indicates that manufacturing employment in our region has remained essentially flat over the year while logistics & distribution and financial services employment have each increased by approximately 3% year-over-year (increase of 400 personnel). Blane Canada has not been able to correlate availability ratings with unemployment rates in a region. They continue to explore this relationship and future studies may establish a statistical link to assist in better managing our workforce availability.

Respondents in this survey estimated that they **added over 1,000 jobs** in their operations over the past 3 years and **expect to add more than 230 positions** due to expansion in the next few years.

**Quality**

The average rating for the quality of the workforce has increased in each of the last 3 years.

A significant number of positive comments were made concerning the continued prevalence of the Midwestern work ethic within their existing workforce. This perception is supported by the North American Study which looked at 4 regions in the U.S. The Midwest region scored the highest net positive ratings on workforce quality; well above the North American average and the other regions.

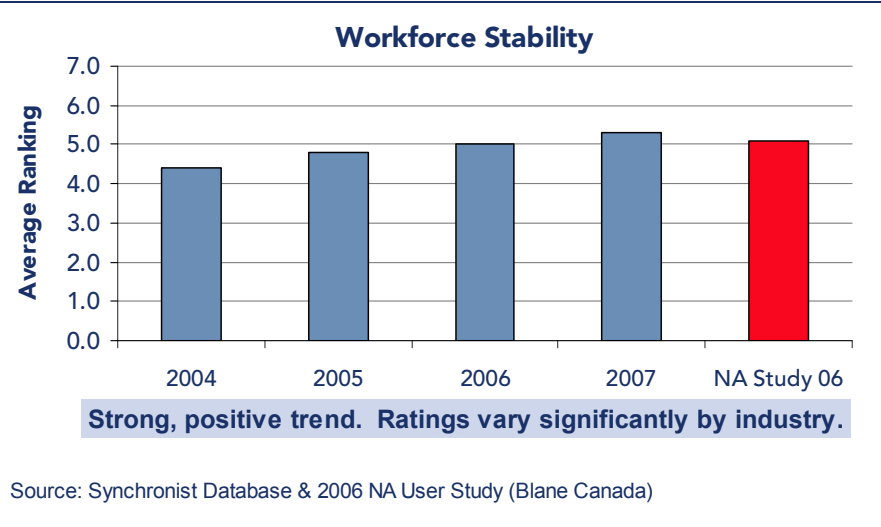


There continues to be a concern regarding new workers entering the workforce. Numerous companies expressed dismay at the level of basic skills, work ethic, and educational attainment resident in the workforce pipeline. A notable exception concerns students that have participated in local apprenticeship programs. According to a number of contractors in the region: **“we have not seen a higher quality person coming out of the apprenticeship program than today”**. This bodes well for future employees in these vocational professions.

**Stability**

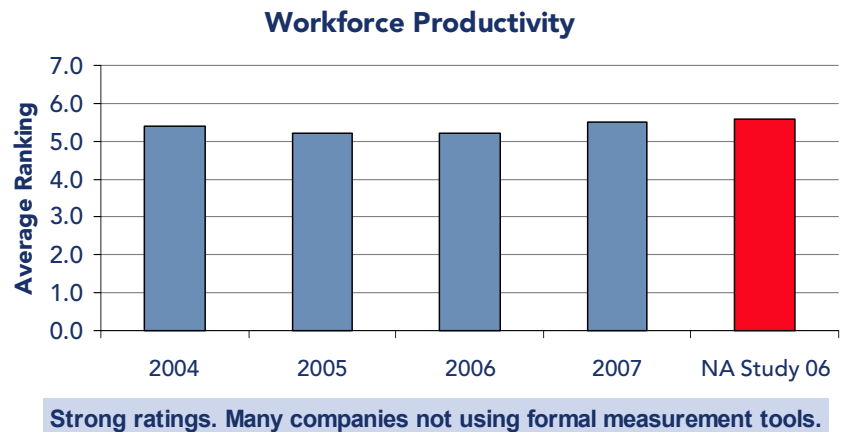
Workforce stability has increased in each of the last three years and is the only 2007 metric that exceeded the North American study benchmark. Employers continue to remain generally satisfied with employee turnover rates. There remain significant differences in this metric when comparing different industries.

Many companies have not analyzed the factors that impact the stability of their workforce. Not having a detailed understanding of their current workforce may make it more difficult to respond to changes due to upcoming retirements and unanticipated shifts.



## Productivity

This metric garnered the **highest average rating** of the four workforce attributes in each of the last four years. As discussed in the 2006 report, some companies have a detailed productivity measure while others were only able to provide a general statement of belief that productivity was good at their facility. There remains an opportunity for more companies to measure productivity gains with a data-driven approach. In general, manufacturing has done the best job in measuring productivity within their facilities. The service sector could also benefit by focusing more attention on productivity metrics.



Source: Synchronist Database & 2006 NA User Study (Blane Canada)

## Key Findings - *Training*

In 2007, more than 90% of the companies interviewed indicated that they invested in either on-the-job or outside training. Approximately 60% of the companies indicated that they expected to increase their training investment in the coming year. For manufacturing companies, more than 50% of the training investment was spent in proficiency improvements, 5% on remedial training and the remainder on new skill development. Many employers have yet to take a systematic approach for workforce development which if left unaddressed may negatively impact worker productivity and retention.

As in past years, there was no significant mention of on-line training methodologies incorporated in-house. This approach may be used more today; however, it did not come up during the interviews as a growing alternative.

## Key Findings – *Expansion Opportunities*

Surveyed companies identified expansion opportunities within the next three years, representing over **\$125 million of investment**. Estimated job creation due to these expansions is **230 employees** and new space needs exceeded **500,000 square feet**. These opportunities ranged across the manufacturing and service industries. There were very few indications of upcoming business contractions.

## Key Findings – *Satisfaction With Utilities*

As in past years, the companies were asked to rate their level of satisfaction with a variety of utility and telecommunication services. The following charts demonstrate that while there is room for improvement, these elements of our infrastructure do not pose broad barriers to our regional economic development efforts. In the 2007 summary, it is evident that companies are generally satisfied with the services provided from our utilities. The primary concern raised by the companies was a value question; is the cost



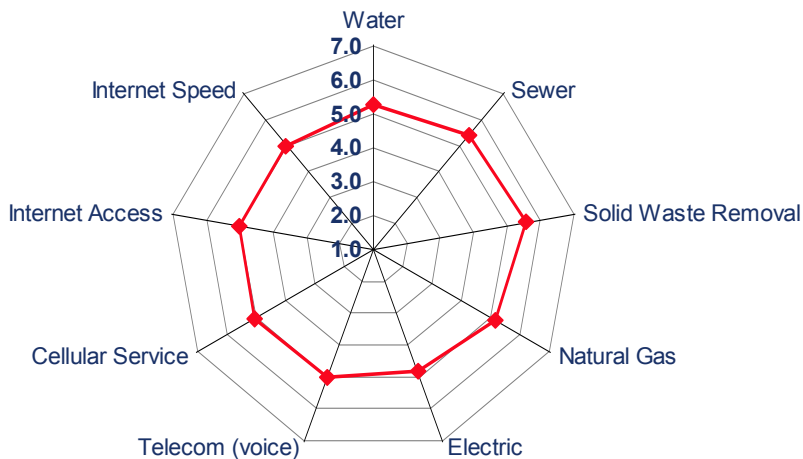
in line with the level of service? Most companies did not have relevant comparisons with which to evaluate the value or competitiveness of these services. It may be helpful to provide benchmark data to address this perception and to develop strategies to assist companies in our region. This would help to separate the service level satisfaction from the value question as influenced significantly by the cost of the service.

The following charts provide insight into historical trends of satisfaction for our utility providers. As can be seen, not all utilities have been measured over the four year time period since the questions within the Blane Canada survey were modified for 2006. In order to ascertain trends, a minimum of three years data is required; consequently, most utility metrics will need an additional year of data to determine if a trend exists. In general, satisfaction levels in 2007 are at a fairly high level; however, there remain several opportunities for improvement which will be discussed for each service provider.

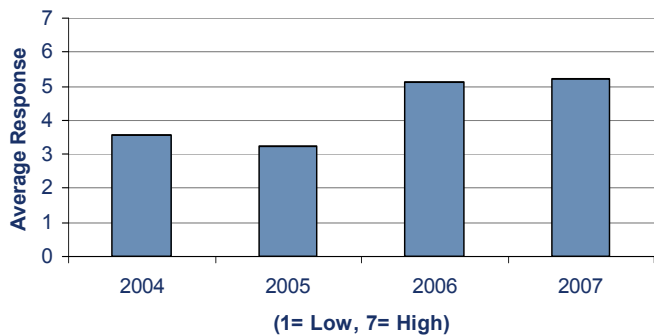
The majority of respondents are satisfied with water quality as evidenced by a large increase in satisfaction for 2006. Companies are anticipating further improvements due to action taken by the City of Rockford to improve several wells in the region.

Sewer utility satisfaction remains at a high level and the delivered service is rated very favorably throughout the region.

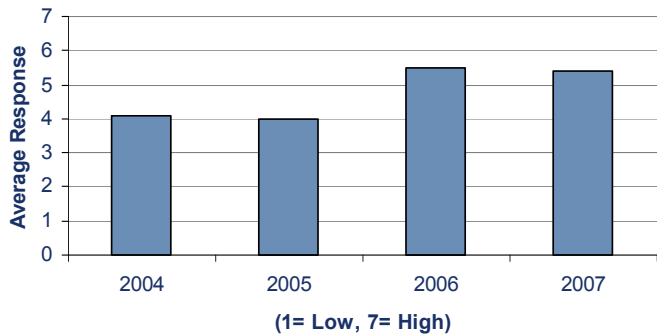
### Utility Satisfaction Summary - 2007



### Water Utility Satisfaction

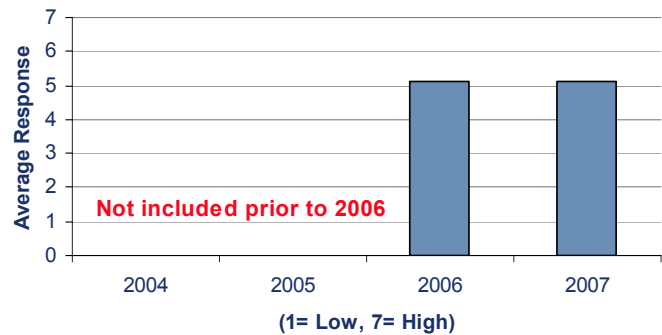


### Sewer Utility Satisfaction

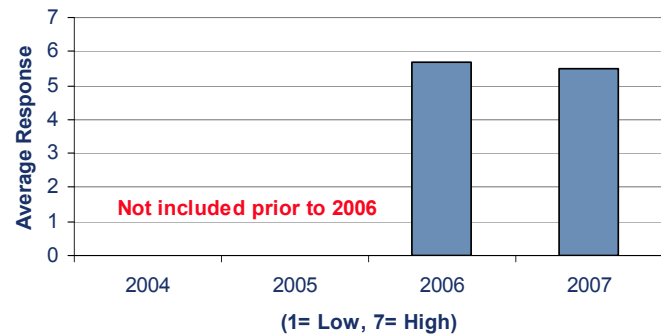


Satisfaction levels with Natural Gas and Solid Waste providers remain at a high level. Other than a concern about the availability of alternatives to natural gas, companies did not highlight any specific concerns with these utility providers.

Natural Gas Utility Satisfaction

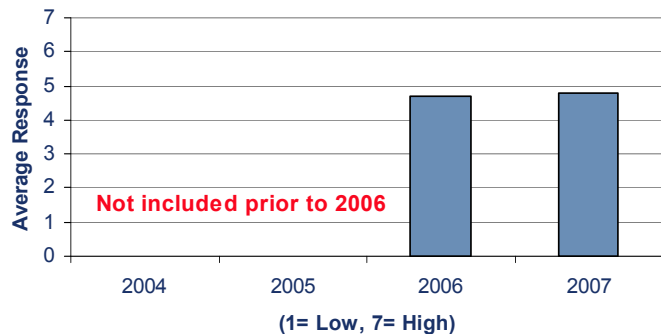


Solid Waste Utility Satisfaction



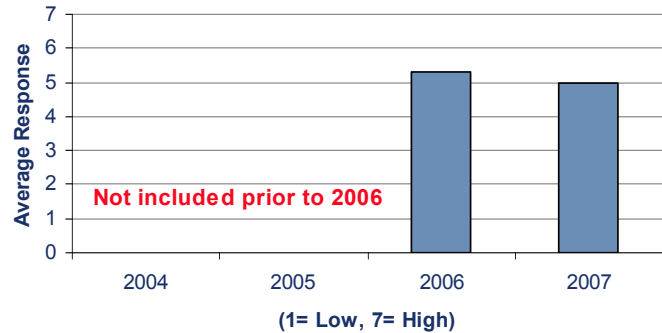
While satisfaction levels in general are reasonably good for the electric utility, there appears to be a larger deviation in satisfaction levels for this service. Primary concerns centered around reliability and customer service. There are several areas in our community that have identified power outages that have negatively affected their business operations. Some companies have installed power switching capabilities to manage these concerns. Customer service performance does not meet several company’s expectations as cited by a lack of responsiveness and a lack of willingness to work with customers to achieve their scheduled service needs.

Electric Utility Satisfaction

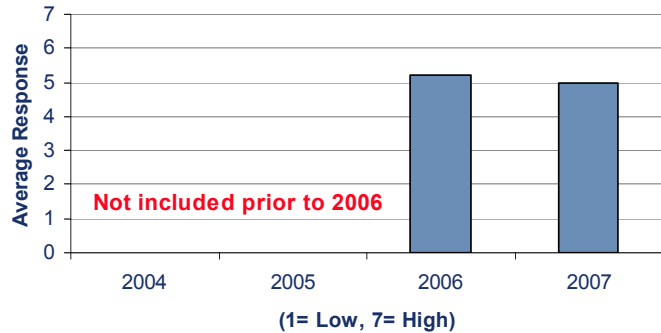


Ratings remain fairly high for our voice telecom and cellular service providers. A few mentions were made about dropped service and the lack of cell coverage in several locations in our region; however, most respondents believed the service levels provided today are adequate for their business needs.

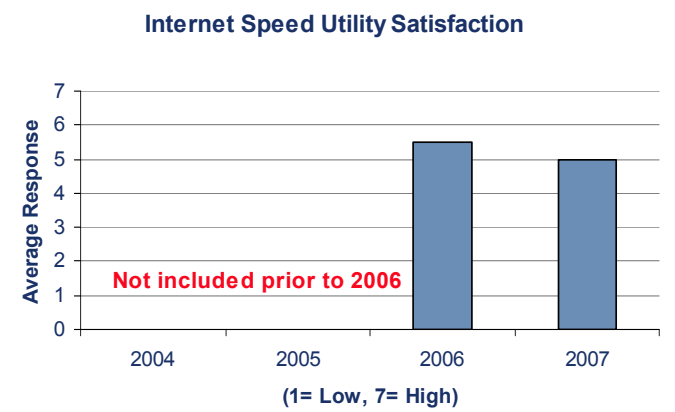
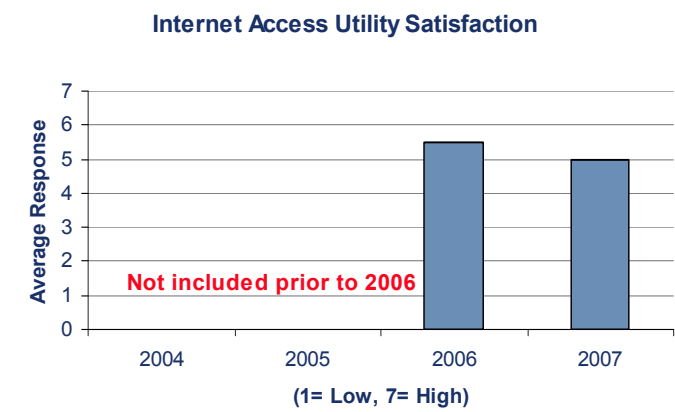
Telecom (voice) Utility Satisfaction



Cellular Service Utility Satisfaction

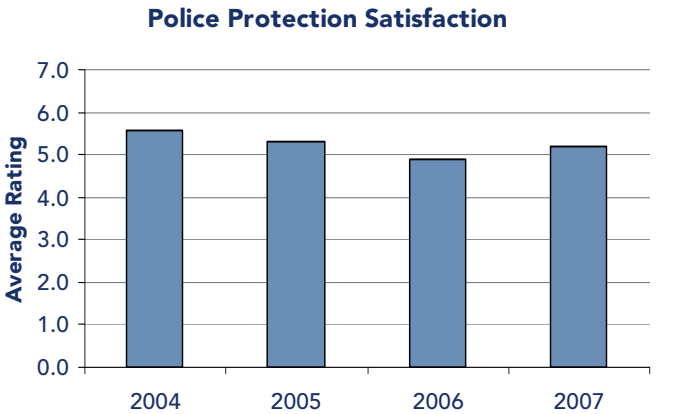


Internet access and speed are generally well regarded in our region. Two key areas were highlighted for improvement within our community: broader WiFi access in the region and greater deployment of fiber optics. While these deficiencies have not significantly impacted current business levels, the concern is that continued inaction in these areas will constrain business growth in the near future. The business community would appreciate an updated communication on the region’s plans in these two important areas.

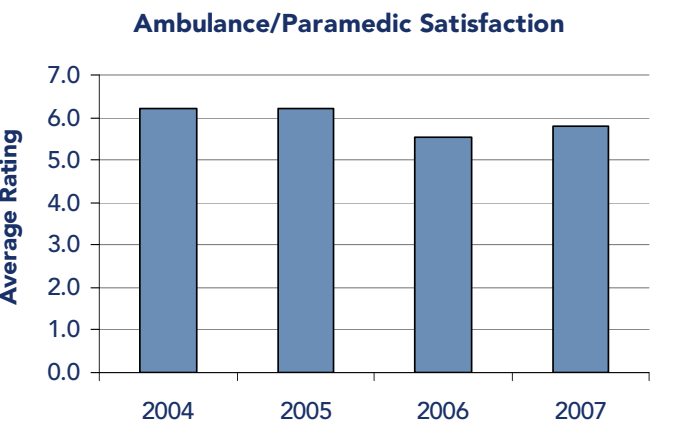
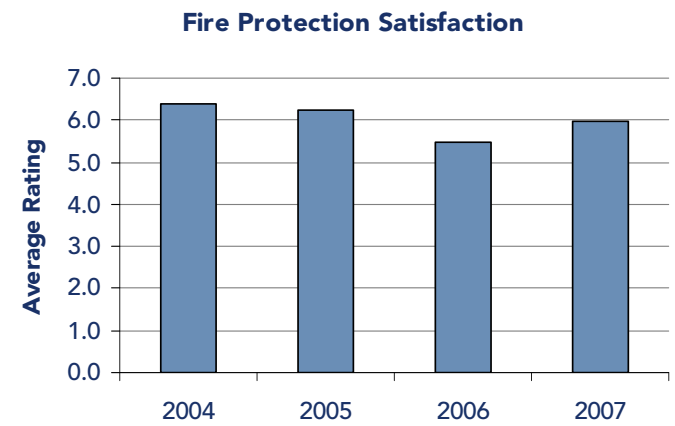


Generally, most organizations have been pleased with the police protection that they receive. The primary concern centers around property crimes as it relates to theft and vandalism. If companies experience a lack of communication and follow-up regarding reported crimes, local companies may assume that property crimes are not important within this community’s policing strategies.

On-going, high levels of personal crime within our communities concern organizations relative to their ability to attract and retain talent.



Fire protection and ambulance/paramedic services received nearly identical ratings and have maintained a high degree of satisfaction within the community.



Overall satisfaction levels for streetscape maintenance were average. The main areas of dissatisfaction center around three themes:

Maintenance of medians are often untrimmed, littered, broken/missing signage or the curbs are crumbling.

Design and visual appearance are not consistent throughout the region or within neighborhoods. Would like to see more of a strategy for streetscapes.

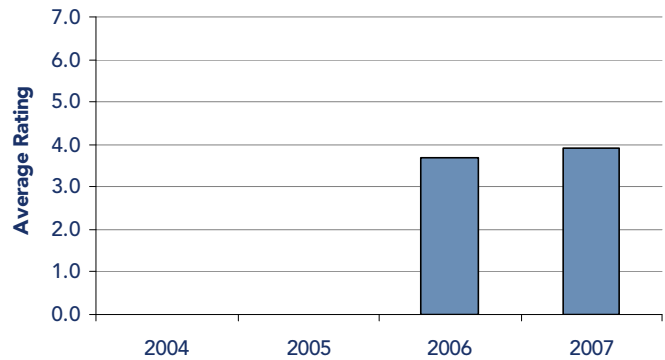
Would like to see more boulevards (like Harrison Avenue's recent improvements) and green space including flowers.

Satisfaction levels with local streets and roads continue to drop as infrastructure in many parts of the region declines. It is not always clear to the companies what strategy and timeline exists to repair the roads. There is a general understanding of the finances involved; however, it is not clear why some of the roads are allowed to deteriorate for many years before any work is done. Increased communications within our community may help companies better understand the improvement plans and lead to higher perceived satisfaction levels.

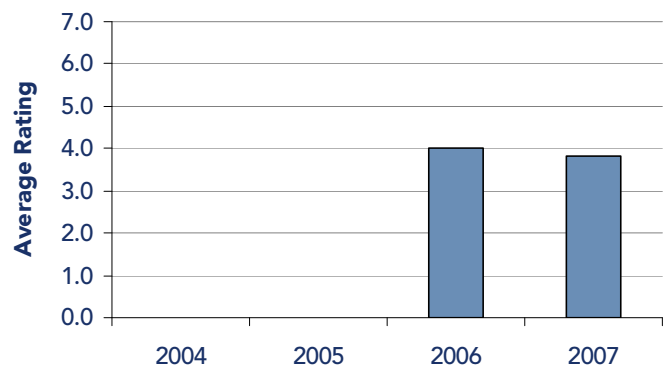
Satisfaction levels have been increasing partly due to the appreciation of I-Pass implementation and investment in our area such as the Rt. 173 interchange. Companies would like to see on-going investment in our highways since they believe it to be a very important infrastructure element. Many companies indicated that Rockford's location was a strength for their business and that in most cases, access to our interstate system enabled them to better serve their customers.

While the overall rating is pretty good, the main concerns raised center on key areas of congestion within our community such as East State Street or Riverside.

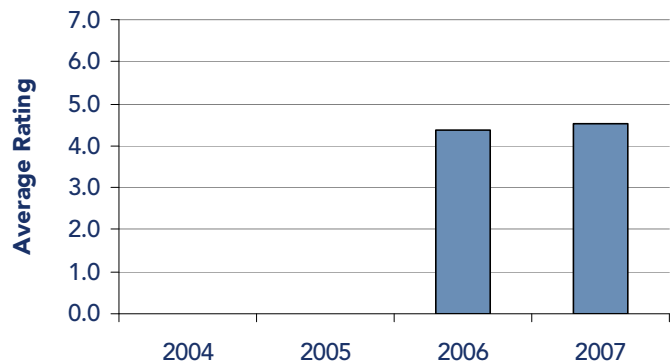
**Streetscape Maintenance Satisfaction**



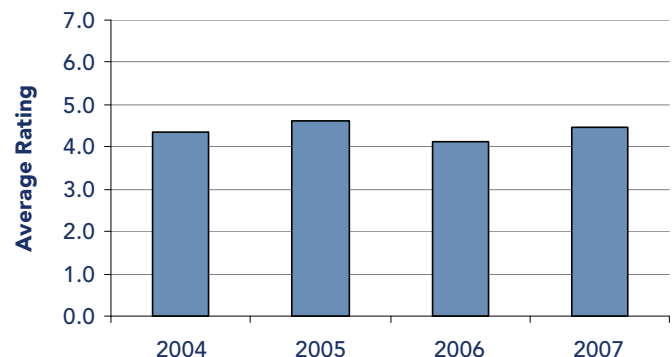
**Streets and Roads Satisfaction**



**Highways Satisfaction**



**Traffic Control Satisfaction**

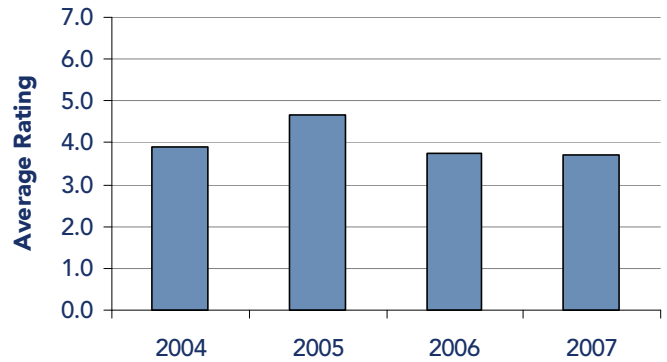


The key areas leading to lower satisfaction are:

Belief that our public transportation system is very one-dimensional (consisting only of buses).

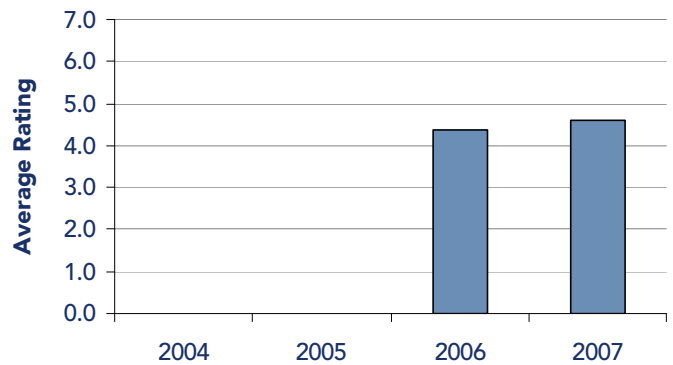
Concern that access and flexibility are lacking.

**Public Transportation Satisfaction**



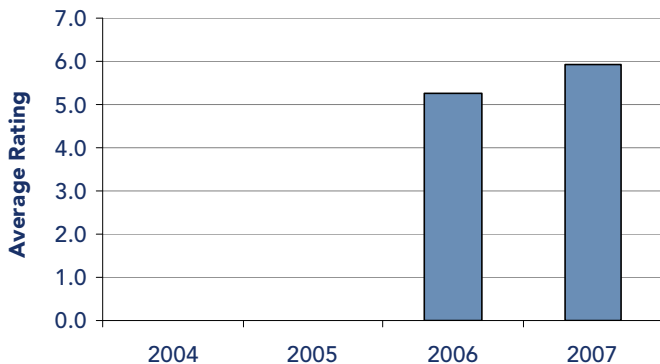
The general consensus is that businesses appreciate the enhanced and increased passenger service and are optimistic about the future of the airport. Cost of service is a concern frequently mentioned when compared to fares available from O'Hare. Businesses would like to see the Chicago Rockford International Airport become the third Chicago-land airport.

**Airline Passenger Service Satisfaction**

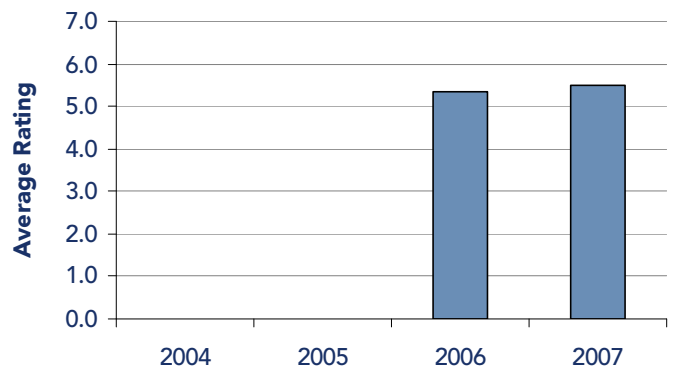


Air Cargo and Trucking Services satisfaction were rated quite highly. This is particularly encouraging given our strong position within the Logistics & Distribution Industry.

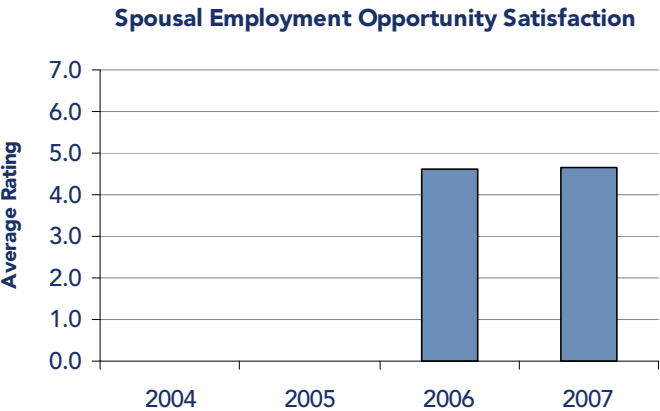
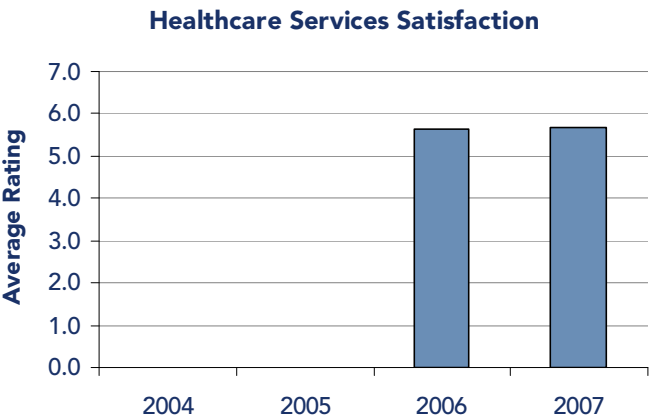
**Air Cargo Service Satisfaction**



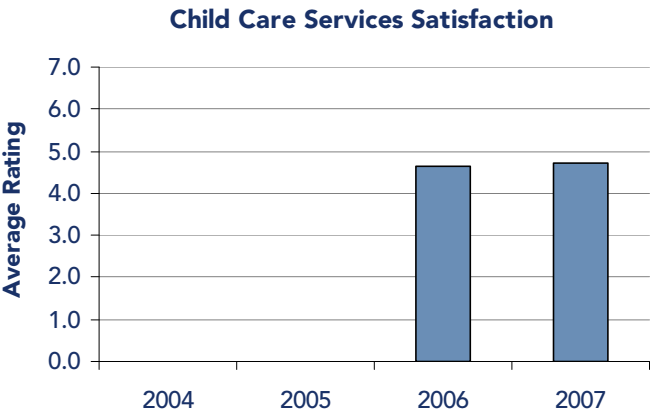
**Trucking Services Satisfaction**



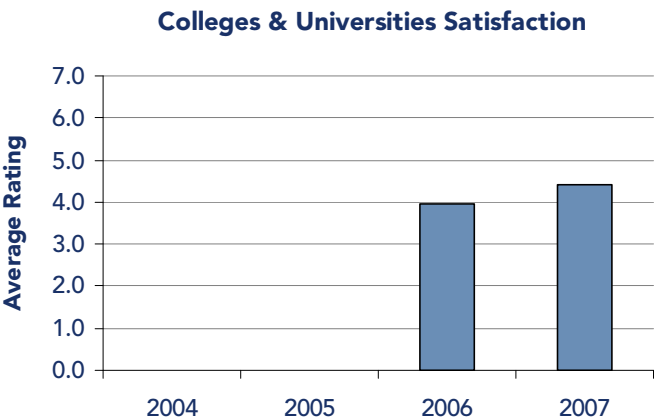
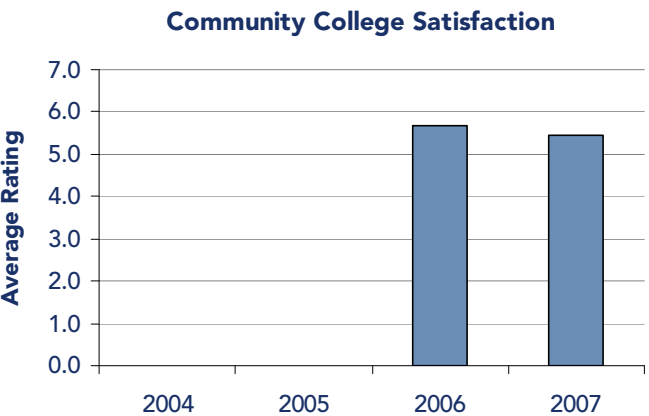
Satisfaction with our healthcare services is one of the highest rated elements in our community. Spousal employment opportunities were mentioned as a limiting factor for attracting and retaining talent in our community, mainly within the professional employment ranks.



Child care services are rated fairly high within our community. Two key issues identified with this factor include matching service hours to work schedules (particularly with the off-shift jobs) and the availability of more certified providers. It appears that more outreach to employers made by child care providers may be helpful to employees trying to balance work/home life issues.



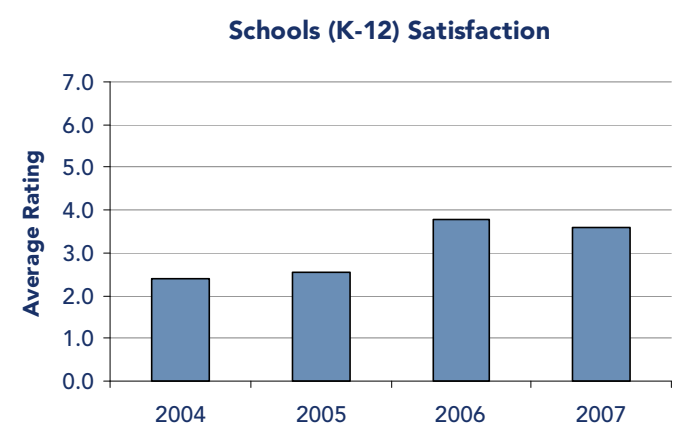
Community College satisfaction rankings are generally very good and there are a number of identified opportunities for improvement. Manufacturing companies continue to identify the need for more vocational training; however, their tuition reimbursement programs and training programs are not always as supportive of this strategy as they could be. When asked about colleges, nearly all respondents considered only the colleges within the immediate Rockford Region. The main areas of concern fall in three categories: image, availability, and community integration. They believe there are opportunities to better balance the needs of the educational institutions and our communities.



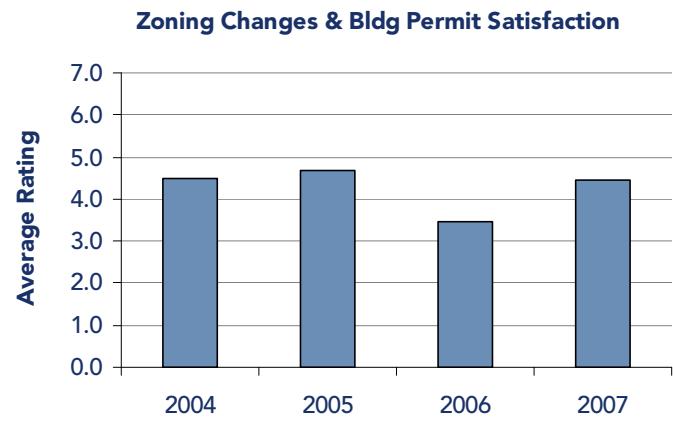
Housing satisfaction remains at a high level and is typically measured based on the cost, style and availability of our housing stock. Property tax assessments continue to be identified as a competitive disadvantage for our region. The City of Rockford is the primary recipient of comments; however, companies outside of Rockford recognize that this item impacts their ability to recruit and attract talent. The discussion with companies typically takes on a question of value. Companies believe the rate is much too high relative to the value of services received. The improving ratings over the four years are influenced by the public discussion and attempts to address this important element of the Rockford community. A significant percentage of companies understand the importance of developing alternative funding sources and were supportive of the sales tax referendum.



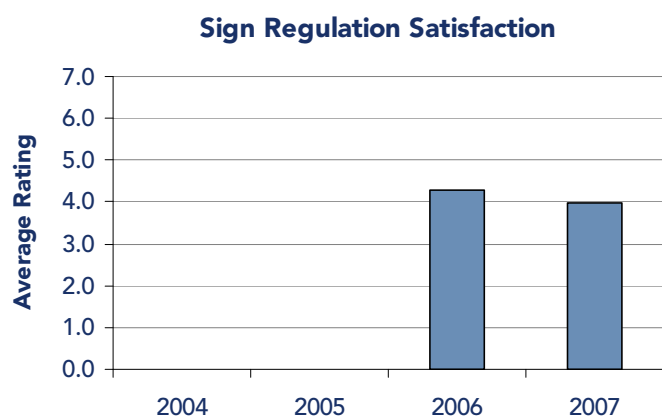
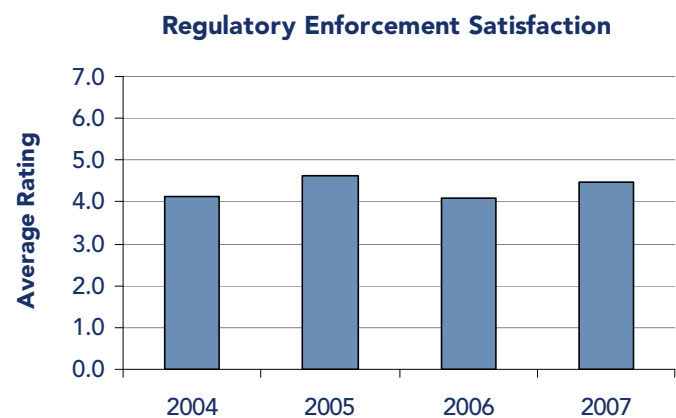
Satisfaction with our K-12 system is a fairly complex issue. Current levels of performance are generally deemed unacceptable; however, ratings are driven by expectations of positive change. Companies want to see the separate educational systems working together. A specific example cited discussed the consideration of a new school for Rockton while the South Beloit school is underutilized. Companies recognize that our educational concerns are a community issue which can not be solved solely by the school districts. There is an opportunity to engage more sectors of our community to assist in creating the educational attainment companies require to be successful into the future.



Zoning changes and building permits directly impact a relatively small percentage of the respondents. Much of the satisfaction rating is based on perceptions and experiences of business associates and anecdotal information. There is an opportunity to communicate on-going improvement actions and improvements with the business community to positively impact these rating levels.

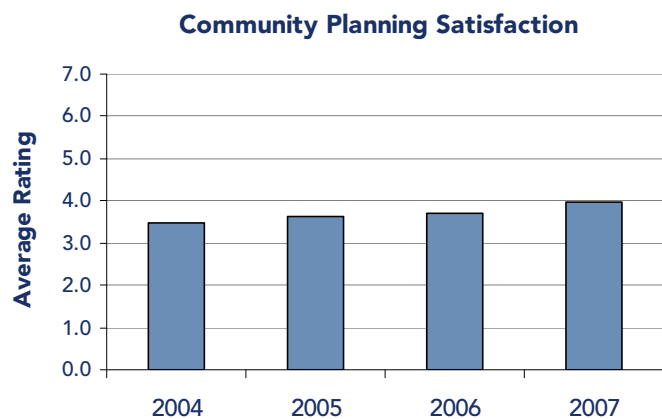


Regulatory enforcement in our region is generally perceived as acceptable and does not present any significant competitive disadvantages. Sign regulation satisfaction is driven primarily by aesthetic perceptions. Many companies responding had no particular issues relating to their business; however, the opinions they shared related to other businesses in the community and the desire to have better signage, appearance and consistency throughout the community.



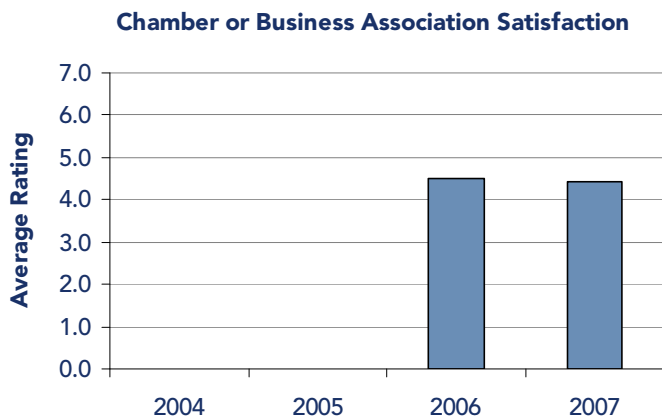
There is a growing sense that our region is collaborating at a better level and yet there remain concerns regarding:

- Continuity and stability of the planning process as individuals and administrations change.
- Integrity of the process. It does not always appear that we follow our established plans which can lead to the impression that some people and organizations enjoy special consideration ultimately undermining the integrity of our processes or plans.
- The pace of the planning process is inadequate for our community's needs.
- Regional planning integration needs to include all key partners.



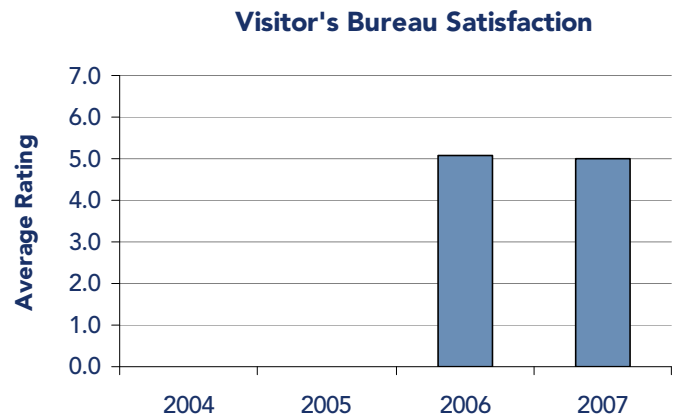
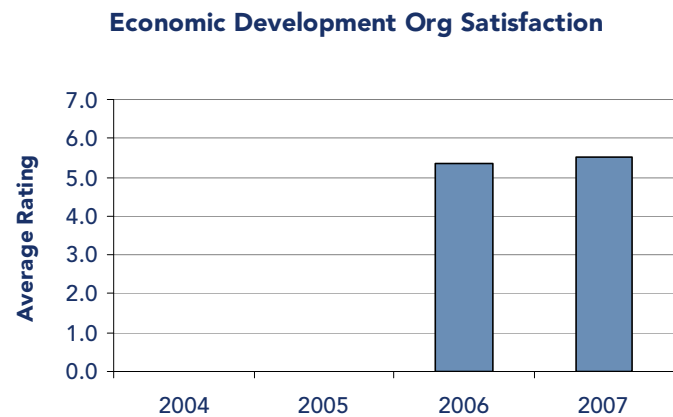
For the Rockford Chamber of Commerce, member companies indicated that they weren't sure of the return on investment. They would like to see a strong chamber and are hopeful that the organization will change for the positive under new leadership.

Specific comments for other chambers were not noted.

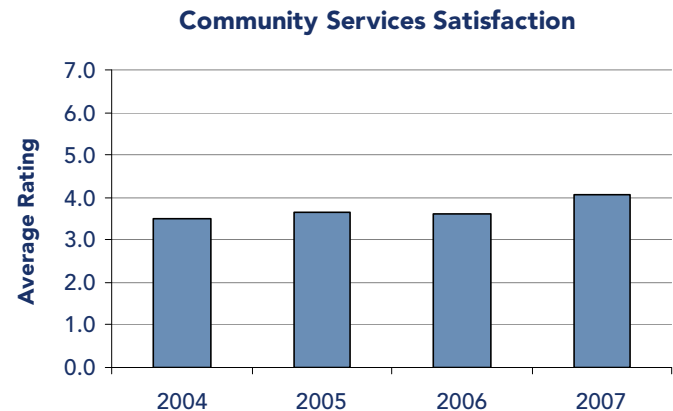
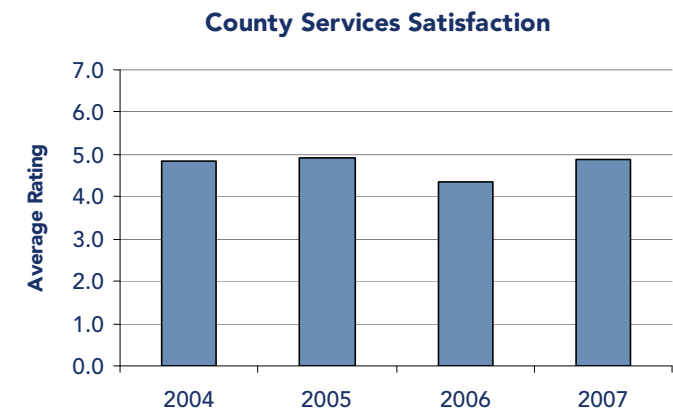




Companies are encouraged by the cooperation shown and want to see the level of collaboration increase. They encourage increased communications relative to economic development to the entire business community. The Visitor's Bureau continues to receive high marks. It is not always clear to the companies all the activities the Visitor's Bureau is responsible for. There may be an opportunity to continue educating the community on the role played by RACVB in support of the financial health of the community.



Many business leaders did not know what services are provided by the county as opposed to the community. The county receives favorable ratings while community services satisfaction has been improving over the years. There may be an opportunity to communicate to businesses which government entities provide which services.



# Key Findings – Community Strengths & Opportunities for Improvement (OFIs)

Over 800 comments were received during the interviews. This qualitative input was summarized and these 8 themes listed below encapsulate the strengths and OFIs for 2007. In the tables, several key factors are identified. These are sub-categories for the comments and help to clarify the primary areas that influenced the responses.

Attitude	Business Climate
Community Services	Education
Infrastructure	Leadership
Planning	Quality of Life

ATTITUDE
<b>Key Factors Identified:</b> Community, image, location
<b>Strengths</b>  In regards to our community, there is a feeling of positive movement and pride when compared to 3-4 years ago as evidenced by a growing sense of hope combined with a high degree of entrepreneurial spirit.
<b>Opportunities for Improvement</b>  Concerns were highlighted that the continuing East-West side mentality holds us back as a community. Business leaders believe that the approaches used by our media outlets foster a higher degree of negativity and have a stifling effect on growth.  The respondents would like to see an image campaign for our region to positively impact perceptions of people within our communities and outside our area.

## ***BUSINESS CLIMATE***

**Key Factors Identified:** Availability, community, cost, crime, image, location, state/local government, supply chain, workforce.

### **Strengths**

Many leaders highlighted the fact that other business and political leaders are very accessible in this region. They have indicated that this helps them to access the assistance and guidance they need to be more successful.

This region is very cost-effective for capital improvements in support of business expansions.

We maintain an excellent manufacturing supply chain base in our region.

Growth and projects in the region create a positive sense of momentum helping to influence others to invest as well.

Geographic location helps to keep operational costs low.

### **Opportunities for Improvement**

Business community wants to see a continued movement to increased levels of collaboration between community organizations that are sustained over longer periods of time.

Tax burden is perceived to be uncompetitive (state and local issue) and some concerns were raised that tax assessment methods create wide disparities.

A number of service providers indicated that local organizations seek out competing firms in Chicago, Madison and Milwaukee due to a perceived lack of competence locally. Increasing the use of local firms will help increase wealth in the Rockford region.

Loss of corporate headquarters has a significant negative impact on the resources available in the community to address issues and there is an associated loss of local decision-making.

State of Illinois is not perceived as friendly to business and company leaders do not believe the employee income they provide is appreciated.

## ***COMMUNITY SERVICES***

**Key Factors Identified:** Availability, community, cost, crime, image, location, state/local government, supply chain, workforce.

### **Strengths**

Several organizations highlighted the commitment and growth of local healthcare providers as being quite positive in our community.

### **Opportunities for Improvement**

It does not appear to business leaders that a formal method exists for matching companies and local volunteer opportunities. This may result in less community involvement and a lack of employee retention.

## *EDUCATION*

**Key Factors Identified:** Availability, colleges, community, cost, image, K-12, workforce.

### **Strengths**

Employers believe that adding the career education facility (ACE High School) planned for our community is on the right path for educating a significant part of our future workforce.

### **Opportunities for Improvement**

There continues to be a concern that students are not adequately prepared to meet employer's needs. Particular concerns exist with work ethic, math & science skills, collaboration skills, and developing a culture of life-long learning. This can result in an inability of employers to expand and new companies to locate within our region.

Employers appear to understand that our local educational challenges are multi-faceted and will require a coordinated effort to achieve sustained improvement. Left unaddressed, a lack of educational attainment will result in underperforming businesses within our community.

The willingness of employers to pay for training and classes for their workforce is not at a very high level. Without a shared commitment to education and improvement, employees may not continue to develop the skills necessary to help companies compete in today's global economy.

## *INFRASTRUCTURE*

**Key Factors Identified:** Availability, colleges, community, crime, image, state/local government, transportation.

### **Strengths**

Chicago/Rockford Int'l Airport is a tremendous asset for our region. Employers want to see continued success and expanded services. Service to Denver specifically mentioned broadly as an exciting addition to our region. Additionally, our proximity to O'Hare is a major strength.

Corridor improvement projects are appreciated by the business community and they are hopeful that other projects will be completed in a timely manner.

### **Opportunities for Improvement**

Condition of local roads is a widely-recognized cause for concern.

Expanded airline destinations from Rockford would be welcomed. While the overall trend at the airport is very positive, several employers experienced higher prices and less flexibility when compared to O'Hare.

Employers expressed a concern that we don't have sufficiently differentiated infrastructure assets within our communities. This may make it more difficult to attract new investments to our region.

Deferred maintenance for many aspects of our community leads the business community to question the future competitiveness of this region. If this maintenance continues to be deferred, it may lead companies to consider the wisdom of future investments in this region and state.

## **LEADERSHIP**

**Key Factors Identified:** Availability, community, cost, image, state/local government

### **Strengths**

Business leaders indicated that access to decision-makers and officials is very good in our region.

Employers recognized the importance of beginning to shift revenue streams away from property taxes and were broadly supportive of the Mayor's leadership on the sales tax referendum.

Company leaders see many positive faces in the community and desire to retain and expand their ranks.

### **Opportunities for Improvement**

Business leaders expressed a desire for an increased level of communication from governing bodies. A lack of regular updates can lead companies to perceive that progress is not being made on key initiatives.

Company leaders expressed a desire for a single access point with our governmental bodies. Without such a contact, organizations may become frustrated in trying to resolve issues.

The pace of change within government is often mentioned as a concern. If measurable progress is not achieved in this area, businesses may not be confident in the ability of local governments to assist them to grow.

Business leaders perceive state government as harmful to their business interests. Improved performance by state government may increase the likelihood of further investment in IL.

## **PLANNING**

**Key Factors Identified:** Community, image, leadership, transportation.

### **Strengths**

Several development projects have been announced which the business community sees as a positive way to move the community forward.

### **Opportunities for Improvement**

Many employers would like to see more centralization and collaboration in the planning process for our region. They point to many missed opportunities from our past that they believe resulted in lost wealth for our region. The enhancement of regional planning may result in better coordination and management of growth.

Business leaders feel that the Rockford Region thinks too small. The lack of a large vision for what can be may result in incremental improvements instead of bold transformations.

Downtown redevelopment is broadly supported in the business community; however, there is a concern in regards to access. It is unclear to business leaders how we can direct traffic from I-90 to downtown in a timely and safe manner. The lack of such a plan may make it difficult for businesses to fully support the redevelopment efforts.

## *QUALITY OF LIFE*

**Key Factors Identified:** Availability, community, cost, crime, image, location, state/local government, supply chain, workforce.

### **Strengths**

Many of our employers continue to highlight the many attributes that provide a wonderful quality of life in our region: scenic parks and golf courses, short commutes, housing costs, arts & culture, beautiful riverfront and many other attributes.

The business community is appreciative of the redevelopment on-going with the State Street area of downtown.

Competitive cost of living is raised frequently as a strength for our community.

### **Opportunities for Improvement**

Property tax levels were again of great concern to most employers since it pushes many to live outside the City of Rockford. Most respondents felt that this topic has been raised enough times and they are hopeful actions can be taken to help alleviate this situation.

Employers perceive an increase in crime levels that negatively impact the image of the community, their ability to attract/retain talent and increases operational costs.

The business community would like to see more investment made in reversing the decline and blight in several areas of the region.

## Closing Observations

The challenges our community faces are not unique; however, we have an opportunity to create unique solutions to help build wealth in our community. While community competitiveness is very complex and multi-faceted, it can be broken down into manageable partitions.

Public-Private partnerships would benefit from an increased level of communication between our public bodies and the business community. Businesses understand that change is not completed overnight; however, they are positively influenced and encouraged to invest when they perceive that public entities are addressing key improvement opportunities.

Companies will seek out communities where they can succeed. If companies are moving faster than the community in which they reside, it creates a risk that they may leave.

Areas that continue to need focused improvement approaches have been identified over the last 3-4 years:

- Workforce pipeline development

- Coordinated community planning and infrastructure development

- Improved legislative environment for business. Employers are concerned that the State of Illinois is working against business interests.

- The development of customer-focused governments that deliver seamless, competitive services.

While many businesses have adopted Continuous Improvement (CI) approaches such as Lean Principles, there are many more which have not fully embraced this philosophy. Greater volatility and risk are associated with companies that do not utilize CI methodology.

Too few companies have developed comprehensive strategies to respond to the realities of our global economy. All areas of our community are impacted and must consider how global forces will affect them and then devise appropriate responses.

Over the three and a half years we have been conducting these visits, employers have recognized an improvement in several areas of the community. Among them are:

- Economy has generally improved for the majority of our industries.

- Chicago-Rockford International Airport continues to grow and more companies are recognizing the importance of a connected airport.

- There is a growing sense of collaboration happening at more levels. Employers are encouraged by this and hope that it is sustained.

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***Special thanks*** to ComEd for their financial support of the Synchronist Business Information System® used to compile the information for this report.

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## Appendix A - Methodology: Synchronist Business Information System®

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There are three priorities for pursuing business retention with a formal process like the Synchronist system. (1) Establishing meaningful relationships with company executives within the region (2) Identifying and dealing with “red flag” issues (3) Finally, analyzing the data as part of an overall improvement process. The Synchronist System survey instrument focuses on the collection of information designed to help answer six specific questions of concern to every economic development decision-maker, questions which cannot be addressed directly with the company’s representatives. These questions are:

What is the company’s value to the community?

What is the growth potential of the company?

Is the company at risk of downsizing or relocating?

What is the company’s level of satisfaction with the community and its services?

Do any existing or emerging problems in the community pose a threat to existing or potential businesses?

Are there untapped marketing opportunities (e.g. industries, companies, strategies) that could be leveraged for attracting new businesses to the community?

The Synchronist System was designed for use with primary sector companies. Primary sector companies, such as manufacturing and insurance companies, import capital into the community from outside the region. In 2006, the CRTS (Convention , Retail, Tourism, Service) version of the interview was created to better capture input from these sectors of our economy.

These 43 questions (46 for CRTS) cover the following topics:

Product/service

Workforce

Community

Technology

Management

Community Services

Utility Services

The input is entered into Synchronist Business Information System® for analysis and report generation. All individual company information is confidential; however, we aggregate the data to develop high level conclusions and recommendations.

### Executive Interviews

The purpose of the executive visit is to learn about the company, their industry and their relationship to the community. One aspect of the company’s relationship to the community is identifying any problems that interfere with the company’s satisfaction or their ability to expand in the community.

However, unlike many business retention survey instruments, the primary goal of the Synchronist survey instrument is not to identify problems. The primary purpose is to gather information about the companies in the community that will allow the economic development organization to make policy, program, and resource allocation decisions. Identifying problems is a by-product of this process.



Notes:

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