

2008 CEO Project Received the Top Honor in the category of Public & Community Relations
at the 2009 Legal Marketing Association's Chicago Your Honor Awards.



THE STATE OF OUR BUSINESS

A PERSPECTIVE FROM
INDIANA EXECUTIVES

2009 Executive Summary



*A collaborative effort by Inside INdiana Business, Ice Miller LLP and the Butler University College of Business
to discover the opinions and attitudes of Indiana's business leaders.*

The complete report is available at www.inceosurvey.com.

EXECUTIVE SUMMARY

For the third year in a row, Inside INdiana Business, Ice Miller LLP, and the Butler University College of Business collaborated to conduct and present the findings of the Indiana CEO Survey. This report captures the opinions of over 350 Indiana chief executives from all areas of the state and from a wide range of manufacturing, service, and not-for-profit organizations. In some cases, their opinions are very consistent with the 2007 and 2008 findings. In other areas, opinions have changed. The report also presents findings related to how Indiana organizations are dealing with the 2009 financial turmoil. Through our on-going efforts we will continue to monitor executive opinions, plans, and trends over the years to come.

Study highlights include the following:

Section 1: CEO Challenges and Issues

- “Customer loyalty and retention” and “corporate reputation” still top the list as the most significant issues for CEOs, though “customer loyalty and retention” has increased significantly since 2008.
- “Employee retention and recruitment” and “sustained steady top-line growth” have become less important in 2009.
- A question to measure the importance of “raising capital or otherwise securing funding” was added in 2009 due to the economic slowdown; however, this issue did not rate particularly high relative to other issues.
- Plans to pursue succession planning and adding jobs dropped significantly in 2009, while plans to reduce jobs increased significantly.
- Given the magnitude of the economic downturn in late 2008 and early 2009, respondents were asked several questions related to their opinions about the downturn and their organizations’ response to it. Respondents generally agree that “media have made the crisis worse.” Surprisingly, there was not widespread agreement that “credit market changes impede our ability to obtain working capital,” or “my organization is dipping into cash reserves.”
- When asked what specific activities organizations are taking in an effort to deal with the economic situation, larger firms are more likely than smaller firms to mention cost-reducing activities, while smaller firms are more likely than larger firms to mention revenue-generating activities.

Section 2: Indiana’s Economic Climate

- Indiana’s cost of living is once again viewed as a strong advantage over surrounding states.
- The educational system, once again, is viewed as a disadvantage for Indiana compared to the surrounding states, though its rating is higher than it was in 2008.
- Indiana’s business environment generally is perceived to be improving relative to neighboring states over 2008 levels.

Section 3: State’s Role in Economic Development

- Indiana’s executives are not overly enthusiastic about the availability of public or private funding sources. In fact, perceived availability of public funding sources both inside and outside the state have dropped significantly since 2008.
- Those responding feel the state is “somewhat effective” in terms of attracting new business, encouraging business growth and retaining businesses in Indiana, with the latter two seeing slight increases over 2008.

Section 4: Human Resources and Diversity

- For the first time in the CEO Survey, perceived availability exceeds perceived demand for all types of workers.
- Compared to 2008 levels, large decreases in relative demand and/or large increases in relative availability are seen for information technology, sales/marketing, administrative/clerical, and skilled trade worker classifications.
- Acquiring talented managers and job satisfaction remain the top concerns for the executives responding to the survey, though concern for most workforce issues is lower than it was in 2008.
- On average, respondents are only moderately concerned with the potential impact of the Employee Free Choice Act, though there are significant size and region-based differences.

Section 5: Education

- When asked about the strength of Indiana's educational programs focused on specific industries, "agriculture" is rated highest and "film" is rated lowest.
- Most other programs are rated moderately strong, with "motor sports" increasing significantly and "life sciences" decreasing significantly from 2008 levels.

Section 6: Information Technology

- Over 60 percent of respondents indicated their company has no method for monitoring the amount of time employees spend on the Internet, and over 75 percent indicated their company has no formal policy on employee-authored blogs.
- There is only weak agreement that executives are able to monitor the productivity of their IT staffs, or that they are able to evaluate their IT leaders.
- "Production/maintenance of company Web site" and "server maintenance" are the only IT functions which emerge as having a "likelihood of outsourcing" that rises above the scale midpoint.

WHAT WE LEARNED

The full report will show that views on most "big picture" issues, and the profiles of the respondent organizations, remain relatively consistent over the past three years. Such consistency helps illustrate the validity of these data, shows that the issues identified are real and that Indiana's executives take them seriously. There are some views that have changed. Some are surprising and some are expected given the current economic environment; we plan to continue to monitor these changes.

The complete report is available at www.inceosurvey.com.

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