



EXECUTIVE SUMMARY

2016 - 2017

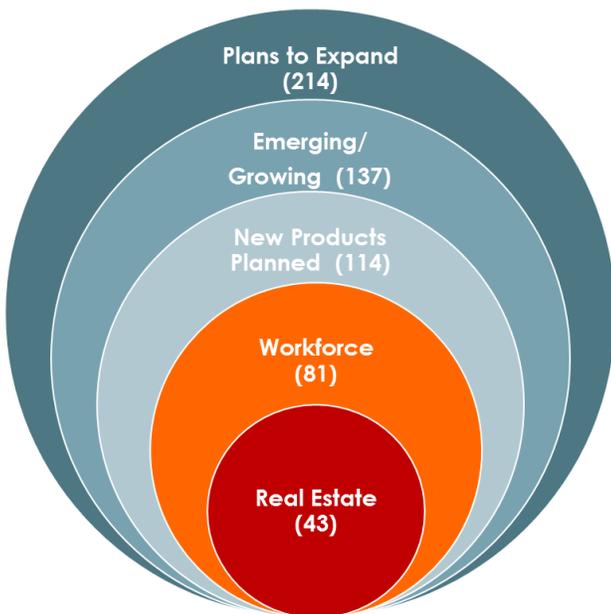
SUMMARY

CORE Illinois was created in June 2016 as stakeholders in the economic development community throughout the state recognized an unmet need in identifying pathways to growth for established Illinois businesses and understanding risks to job creators. As a result, these initial supporters formed a coalition around this common goal and collaborated to speak directly to business owners and their management in order to build solid relationships and provide solutions to their unique issues.

TOP 6 TARGET INDUSTRIES

- Advanced Manufacturing
- Agribusiness and Food Processing
- Biotechnology
- Energy
- Financial Services
- Transportation and Logistics

CORE MANAGEMENT COMMITTEE



FORECASTING NEEDS OF HIGH-GROWTH, HIGH-VALUE COMPANIES

High Value-High Growth companies represent businesses with established growth and the most potential for future success. These companies are the key to business retention, expansion and growth, and steps should be taken to better understand factors that influence their decision-making. Of the companies who participated, **more than one-third (37.85%)** indicate they are ready to grow but *Workforce* is a challenge, and of those companies, 20.09% also point to issues with *Real Estate*.

COMMUNITY

Companies indicated communities' greatest strengths as a place to do business include *Quality of Life* (17.52%), *Location* (15.69%), and *Customer and Supplier Accessibility* (15.15%), respectively. Weaknesses include an *Inadequate Skilled Worker Supply* (17.71%), *Negative Business Climate* (10.22%), and *inadequate Government Services* (6.98%).

"High cost of workers comp and high taxes"

"Anything you need (supply chain) you can find right here in...24 hours"

PRODUCTS

Most products are in the *Growth* stage (56.69%), with Illinois only slightly behind its the Midwest (61.06%) and the U.S. (59.8%), signifying a chance for companies to benefit from economies of scale and increased profit margins. A majority of respondents indicated having added *New Products in the Last 5 Years* (76.91%), and Illinois exceeds the national average by more than 5% in the same category. Nearly as many companies (72.56%) anticipate adding *New Products in the Next 2 Years*,

INDUSTRY

More than one-third of companies (36.32%) indicated an increase in *Merger, Acquisition, and Divestiture* activity, higher than national (31.6%) and Midwest (34.0%) averages. Companies also indicate recruitment problems for workforce is attributed more to *Industry-related* (57.55%) issues than *Community-related* (42.45%) problems.

WORKFORCE

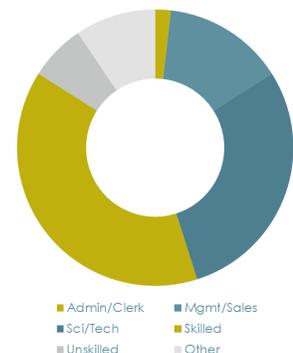
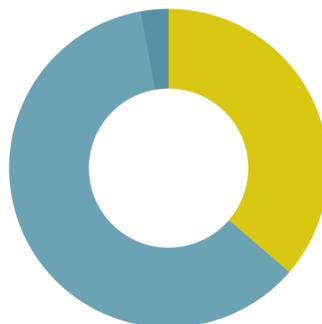
While recruitment problems persist throughout the U.S., Illinois is experiencing fewer problems (52.82%) than its neighbors in the Midwest (62.6%) and nationally (56.29%). A majority of recruitment problems are related to *Skilled Production Labor* (38.91%) and *Scientific/Technical* (29.09%) jobs, with the number of *Unfilled Positions* increasing in Illinois (27.39%) and nearly one-fifth of companies expect a *Significant Change in Workforce* (19.89%).

MERGER, ACQUISITION AND DIVESTITURE

■ Increasing ■ Stable ■ Decreasing

RECRUITING PROBLEMS

NEW PRODUCT IN LAST 5 YEARS



MARKET

Market share of respondents' products is *Increasing* (51.69%) and at higher rates than other companies in the U.S. (46.3%) and the Midwest (49.2%), though the *Declining* market share of some Illinois companies (7.45%) outpaces that of the U.S. (4.0%) and Midwest (3.9%).

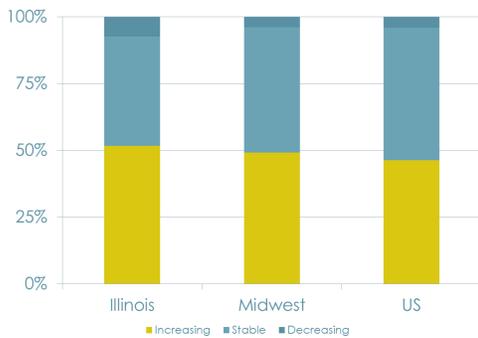
UTILITY SERVICES

A large number of companies are seeing a substantial *Increase in Electric Consumption* (33.08%), a much greater rate than that of the rest of the Midwest (15.76%) and the U.S. (18.36%) and only a few experiencing an *Increase in Natural Gas Consumption* (7.42%). Companies rate their overall satisfaction of their natural gas provider over 99% and of their electric provider over 94%.

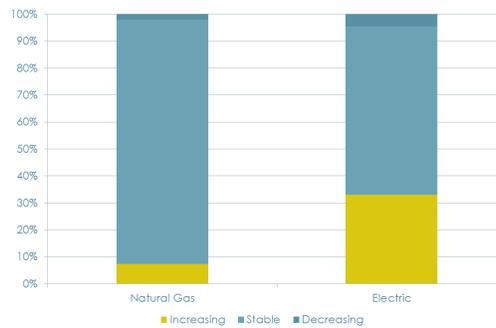
MANAGEMENT

Nearly one-tenth (9.9%) of survey participants in Illinois have experienced an *Ownership Change* (4.7% are currently experiencing a *Pending change* in ownership) in the past 18 months at a rate higher than that of the national (8.5%) and Midwestern (8.8%) averages.

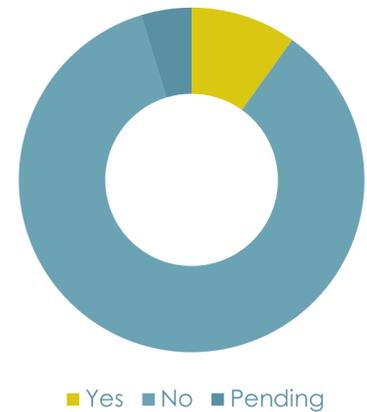
MARKET SHARE OF COMPANY'S KEY PRODUCTS



UTILITY USAGE



OWNERSHIP CHANGE



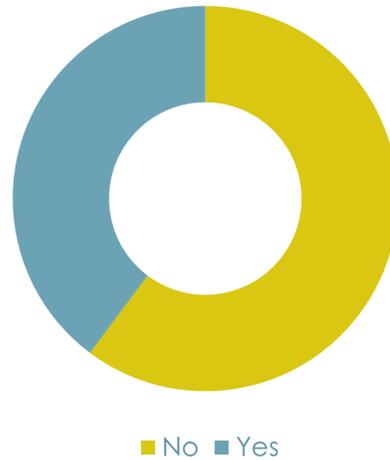
VOICES OF ILLINOIS BUSINESS

More than one-third of survey respondents (35.44%) anticipate legislative changes that may adversely affect their business in the next five years, while 16.34% anticipate changes that might have a positive effect.



EXPANSION PLANS IN THE NEXT 3 YEARS

Many businesses plan to expand in the next three years (39.78%), and with 16.86% of respondents with *International Sales* having facilities outside of the United States, conducting risk assessments, understanding facility and infrastructure needs, and ensuring a statewide site selection database and process is up-to-date and available is priority.



LOOKING AHEAD, MOVING FORWARD

While data collected in CORE's first year provides insight and awareness into the current business climate in Illinois, it is imperative that the information contained in this report also be delineated and incorporated into a plan of action to address the growth and development needs of businesses in the state. CORE's Management Committee is committed to creating an environment of collaboration, growth, and innovation for Illinois businesses, and in using the quantitative and qualitative information this year-long outreach effort provided, the Management Committee has established four targeted priorities that warrant further response, including:

- Collaborating to provide continuous coordination, development discussions, and outreach (per confidentiality protocols) to *High Value-High Growth* and *High Risk* companies, as identified by local economic development organizations;
- Aligning *Workforce* with business and industry, with an eye toward programs and incentives for apprenticeships and access to training for students beginning in early- and secondary-education;
- Improving support and communication in export promotion and plans for expansion in international sales;
- Strengthening a comprehensive, statewide database for site selectors, and real estate brokers/developers, including "super sites" and strategic asset inventory.

As a continuation of this report, CORE's Management Committee will extend its efforts into these priority areas to determine the feasibility of future program or policy development for the benefit of all Illinois businesses.