

# BREAKING THE MANUFACTURING CEILING

SEVERAL DEERE FACTORIES IN IOWA RUN BY WOMEN



(From left to right)

**MARY PAT TUBB**, factory manager, John Deere Davenport Works • **REBECCA GUINN**, factory manager, John Deere Waterloo Works  
**ROSALIND FOX**, factory manager, John Deere Des Moines Works • **LESLEY CONNING**, factory manager, John Deere Ottumwa Works



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The Iowa Association of Business and Industry (ABI) is the voice of Iowa business. It is Iowa's oldest and largest business network, representing 1,500 businesses that employ more than 333,000 Iowans. ABI benefits members by advocating on their behalf at the statehouse, connecting them with decision-makers to share ideas and services, offering solutions and best practices for issues that affect their businesses and developing our state's business and civic leaders.

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Business Record® (USPS 154-740, ISSN 1068-6681) is published by Business Publications Corporation Inc., The Depot at Fourth, 100-4th Street, Des Moines, Iowa 50309, (515) 288-3336. Contents © 2020 Business Record. Published weekly. Annual subscriptions \$69.95. Single copy price is \$1.75. Copies of past issues, as available, may be purchased for \$4.50 each. Periodicals Postage Paid at Des Moines, Iowa. POSTMASTER: Send address changes to Business Publications, The Depot at Fourth, 100-4th Street, Des Moines, Iowa 50309.

## A VIEW FROM THE TOP

# Iowa Manufacturers Are Economic Engines



**Steven M. Bradford**  
*ABI Chair*  
*HNI Corporation*  
*Muscatine*

Every county in Iowa includes at least one ABI member. Most of those counties also include one or more manufacturers. In our state's more rural counties, those manufacturers are often the economic engine supporting the entire region's economy.

Manufacturing in Iowa is the focus of this edition of Business Record Iowa. Sustaining innovative advanced manufacturing operations in the age of COVID-19 is not easy, but Iowa manufacturers and their employees do it every day.

At HNI Corporation, we strive every day to serve our customers by providing relevant, quality, safe and reliable products through manufacturing excellence. While our company has operations around the world, we are particularly proud of the impact we have in our headquarters community of Muscatine and across the Midwest.

It is like that throughout Iowa. ABI members and their employees make their communities

better. They are the ones coaching little league, serving on school boards, singing in the church choir, running for city council and volunteering for summer festivals. Of course, this is in addition to the financial impact they provide through wages, benefits, donations and taxes paid in their local communities. This is why Iowa manufacturers make our state an even more desirable place to live, work and play.

So, thank you to ABI members!

Thanks, too, for your participation in the Association's annual policy development process. When completed at this month's board meeting, well over three hundred members will have participated in one or more meetings. This kind of grassroots involvement is just one reason ABI has experienced its award-winning public policy success over the past several decades.

Thank you for your support. ■

## TOP TIPS

# Remember the Health of Your Employees During Incredibly Busy Times



**Jason Horras, DPT**  
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Right here in Iowa, many manufacturing and transportation businesses are booming during the pandemic. Some companies are as busy or busier than ever with the changing landscape of buyer needs and demands. This is fantastic for the financial health of these businesses but has put extra strain on their current workforce. Employees are being asked to work many hours of overtime, including 6-7 days/week for consecutive weeks. Some employees can handle this extra work while others break down physically and mentally. Not allowing employees proper time to recover can lead to more frequent and extensive cumulative trauma and injuries.

In a rush to hire new workers to keep up with demand, there can be a tendency to skip good hiring practices. Don't forget to continue due diligence in hiring the right employees for the job. Cutting corners and hiring workers that don't have the physical ability to handle the critical demands of the job can create more headaches and expense than solve problems.

Below are a few simple things to keep in mind when your business is working above normal capacity to prevent mental and physical injuries that could further reduce your workforce and ability to meet customer demands:

1. Consider longer breaks or more work breaks each day, if working longer hours per week
2. Alternate the mandated requirement to work overtime among employees
3. Maintain due diligence in hiring workers to keep up with demand—make sure they are still qualified employees who can perform the job safely
4. Keep employees properly hydrated—helps maintain soft-tissue health
5. Offer ways to say “thank you” and make their extra hard work feel appreciated, not just expected
6. Remember the mental stress component of fatigue associated with increased work in addition to the stress of the current pandemic ■



## CULTIVATING IOWA'S TALENT CONTINUUM

# College Students Find Connection and Inspiration: Congratulations to the Leadership Iowa University Class of 2020!

*Leadership Iowa University is a program of the Iowa Association of Business and Industry (ABI) Foundation that develops young leaders as the foundation for Iowa's future economic growth and encourages their ongoing involvement in local communities and the state to create a better future for all Iowans.*

Leadership Iowa University, which transitioned to be virtual this year, took place August 10-13. If you recall, that Monday—the first day of our program—is when Iowa experienced a derecho.

Of the 17 college students who joined us this year for the program, nearly all needed to take shelter. Many were without electricity, internet or cell phone service. For some, this stretched beyond the four-day program.

Participants continued to communicate and adapt despite the difficulties. They were continuously given the option to do what they needed elsewhere. After only three hours 'as intended' of the program, the collective consensus was to "continue on"—a present and persistent sentiment for these college students.

In the spring, they dealt with the sudden shift in living and learning as dorms were cleared and classes went online. As they approached the summer, confirmed internships were cancelled, limited or went virtual along with many other plans, programs and opportunities.

However, adversity is not limited to the last six months.

Our students and interns come from various locations, interests and experiences. There are many roles each may have beyond a college student or recent graduate such as a partner, sibling, parent, volunteer, entrepreneur, serviceperson and more. In these, they have overcome many challenges.

It is what they all share that is the reason we convene: their desire to persistently pursue their purpose and make a difference as young professionals and emerging leaders.

Those selected for Leadership Iowa University are recommended by Iowa colleges and universities, leaders and organizations and recognized for their commitment to their communities. Throughout the program, we provide the statewide perspective of how each can achieve their personal and professional goals. We're confident the week met this mark of success still.

We ask you to join us in congratulating our state's next decision-makers for their superior navigation of this time and continued interest in Iowa's best. If you are interested in sending a message of encouragement or reaching out personally to any of the students, contact [foundation@iowaabi.org](mailto:foundation@iowaabi.org). ■



**McKenzie Kielman**  
Marketing &  
Engagement  
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## Leadership Iowa University Class of 2020

**Camila Almeida**

Iowa State University '21  
Major: Business Analytics  
Minor: Technology Consulting

**Tristan Berg**

Iowa State University '21  
Major: Psychology

**Jeremiah Chandler**

Simpson College '20  
Majors: Business Management &  
Economics: Finance  
Minor: Entrepreneurship

**Abbe Chase**

Des Moines Area Community College '22  
Major: Pre-Engineering

**Abi Fear**

Iowa State University '21  
Major: Masters in Accounting

**Don Michael Gill Jr**

Des Moines Area Community College '21  
Major: Pre-Medicine

**Carly Hermosillo**

Des Moines Area Community College '20  
Major: Liberal Arts

**Jack Jermano**

Central College '21  
Major: Economics  
Minors: Psychology, Math, German

**Tannor Kinder**

Iowa State University '20  
Major: Mechanical Engineering

**Michael Nguyen**

Grand View University '20  
Major: Management Information Systems  
Minor: Management

**Nic Reid**

University of Iowa '21  
Majors: Computer Science & Engineering

**Holly Rigel**

University of Northern Iowa '22  
Major: Psychology  
Minor: Mental Health

**Cami Schaefer**

University of Missouri '22  
Major: Business: Marketing  
Minor: Economics

**Sami Schupanitz**

University of Northern Iowa '20  
Majors: Marketing Advertising &  
Digital Media  
Minor: Entrepreneurship

**Nathan Ver Meer**

Dordt University '22  
Major: Mechanical Engineering  
Minor: Kuyper Honors Program

**Claire Ward**

Iowa State University '22  
Majors: Marketing & Supply Chain  
Management

**Taylor Woody**

Iowa State University '21  
Major: Marketing  
Minor: Digital Marketing Certificate



## Engaged Electorate is Key to Pro-jobs Environment

This edition of Business Record Iowa comes on the heels of the ABI Board of Directors meeting on September 10. The meeting was the first for new board members, but the last step in the ABI policy development process. The board has the responsibility to approve the 2021 policy positions and priorities for the association. This year, when you include all board and public policy committee members, more than 300 people participated at some stage in the process. This number reflects strong member participation and includes a cross-section of members from every industry.

Each public policy committee and the full board of directors considered policy positions through the reality of the presence of COVID-19. The core issues ABI has pursued from legislative session to legislative session remain, but the emphasis may change. For example, child care was a key issue leading up to the 2020 session as ABI sought solutions that would allow more people to enter the workforce with unemployment below 3%. Entering the 2021 session—as new and seasoned employees navigate school re-openings, staggered schedules and daycares operating at reduced capacities—childcare solutions are more critical than ever to improving workforce participation. This is one example, but across the board COVID-19 has altered the public policy space. As in the past, ABI member compa-

nies and ABI staff will educate and advocate to ensure legislative and regulatory proposals are pro-jobs and provide certainty and stability for employers and employees.

One key piece to a pro-jobs environment is an engaged electorate. Although Iowa has some of the highest rates of voter participation in the country, we can do even better. To vote, you need to be registered. This year, as in past years, ABI is participating in Employee Voter Registration Week occurring September 21-25. The goal is to increase the number of registered eligible private sector voters across the country. The initiative does not tell employees how to vote or who to vote for; instead it provides information to help employers encourage voter registration. In a 2018 BIPAC survey, 96% of employee respondents from a company with a sustained engagement program voted early or on Election Day.

I hope you will encourage your employees to get registered to vote or update their voter registration the week of September 21-25. If you don't have something planned, it's not too late. You can find all kinds of information online at [www.employeesvote.com](http://www.employeesvote.com). Please contact me if you want to learn more. With more employers participating, we can ensure more individuals are voting in the elections, whether it's for school board or U.S. President! ■



**JD Davis**  
Vice President,  
Public Policy, ABI  
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(From left to right)

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# BREAKING THE MANUFACTURING CEILING

## SEVERAL DEERE FACTORIES IN IOWA RUN BY WOMEN

BY GIGI WOOD

Many proud Iowans are aware of agriculture manufacturing giant John Deere's history, with its start across the Mississippi River in Illinois in 1837. The company's slogan, "Nothing Runs Like a Deere," is common knowledge, as is its trademark green tractors. What might not be as well known is that most of the company's major factories in the U.S. are run by women.

Deere, with its 74,400 employees globally and \$3.25 billion in net sales, operates a dozen equipment division locations in the U.S., and six of them are led by women engineers. Most of the Deere factories in Iowa — Davenport Works, Des Moines Works, Ottumwa Works and Waterloo Works — are women-led. Those leaders recently shared their experiences and a few ways they reached their success.

Rosalind Fox, factory manager, John Deere Des Moines Works; Mary Pat Tubb, factory manager, John Deere Davenport Works; Lesley Conning, factory manager, John Deere Ottumwa Works and Rebecca Guinn, factory manager, John Deere Waterloo Works have each earned their way into a top spot at the world's largest agricultural company.

"I'm proud to work alongside the other female factory managers," Fox said. "We have become good friends as a result of this experience. Even though we work at different facilities, we pick up the phone and call each other or send emails when we've got a question. We're really supportive and help empower one another."

### Successful start in education

All four women earned engineering degrees in college and say math and science played an important role during their K-12 years, even though STEM (science, technology, engineering and mathematics) initiatives didn't yet exist.

"I took every math and science class available to me in high school," said Tubb, who grew up in Plain, Wis. "I was going to take the automotive/shop class, but it didn't work with my schedule. I think there are certainly more technology classes available to kids today, but that is probably because high school was 30 years ago."

She went on to earn a bachelor's degree in engineering from the University of Minnesota and an MBA from Duke University.

"More valuable is my 15 years in factories," she said.

Guinn also took as many math and science classes as she could during her K-12 years in Coffeyville, Kan. Later, she received a mechanical engineering degree from Kansas State University and an MBA from Drake University.

"It was my calculus teacher that made all the difference and encouraged me to be an engineer based upon aptitude, but my physics teacher probably prepared me the best to be successful," she said. "I also went to a junior college for my freshman year, as my father was an instructor at Coffeyville Junior College. The math classes were smaller and provided more in-depth reviews and testing Calc I and II. These were a great foundation for further math classes at K State, where we had large classes."

Conning, who grew up in Canada, was able to take shop class early on.

"In middle school, we had a shop class where we used basic drills, lathes and other machines to complete small projects, but otherwise there really were not STEM activities offered at my schools," she said.

She earned a bachelor's degree in mechanical engineering from the University of Western Ontario and an honors business administration degree from the Richard Ivey School of Business.

"Through university, most engineering classes did have lab work, which gave the chance for practical application of the principles being learned," Conning said. "I really enjoyed my manufacturing automation class, where the practical lab work involved building a physical and visual model of a process, then writing the code needed to execute the process."

She also participated in multiple leadership development programs through Deere and partner organizations.

Fox, who grew up in St. Louis, earned a bachelor's degree in electrical engineering, followed by a master's in industrial engineering, both from the University of Missouri in Columbia. She went on to receive an MBA from Northwestern University. Her father, who worked on the production floor at a Boeing plant, told her she had to become an engineer, even though she wanted to be a nurse.

"There was nothing like STEM when I was a kid," she said. "And when my father told me he wanted me to be an engineer, I literally had to go look it up."

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During college, she worked part time at a 3M factory in Columbia and was inspired by the factory manager.

“He knew so much about the business and I was really impressed with his leadership and the fact that he had that level of responsibility,” Fox said. “It was there that I knew I wanted to be a factory manager someday.”

Fox has taken on quite a bit of responsibility herself. She is a member of the Iowa Commission on the Status of African Americans and leads a local junior chapter of the National Society of Black Engineers. She has worked on Deere’s diversity and inclusion organization, a global role ensuring diversity exists throughout the company.

“Why I’m so passionate about supporting STEM for young girls and people of color nowadays is because I didn’t have that opportunity back then,” she said.

She said she hopes to inspire students to think about their future careers and learn about science, agriculture, engineering and other, similar fields.

### Their path to success

The women can list off several reasons and personality traits responsible for their success. All four agree on one specific trait: hard work.

“I think most people would say that I am hardworking, engaging, have high integrity and am good to work with,” Tubb said. “Those last two are especially important at Deere; doing the right thing, relationships and teamwork are a big deal here.”

Young people interested in reaching such success should practice grit, she said.

“Certainly grit, a willingness to try hard things and stay after it until you achieve what you set out to do,” she said. “Resourcefulness, knowing when to ask for help and not being afraid to ask. Treating people with kindness and respect. A bit of competitiveness is helpful, always looking for a better way and challenging yourself to be and do better.”

Guinn said it’s important to try difficult tasks to set yourself apart.

“I am a big advocate of doing the hardest thing you can do to differentiate yourself both in college and at work,” she said. “Engineering is all about establishing a foundation of hard work and problem-solving abilities that many companies value for all types of positions.”

Conning added that trying new things has been helpful to her career.

“Starting out in my career, I never dreamed I would get to this position, but a few good mentors and leaders helped push me to challenge myself and try new roles,” she said. “I started my career in purchasing, and had a leader encourage me to move to manufacturing engineering supporting a weld department. Being willing to try something new and uncomfortable helped me find my passion and develop and demonstrate new capabilities. From that point forward, I always leaned into new opportunities. Sometimes they were promotions, but many times it was a lateral job change to develop a new capability or joining a special project team to challenge my thinking and learn.”

Fox tells students she mentors to work hard in school, be a leader and be able to work in teams.

“You can start working on these habits and behaviors now,” she said. “Don’t wait until you get a job to build your leadership skills. You can be a leader in the classroom.”

### Leading an industry into the future

The four Deere leaders have high optimism for manufacturing in Iowa and said the industry is a great place for women to work.

“We’ve started to leverage the registered apprenticeship program to attract and develop kids for manufacturing careers; it’s really taking off,” Tubb said.

Women who enjoy sports may enjoy a career in manufacturing, she added.

“We tend to be team players, and manufacturing is definitely a team sport,” Tubb said. “It’s fast-paced, always challenging and we keep score. I know every hour of every day whether I am winning or losing. It’s challenging when we’re losing, but that’s the job; figure out why, make a play change and get after it.”

Some companies seem to be more open than others to promoting women as leaders.

“From my perspective John Deere, like most other companies, looks to develop and promote the best talent to leadership roles,” Tubb said. “I credit some female trailblazers who over the years have been the first — the first production supervisor, first business unit manager and first factory manager. Through their courage, tenacity and hard work they demonstrated not only that women were very capable to lead in critical factory roles, but they also became role models to the next generation of female leaders in John Deere. They helped inspire me and others to take on the challenging jobs, and championed Employee Resource Groups like Women in Operations and WomenREACH to provide ongoing support and build a talent pipeline.”

Iowa’s manufacturing industry continues to be very competitive, Conning said, and Deere approaches each day working harder, together.

“Layer on top of a very competitive environment leading a team through a global pandemic, and one thing becomes crystal clear: Alone, we won’t have best answers,” she said. “Working together, sharing best practices and providing support to each other we can overcome many challenges.”

Iowa’s employees give Deere an edge over the competition and it’s important to sustain that, Guinn said.

“The employees we have in Iowa continue to be a competitive advantage for us as a company,” she said. “It is important that we continue to retain and attract the best talent to Iowa and build on that foundation for the future. Engagement with local community leadership around economic development, talent development, educational networks and volunteerism are important to enable sustainable community growth. We want Iowa to be a talent destination and enable competitive advantage for the state and the local businesses.” ■

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# Perseverance during a challenging time

BY GIGI WOOD

With companies of every size throughout the state, Iowa boasts one of the most robust manufacturing sectors in the nation. While the industry has faced challenges this year due to the coronavirus pandemic, most manufacturers continue to operate and are cautiously optimistic about the future. Two industry leaders in the state share insights about their businesses as Manufacturing Day 2020, which is on Oct. 2 this year, draws near.

Iowa's manufacturing output has grown exponentially over the past decade, increasing from roughly \$26 billion in 2008 to nearly \$36 billion in 2018, according to the National Association of Manufacturers. That includes a 22% growth in manufactured goods exports during the same period. Top sectors include food, beverages and tobacco products; machinery; chemical products; computer and electronic products; fabricated metal products; plastics and rubber products; nonmetallic mineral products; primary metals; motor vehicles and parts; and furniture and related products.

Fourteen percent of Iowa's workforce, or 217,000 people, were employed by the state's manufacturing industry in July 2020, according to the U.S. Bureau of Labor Statistics. While that's down from 223,000 employees in February 2020 due to the coronavirus, the manufacturing sector remains the largest in Iowa. There are 6,080 manufacturing companies operating in the state, according to an Iowa State University Center for Industrial Research and Service 2018 report.

To keep the industry competitive, education is important. A report, "Iowa's Advanced Manufacturing Sector: The Iowa Innovation Council Recommendations to Support Innovation, Growth and Competitiveness" published in 2017 as part of the Governor's 2017 Year of Manufacturing Initiative, suggested facilitating regional network building to connect manufacturers in the state, ensure manufacturers are prepared to compete in a digital world, and invest in 3D printing and advanced manufacturing programs at state universities.

## A change in plans

For some companies, Manufacturing Day is an opportunity to provide facility tours to prospective workforce recruits and clients. That changed this year when coronavirus shut down many businesses to the public.

According to the Manufacturing Institute, Manufacturing Day, also known as MFG Day, "helps show the reality of modern manufacturing careers by encouraging thousands of companies and educational institutions around the nation to open their doors to students, parents, teachers and community leaders."

In Pella, where Vermeer builds agricultural, underground construction, surface mining, tree care and environmental equipment, the business is not allowing visitors. Mindi Vanden Bosch, a channel advancement manager and part of the third generation of the family to own Vermeer, says the company will not be inviting the public to its 33-acre campus.

"We are currently not allowing visitors on campus, so that has changed our Manufacturing Day plans but we still plan to celebrate, potentially a virtual type event," she said.

At Yeoman & Co. in Monticello, the day will also be subdued, said Tom Yeoman, president and CEO of the company, which designs and produces tools for snow removal and lawn care.

"I plan on buying lunch and share information about Manufacturing Day in October with my employees," he said.

Filling those slots is critically important, as many manufacturers grapple with the ongoing workforce shortage and skills gap.

## Workforce gaps

The challenge of finding the workers with the right skills isn't going away anytime soon, Vanden Bosch said.

"Prior to the crisis with record low unemployment and peak demand, Vermeer, along with many other manufacturers, were feeling the stress in meeting customer demand," she said.

"Specifically, at Vermeer we have researched and began investing in much more robust training programs in critical areas like welding, painting, machining and basic assembly. Ultimately, the goal is to provide a better experience for new team members, while shortening the time frame for the individual to become an engaged, productive Vermeer employee."

The company has introduced programs to better onboard, train, develop and retain employees to reduce the gap.

"People are Vermeer's greatest resource," Vanden Bosch said. "On the shop floor, we are developing onboarding programs that improve a team member's experience, while better equipping them to perform their workload safely and productively. Our operations and information technology leadership teams are evaluating Vermeer's current IT and manufacturing systems in order to understand gaps versus how we plan to work in the future."

Leadership programs have been developed to help create the next generation of leaders at Vermeer.

"In our salaried teams, we are developing leadership programs to help young managers become leaders, and experienced leaders improve their effectiveness," she said. "At the same time, the Vermeer senior leadership team is focused on clearly understanding where the market is shifting so we can clearly react to talent or customer needs of the future."

Yeoman relies on a satellite branch of Kirkwood Community College in Monticello to help fill open positions.

"They can tailor any type of training program we need to train our employees," Yeoman said. "However, our requirements for production staff are minimal. Showing up on time and being able to count to 10 without removing your shoes are the two most important."

With companies of every size throughout the state, Iowa boasts one of the most robust manufacturing sectors in the nation.

Despite major manufacturing layoffs throughout the state, finding skilled employees remains difficult.

“Hiring qualified staff is always a challenge,” he said. “Even with the virus impacting the unemployment rate it’s always difficult to find staff that that want to show up every day and give you an honest day’s work.”

### Unexpected disruptions

The coronavirus pandemic led to a slowdown at businesses globally and has affected Iowa’s manufacturing sector in various ways. As business leaders have managed changes in supply and demand, they have also put new efforts into place to keep workers safe.

“This has been a tough year with so much uncertainty when state and national economies were halted, restarted, paused and reopened,” Vanden Bosch said. “We dealt with supply chain issues and labor disruptions early on.”

Vermeer was designated an essential business, allowing it to continue to operate during the pandemic. The company has followed cleaning, hygienic and distancing protocols recommended by the U.S. Centers for Disease Control and Prevention.

“Vermeer focused on creating new common-sense practices to keep our team members safe, and our business has remained robust,” she said. “The management team at Vermeer has worked hard to create an environment where team members are protected so we can continue to serve our customers. Through all this we have continued to see growth in our business segments and in the markets that we serve.”

Vanden Bosch said the pandemic has brought forth several challenges, the largest of which is uncertainty and workers needing to stay home with their children.

“The biggest challenge recently is dealing with the uncertainty of COVID-19,” she said. “In Iowa specifically, we have a robust unemployment benefit, compared to other states. When the federal government mandated a \$600 supplemental benefit to weekly unemployment, it created a tough environment to incentivize a stable workforce. We are thankful that families are taken care of, but the side effect for us was higher absenteeism, which caused unpredictable production and supplier schedules. It was a struggle to manage this new reality.”

Those uncertainties have continued with the start of the new school year.

“Looking into the upcoming school year presents more uncertainty for us. Vermeer pulls from many school districts, and there are inconsistent decisions among all those school systems,” she said. “Vermeer is committed to work with our team members as we again navigate a new uncertain world.”

### For some businesses, sales are up

At Yeoman, the pandemic has meant increased sales, partly because customers are working on more home projects, and partly because there was a lot of snow during the past winter.

“Since we are in the seasonal tool business our winter tool sales are very strong. The winter we had last year provided a lot of snow and as a result an increase in sales of winter tools,” Yeoman said. “Our customer base will remember the previous year’s winter conditions. If it’s a cold and snowy winter the previous year, they will buy a little more, and the reverse is true if we have a milder winter.”

Due to shipping disruptions and workers staying home, Yeoman’s competitors were not able to ship as much to customers, increasing the Monticello company’s sales. His workforce was not reduced due to the coronavirus.

“Our long handle tool sales have been very good this year. COVID-19 kept a lot of people home doing cleanup, fix-up jobs,” he said. “As a result, the retail hardware business is up 30% to 40%. This translates into increased sales on tools. In addition, the two large tool providers in the industry were adversely impacted by the virus and have been unable to ship tools in a timely manner.

This provided Yeoman & Co. with additional sales to customers with whom we don’t normally do business.”

A strong inventory helped the business react to the competitor pullback.

“We were able to ship since we carry a very healthy inventory so we can ship quickly, typically same day/next day, and we had no impact of the virus within the production or office staff,” Yeoman said.

However, it’s difficult to predict the future in terms of the economy, customer demand and weather, making business even more complex for Yeoman.

“The biggest challenges are predicting inventory level needs six to 12 months in advance,” Yeoman said. “The seasonal tool business is very weather-dependent and as a result, sales can fluctuate from one season to the next, as well as month to month. We have to plan production schedules and inventory to meet high demand events since there are times of the year when we will ship winter snow shovels and pushers, as well as shovels, hoes, and rakes to multiple parts of the country on the same day.”

The increased sales volume has allowed the company to experience raw material price drops, he said.

### Navigating a digital world

Staying abreast of digital changes within the industry is another challenge the two business leaders face.

“Keeping up with modern times is always a challenge,” Yeoman said. “We update computer software regularly to manage production and inventory levels, not to mention updating a continually changing customer base.”

Vermeer is tasked with keeping software and hardware up to date in a variety of ways, from robotics to data collection.

“The world is changing rapidly,” Vanden Bosch said. “The digital world is colliding with the manufacturing world. Connected enterprise software that enables data collection, data-driven insights coupled with robotic, autonomous technology, is improving every day. In fact, our workforce is not only more capable of dealing with the digital change, many of them and our customers are demanding it.”

Investing in trade and STEM (science, technology, engineering and mathematics) training programs is one way to ensure the company is prepared for future technological innovations.

“Whether you work on the shop floor in production or design the next innovative Vermeer product, students must be comfortable with digital technology and have a solid math and science foundation,” Vanden Bosch said. “On our shop floor our team members must know how to paint, weld, assemble or run complex machining centers while reading, understanding and interpreting complex engineering documentation using computers and PLCs [programmable logic controllers] connected to smart tools or measuring devices.”

Even though this has been a challenging year, Vermeer is celebrating several successes.

“2020 will also be a big year for Vermeer, as we will be opening our new, world-class manufacturing facility after spending the last two years recovering from the F3 tornado that devastated our Pella campus,” Vanden Bosch said. “The new factory is the capstone of many great campus and business improvements that the team has diligently worked on since 2018. We are excited about the continued investment in facilities, technology and products both in Pella and our subsidiaries around the globe that will propel Vermeer long into the future.”

She credits Vermeer’s resiliency on the company’s lean practices.

“Dealing with the current pandemic has certainly caused all businesses to figure out a new way to keep their business going,” Vanden Bosch said. “Thankfully, Vermeer has been on the lean journey for over 20 years now and our ability to understand our processes has helped us react when uncertainty and change hits us.” ■

## EXPERT ADVICE

## What's My Company Worth Now? Post-COVID Business Appraisals

As COVID-19 has permeated every aspect of our lives, it is no surprise that the economic impacts of the pandemic will also affect the value of your company and subsequent business appraisals.

As a result of the economic disruptions caused by the pandemic, discounted cash flow models and projections may be a more useful method when trying to model the future performance of a business as it allows the valuator to model future years individually as the business returns to more “normal” operations. However, it is our experience working with our recurring clients that many companies have either paused or temporarily given up on trying to build their own projections due to the uncertainty.

This is also not to say that the other valuation methods are not relevant. Rather, there are additional considerations that need to be made when applying the other methods. For example, when applying the market approach based on pre-COVID-19 transactions, the valuator will need to consider what adjustments, if any, are required to produce useful financial metrics to apply to the subject company in the midst of COVID-19. The valuation date will also have a big impact on this method depending on whether you are utilizing public stock prices from the recent market lows in March or the near record highs for many public companies today.

The consideration of the company's long-term prospects is also an important consideration when assessing the risks facing the company while determining a company's discount rate/price to earnings multiple.

Finally, some companies will have businesses that thrive in the COVID-19 environment because of the ability to take advantage of opportunities. Grocery delivery services, food delivery, manufacturers of PPE, and those who have retooled or reinvented themselves, may find that their business thrives and does better than in pre-pandemic periods. As the economy and consumer behavior changes, there will be companies who can capitalize on this moment in time and do better than was originally anticipated but all of these factors will play a role going forward in what a subject company is worth today. ■



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As COVID-19 has permeated every aspect of our lives, it is no surprise that the economic impacts of the pandemic will also affect the value of your company and subsequent business appraisals.

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**CALENDAR OF EVENTS**



**SEPTEMBER 30**

**Advanced Manufacturing Conference**

Virtual | 9 a.m.

**OCTOBER 7-9**

**Leadership Iowa**

Atlantic

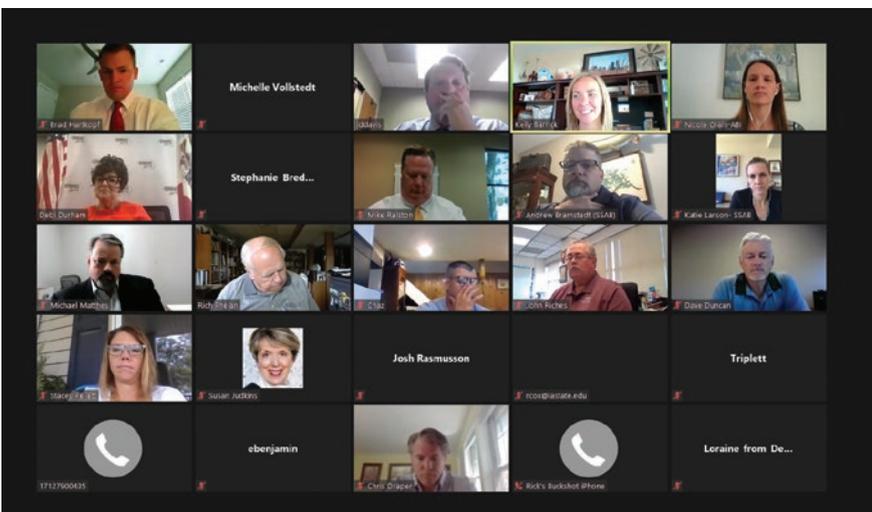
**JANUARY 13**

**Legislative Briefing and Reception**

Iowa Events Center | 4 p.m.

Visit [www.iowaabi.org](http://www.iowaabi.org) and click the "Events" tab for details on upcoming events, including updates in response to COVID-19-related safety restrictions for public gatherings.

**EVENT REWIND**



**Public Policy Committee Meetings**

August 5-20 | Virtual

ABI hosts five policy committee meetings each August to make recommendations for next year's legislative priorities. The following committees met virtually: Employment and Workforce, Workplace and Product Safety, Economic Growth (pictured), Environment, and Tax. More than 300 members participated in the process. The ABI Board of Directors will act on the recommendations of these committees at their September board meeting.



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SUCCESSION PLANNING

# Preparing for Transition: What Business Owners Should Consider When Planning an Exit



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At some point in a business owner's life, an "exit" will occur. This exit means that the business will be transitioned to another party. This party could include, but is not limited to, strategic acquirers, private equity, family office investment and even family members (next generation). When this time comes, it is very important that the business owner has a strong understanding of the underlying value of the business, as well as the nuances of any potential suitors.

You might ask why there are so many different types of suitors? Because different types of suitors will have unique strategies for the business. Here is a quick breakdown of each suitor type, as well as their potential agendas:

**Strategic Acquirers:** Here, there is usually an underlying strategic reason for the deal. Cost synergies could exist, geographic expansion could be in play and the elimination of a competitor could be a driving factor.

**Private Equity:** This is typically part of

a larger "rollup" strategy. Private equity acquires a platform company and then bolts on synergistic opportunities to form a much larger company over time, one that ultimately gets "flipped" or sold to a larger entity.

**Family Office:** Often these are long-term holders looking for diversified returns, and leadership is typically left to run the business as it continues to drive solid returns for the investor.

**Family Members:** Succession is the name of the game in this transaction, with families wanting to continue the business by transacting between themselves.

The value of the business at exit should be modeled and include various scenarios and sensitivities that allow the business owner to make the best decision possible. This is typically the largest asset of the business owner, so it is absolutely critical to select the right scenario for the business. Our models have the potential to help the owner understand the value differences each suitor would bring, as well as any underlying risks.

The exit of the business is typically a very emotional event for the owner. Given this, it is very important to have the right advisor and information so that these crucial decisions are not driven by emotion. ■



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