



GRATEFUL SHOWING GRATITUDE IN BUSINESS

Accumold CFO Steve Boal and President/CEO Roger Hargens



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 Business and Industry**

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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A VIEW FROM THE TOP

Thankful for ABI Leaders



Jack Hasken
ABI Chair
Jackson Mfg., Inc.
Maquoketa, Iowa

ABI's annual manufacturing awards dinner and conference were held in September 28th-29th. Both events were terrific and thanks to all that could attend.

Then, last month, the ABI Foundation held the first in a year-long series of sessions with the 40th class of Leadership Iowa (LI). LI is one of the nation's oldest statewide leadership programs and well over a thousand alumni are now working to make their companies -- and their communities -- a better place.

On top of all this activity, last month also saw the latest edition of the ABI Biennial DC Fly-In. Several ABI leaders flew to Washington, where we held great meetings with each member of Iowa's Congressional Delegation. We also held a series of briefings and events at other ABI partner organizations, such as the National Association of Manufacturers. Each event was informative and the entire trip was a great success.

My purpose in noting these events and activities is not to focus on the past. As you know, ABI is always about the future for all of our members. The point is that ABI works all year-long to advance an agenda that provides value to your business. Growing your business and growing Iowa communities is what ABI is all about. You can see that, thanks to your support and with the terrific leadership of the ABI Board of Directors, that agenda is well in hand.

As a business owner, that kind of leadership is just one of the things for which I am thankful. Read this edition of Business Record Iowa to see what other business leaders are thankful for. Happy Thanksgiving to you and your families.

Finally, I can share that the 2022 Taking Care of Business Conference will be both spectacular and informative. Mark your calendars now for June 14-16, 2022 and join us in Dubuque. You will be glad you did! ■

ELEVATE IOWA

Local business leaders—including Iowa Governor Kim Reynolds—were recently honored at the state's largest event dedicated to the advanced manufacturing industry. Hosted by Elevate Iowa and the Iowa Association of Business & Industry (ABI), the annual Legends in Advanced Manufacturing celebration formally recognizes community leaders for their contributions to Iowa's manufacturing industry, their communities, and the state of Iowa.

Hundreds of nominations rolled in across the state for the 2021 Legends in Manufacturing Awards. This year, five individuals were chosen as Legends in Manufacturing. The awardees are:

Under 100 Employees Awardee: Larry Raymon – Owner and CEO Raymon Donco Air Distribution Equipment (Albion, Iowa). For over 40 years, Larry's philosophy of "Heartland values, America's vision" has been demonstrated daily, both in his significant contributions to his company and his community.

100-300 Employees Awardee: Tim Bianco – President and CEO Iowa Spring (West Des Moines, Iowa). Tim has built a legacy of exceptional products, service, and client relationships for nearly 40 years. In addition to his dedication to his company, Tim regularly gives back to his local community.

300+ Employees Awardee: Kellan Longenecker – Plant Manager General Mills, Inc. Avon Plant (Carlisle, Iowa). Driven by a dedication to advancing the industry, Kellan takes pride in serving on local community boards, speaking at conferences and events, and finding new ways to advocate for advanced manufacturing.

Manufacturing Champion Awardee: Kim Reynolds – Iowa Governor. Kim Reynolds is a long-time advocate of Iowa's advanced manufacturing industry. Kim's commitment has been instrumental to the success of the overall industry and the families who live and work in Iowa's local communities through programs such as Future Ready Iowa and Manufacturing 4.0.

Posthumous Awardee: Larry Countryman – Former CFO and Treasurer Wilson Trailer Company (Sioux City, Iowa). For over 25 years, Larry was the CEO and Treasurer of Wilson Trailer Company and was highly sought after for his experience and propensity for imparting knowledge. In addition to his dedication to serving his company and employees, Larry was highly involved in the community and active in dozens of non-profits and organizations.

Elevate Iowa is honored to publicly celebrate these great leaders in Iowa's largest industry. Advanced manufacturing contributing nearly \$30 billion annually to Iowa's economy! In addition to its wide range of high-paying and in-demand careers, manufacturing companies are in the top-third of employers in the state.

To learn more or get involved in Elevate visit elevateiowa.com. Elevate Iowa is a statewide initiative to promote careers and educational pathways in advanced manufacturing. Elevate offers resources to all Iowans about the many opportunities in advanced manufacturing. The Elevate initiative is directed by a coalition of all Iowa community colleges, the Iowa Association of Business & Industry (ABI) Foundation, the private manufacturing sector, and the state of Iowa. Learn more at www.elevateiowa.com. ■

CULTIVATING IOWA'S TALENT CONTINUUM

Iowa Leaders Begin Year-Long Journey Participating in 40th Anniversary Year of Leadership Iowa

Forty Iowa leaders who live and work in communities in every corner of the state have been selected to participate in Leadership Iowa. Class members gather for monthly, multi-day sessions between October-June to focus on opportunities and challenges facing our state. Join us in congratulating the Leadership Iowa Class of 2021-22 on their selection to our state's premier issues awareness program and continued commitment to advance the State of Iowa! ■



The Leadership Iowa Class of 2021-22 began their year-long journey in October and will graduate from the program in June during the ABI "Taking Care of Business" Conference.

Leadership Iowa Class of 2021-22 (Communities listed denote home city | work)

Justin Allen

BrownWinick Law Firm
Johnston | Des Moines

Cole Amstutz

ServiceMaster by Rice
Ankeny | Clive

Jamie Daubendiek

Jefferson Telecom
Jefferson | Jefferson

Deidre DeJear

Caleo Enterprises
Des Moines | Des Moines

Michelle Dekker

Iowa Medical Society
Ankeny | Des Moines

Matthew Doty

Weaton Companies
Donnellson | Fairfield

Stacy Dreyer

America's SBDC Iowa
Gilbert | Ames

Joe Feldmann

OPN Architects
Ankeny | Des Moines

Terry Fett

Central Iowa Power Cooperative
Cedar Rapids | Cedar Rapids

Nick Glew

Marion Economic Development Corporation
Marion | Marion

Arian Haddix

Council Bluffs Soccer Club
Council Bluffs | Council Bluffs

Meredith Jinks

6585 Consulting
West Des Moines | West Des Moines

Bhooshan Karnik

McClure Engineering Company
Waukee | Clive

Dustin Katje

Pella Corporation
Carroll | Carroll

Caleb Knutson

City of Marshalltown
Hubbard | Marshalltown

Nick Laning

Advocacy Strategies and Rafferty Group
Altoona | West Des Moines

Christina Moffatt

Greater Des Moines Partnership
Des Moines | Des Moines

Brittany Morales

Iowa Area Development Group
Altoona | Des Moines

Joshua Moreno

Collins Aerospace
Ames | Ames

Mitchell Mortvedt

Iowa Division of Criminal Investigations
Winterset | Des Moines

Stefanie Munsterman-Scriven

Cedar Rapids Civil Rights Commission
Cedar Rapids | Cedar Rapids

Elizabeth Presutti

Des Moines Area Regional Transit Authority
Des Moines | Des Moines

Susan Rathjen

Bankers Trust Company
Urbandale | Des Moines

Chad Reece

Winnebago Industries
Forest City | Forest City

Jeff Reed

Bizlab
Ankeny | Ankeny

Carol Reynolds

Kent Corporation
Muscatine | Muscatine

Andrea Rogers

The Accel Group
Cedar Rapids | Cedar Rapids

Warren Schaefer

Agri-Industrial Plastics Company
Fairfield | Fairfield

Jaelyn Schuette

SSAB Americas
Bettendorf | Muscatine

Liesl Seabert

Iowa Economic Development Authority
Ankeny | Des Moines

Lori Shields

Council Bluffs Area Chamber of Commerce
Council Bluffs | Council Bluffs

Calan Smidt

Strategic America
Altoona | West Des Moines

Patrick Smith

First Bank
Dike | Cedar Falls

Joe Sorenson

Community Foundation of Greater Des Moines
Grimes | Des Moines

Elizabeth Stanek

Linking Families and Communities
Callender | Fort Dodge

Ashlee Stoddard

Corvea Agriscience
Des Moines | Johnston

Joseph Sweeney

Eagle's Catch
Alden | Ellsworth

Krista Tedro

South Central IA Local Workforce Dev. Board
Ottumwa | Ottumwa

Matt Ulrich

Assembled Products, Inc
Clive | Urbandale

Vince Ward

The Weitz Company
Des Moines | Des Moines

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CAPITOL BUSINESS



ABI Board Sets 2022 Legislative Priorities

As this edition is about what Iowa business leaders are thankful for, your public policy team would like to extend our thanks for the opportunity to represent your company and your employees with policymakers at the Capitol and within state agencies. It is an honor to pursue the policy goals of the Iowa Association of Business and Industry's 1500 members companies and their 330,000 employees as directed through member input in our policy development process.

The ABI public policy team will work for the adoption of policies within four main priority areas. They are:

Workforce

ABI supports innovative solutions and incentives to help businesses and employees overcome barriers to employment, such as childcare and adequate and available workforce housing. ABI supports legislative efforts to recruit, retrain and retain talent in the state. Recent levels of high unemployment have highlighted the need for unemployment insurance trust fund reform. ABI encourages the Legislature to continue funding Future Ready

Iowa, work-based learning opportunities, apprenticeship programs, and other initiatives that will help upskill our existing workforce and prepare students for the careers of tomorrow. Further, as part of ensuring a qualified workforce, ABI encourages the Legislature to maintain policies that are conducive to safe workplaces and that allow employers to address drug and alcohol use.

Tax Reform

While some progress has been made, Iowa's business tax climate is not competitive. ABI continues to support efforts to make Iowa's tax system more competitive while retaining provisions that encourage economic growth and job creation. ABI supports legislation that will reduce Iowa's individual and corporate income tax rates and complexity.

Infrastructure

In order for businesses to compete in a global economy, Iowa must have quality infrastructure that supports moving people, products and information across the state and throughout the world. ABI encourages the Legislature to take action to en-

courage private sector investments, and public-private partnerships in rural and urban areas that will help maintain Iowa's economic competitiveness.

Regulatory Reform

ABI members strive to comply with a wide scope of regulations at the local, state and federal levels. These regulations can often overlap, be outdated or are overly burdensome. Therefore ABI supports:

- Streamlining permitting requirements and processes, in particular environmental, reducing cost and time for businesses and the state.
- Modernizing notification requirements for employment drug testing.
- Reviewing and eliminating policies and regulations that hinder small business expansion.

Again, thanks for the opportunity to serve Iowa's business interests as we look to 2022. By continuously advocating for pro-growth entrepreneurial priorities like those above, ABI ensures a future of opportunity for Iowa employers and their employees. ■



JD Davis

*Vice President,
Public Policy, ABI
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In Iowa, big ideas flourish. We invest in bold visionaries and innovative ideas that transform industries. From start-ups to enterprises, we're home to rewarding careers in advanced manufacturing, bioscience and finance. And never ones to forget our roots, Iowa's leadership in agriculture continues with breakthroughs in digital and precision ag. Opportunities are everywhere in Iowa. If you belong on the leading edge of your industry, you're in the right place. Learn more at IowaEDA.com.

IOWA
economic development



GRATEFUL: SHOWING GRATITUDE IN BUSINESS

Accumold team members work together to produce micro molded medical equipment.

BY GIGI WOOD

Fall often brings out the gratitude in us. It's hard not to embrace thankfulness during this time of year, as the leaves change colors and farmers transport their harvests from their fields to our tables. As we near the holidays, especially Thanksgiving, our focus turns to what we value most in life: family, friends and the good fortune we've reaped throughout life. We gather together to show each other our appreciation and thanks.

In the business community, many companies show appreciation through end-of-the-year bonuses or holiday gifts. Others incorporate thanks via events or gifts throughout the year. No matter the style of showing gratitude, there are many positive benefits to the practice of letting co-workers and clients know you care.

WHY SHOWING GRATITUDE IS IMPORTANT

We wouldn't have the lives we do have without the people in them. Our blessings, our gifts, our wealth — it all stems from the people in our lives, whether it be from family, friends, co-workers or clients. The same is true for businesses.

"Nothing in life is guaranteed. It's important to remember that our customers provide the revenue, and our employees make it happen," said Roger Hargens, president, CEO and co-owner of Accumold, a plastic fabrication company in Ankeny. "It all works in tandem to support our business and the families counting on the work to be there. Losing sight of this is losing sight of the big picture. At the bottom line, it's not dollars and cents, it's a collection of people working together for a common cause. We all have a part to play and a part to be thankful for."

Accumold is known as a leader in high-volume precision micro molding with expertise in micro electronics, medical technology, wearables and other emerging technologies. The molds produced are customized so intricately matched to designs, it allows for the production of high-precision parts. The company has seen much success and growth in recent years.

It's especially important to show gratitude in 2021, after everyone has spent so much time and energy overcoming the challenges of the COVID-19 pandemic, he says.

"(Accumold Chief Financial Officer and co-owner) Steve (Boal) and I are so grateful to be in a business we love, surrounded by the best team in the world," Hargens says. "We're thankful that business is returning strong and that we managed to navigate the challenges of the pandemic without having to close our doors or let people go. And we are so thankful we live and operate in a state that supports the hardworking men and women of Iowa."

Stacey Pellett, manager of public affairs in Iowa for Deere & Co., agrees with the sentiment that the past year brought forward much to be grateful for. She says she has much to be thankful for in her personal life.

"We have so many things to be thankful in 2021," she says. "The past year has been difficult for everyone. However, in looking back, I can find so many moments of gratitude. Our family had dinner together almost every night, a feat rarely possible with two very busy teenagers. We brought back family game nights and movie nights. These will be memories to cherish when our children are off to school in the next couple of years."

That gratitude extends to her professional life, as well.

"I am thankful to work for John Deere, a company that exemplifies history, quality, family and long-lasting heritage — exactly what our family farm stands for," Pellett said. "For 184 years, Deere has helped feed, clothe and shelter the world. I am so proud to be a part of an organization that helps to change lives around the world every day."

Sincere thanks can go a long way with employees after the challenges of the past two years, she said. It's important for employers to realize that despite those obstacles, employees have often gone above and beyond to do a good job at work.

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“I believe the past 18 months have helped us all to realize that every person we see is facing something most of us are unaware of,” Pellett said. “And yet, people are showing up, with a smile on their face and giving everything they have to give. Recognizing that effort with a heartfelt, sincere thank-you is often the exact thing someone needs to hear. This gratitude will carry over from our personal life to our professional life and back again. Knowing we make a difference is tremendously motivating, and kindness is also contagious. Spreading a bit of thankfulness will benefit everyone in today’s world.”

HOW TO SHOW GRATITUDE AT WORK

There are a variety of ways to show appreciation for others. Some show it with a greeting card, others with money or gifts. There is no right or wrong way to show appreciation. The goal is to acknowledge the people who have done so much for us at work and at home.

“We’ve worked hard to make sure we are showing appreciation year-round, especially to our employees,” Hargens said. “We formed an appreciation committee long before COVID, but we found a deeper commitment during the height of the pandemic. Our foundation is built on the strength of our team, and we can never stop showing our thanks.”

Quarterly companywide meetings to share information about the business are one way Hargens and Boal give back to employees.

“One thing we have always felt is vital to showing gratitude to our employees is through our commitment to communication,” Hargens said. “Each quarter we have an all-team meeting

day where we share a meal and talk about our business with our employees. Steve and I have always agreed that being open and transparent can go a long way in building team and trust. It may not be possible for every company to do all employees at once, even we break ours into smaller groups, but figuring out a regular way to have open conversations with your team is important.”

Hargens suggests organizing volunteer opportunities for employees as another way to show gratitude in the workplace.

“We all like being part of a something that is bigger than ourselves,” he said. “One way to show this as business owners is by organizing team volunteer opportunities. This can be an off-site challenge like Habitat for Humanity, or something organized in your own facilities, like packaging food for Meals from the Heartland. Figuring out a way to share as a team is a great way to bond as a family and to provide service to our community.”

Pellett’s advice to business leaders looking for ways to show gratitude to employees: Keep it simple.

“Showing gratitude doesn’t need to be complicated or fancy,” she said. “It just needs to be genuine and personal. Years ago, I worked for a factory manager who made rounds every single morning to personally say hello to each employee. He knew our families, our children and even our sports teams. I was at the lowest level, yet he always stopped by. I know that each of us felt very appreciated and that we mattered, not just to him, but to John Deere overall.”

As author Zig Ziglar said about gratitude, “You never know when a moment and a few sincere words can have an impact on a life.” ■



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EXPERT ADVICE

New Lease Accounting — It's Here, Are You Ready?



David Weber
Principal, CLA

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The new lease standard, Financial Accounting Standards Board (FASB) ASC 842, is effective for private companies with fiscal years beginning after December 15, 2021. Begin today to evaluate the technical accounting challenges and resources needed for implementation.

What's changing?

Previously, complex rules required entities to distinguish between operating and capital leases. Now, under generally accepted accounting principles, the right to use leased property meets the definition of an asset, and the obligation to make lease payments represents a liability. As such, both should be recognized in the financial statements of a lessee.

The new leasing standard generally brings all leases onto the balance sheet. Further, both the quantitative and qualitative financial statement disclosure requirements have been significantly enhanced. This enables users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

It's not only important for organizations to understand how this will change internal reporting, but also how their financial statements will be viewed by third parties, especially when seeking future financing. The implementation is quickly approaching — start designing and implementing accounting processes that meet the new requirements now.

Lease identification

Leases contracts are everywhere, whether you know it or not. A lease under ASC 842 can be a specific physical identifiable asset in a lease,

or an identified asset embedded in an arrangement that appears to be a supply arrangement or service contract. Therefore, not all leases under ASC 842 will be called a lease. Reviewing and concluding on contracts with embedded leases can be time-consuming and require significant accounting knowledge and judgment.

Lease terms

Under the new accounting standard, the operating entity should report right-of-use assets and obligations based on legal enforceability of the contract term, including formal renewal options. The new standard also brings complexities and judgments.

- Without a written agreement, it is difficult to determine the legal enforceability of a lease.
- Verbal and written contracts with the potential for cancellation could have additional complexities.
- For short-term leases, a lessee can elect (by asset class) not to record on the balance sheet a lease whose "term" is 12 months or less and does not include a purchase option that the lessee is reasonably certain to exercise.
- If renewal options are reasonably certain to be exercised, they should be included in the lease term when determining the right-of-use asset and lease liability reported on the balance sheet.

Lease implementation

Finding the right accounting solution for leases will depend on how many you have and

what type of information is needed to manage your organization. Although the implementation process can be timing-consuming and expensive, understanding your lease environment now can help prepare you for a successful transition.

- There are several simple tools and enterprise solutions available to help organizations meet their financial reporting needs under the new standard.
- More judgment may be needed when entering into new lease agreements, and companies may need to raise awareness throughout the organization.
- Procurement and approval processes may be impacted as companies evaluate lease versus buy decisions as the majority of leases are no longer off balance sheet.
- Debt covenant compliance may be impacted as a result of the new standard. Discuss potential impacts and any modifications to existing debt arrangements with your lender. ■

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SUCCESSION PLANNING

Implications of Federal Tax Proposals on Business Succession Strategies



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New federal tax proposals present far-reaching implications for many business owners. Business owners thinking about succession strategies are especially impacted by the current proposals in two major ways.

First, the proposed reduction of the federal estate tax exemption from \$11.7 million/person to \$5 million/person adjusted for inflation (which results in an exemption of approximately \$6 million/person) impacts anyone considering a succession strategy which includes gifting. The current, higher exemption was scheduled to sunset on December 31, 2025 but the new proposals accelerate this reduction to December 31, 2021. Business owners who contemplate transfers to a child or other family member frequently facilitate such transfers by gifting ownership of their company or assets utilized by the company. A reduction in the estate tax exemption means business owners who have not utilized their higher, \$11.7 million, exemption will lose that opportunity at the end of this year.

Second, attacks on the use and utility of intentionally defective grantor trusts ("IDGT") are also in the recent proposals. IDGTs have historically been used as gifting vehicles by individuals (grantors) who wish to transfer assets outside of their taxable estates (by gift or by sale) while (1) retaining the income tax liability associated with the assets transferred, and (2) ensuring an appropriate management structure within the terms of the IDGT. The new proposals essentially remove current utility of IDGTs by requiring that grantor trusts be included in the taxable estate of the grantor. Unfortunately, the proposed effective date for the grantor trust rule changes is the date of enactment which is likely to be sooner than December 31, 2021.

If you are a single business owner with total assets over \$6 million or a married business owner with total assets over \$12 million, you should consult with your advisors about whether you need to take action now. ■

If you are a single business owner with total assets over \$6 million or a married business owner with total assets over \$12 million, you should consult with your advisors about whether you need to take action now.

EMBARRASSED EXECUTIVE

Does Your Company Have a Culture of Safety?



Jack Carra
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Q. How do you know if your company has a culture of safety?

A. When you look past any existing safety programs and consider the mindsets and the behaviors of your employees and managers, you'll likely find your answer.

Companies with a strong safety culture often have fewer injuries, less turnover and absenteeism, fewer workers' compensation claims, and higher employee satisfaction. In these same companies, everyone is invested in safety programs and is empowered to take action.

If it's time to drive culture change, first understand that it's an ongoing process – but one that offers many benefits. Getting started begins with understanding the risk employees face every day.

- 1. Identify and analyze past incidents and near misses.** These events provide valuable insight into the hazards that threaten employee safety. Combine this information with a review of existing policies, procedures, and environmental conditions to determine how to prevent future incidents.
- 2. Create a plan.** Using the data you've collected, prepare a detailed safety plan that defines roles and responsibilities, procedures, reporting, and employee training and communication. It should address potential risk areas as well as buildings, equipment, and the environment.
- 3. Implement your plan.** A true test of any safety plan is implementation. Ongoing employee communication, training, and practice drills help ensure your employees are prepared when facing an incident.
- 4. Continuous improvement.** Change is constant. Monitor, test, adjust, and communicate regularly so that your safety plan keeps up to changes in your business.
- 5. Celebrate success.** One of the simplest things you can do is recognize and celebrate the safety success in your company. Not only is it a great motivator, it helps drive safety initiatives.

A culture of safety requires commitment and collaboration from every person in the company, regardless of their role. It also takes time. But with discipline and a consistent approach, the rewards will outweigh the investment. ■

Companies with a strong safety culture often have fewer injuries, less turnover and absenteeism, fewer workers' compensation claims, and higher employee satisfaction.

WHO NEEDS HOUSING?

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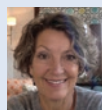


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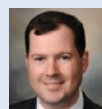
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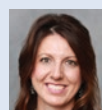
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DECEMBER 7

Iowa Food Manufacturing Industry Overview and Challenges Seminar
Iowa State University, CCUR | Ames

JANUARY 12, 2022

Legislative Briefing and Reception
Iowa Events Center | Des Moines

MARCH 8, 2022

Day on the Hill
Iowa Association of Business and Industry | Des Moines

JANUARY 12-14

Leadership Iowa
Des Moines

MARCH 3

Connecting Statewide Leaders
Council Bluffs

MARCH 3-4

Leadership Iowa
Council Bluffs

Visit 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

OCTOBER 6-8

Leadership Iowa

Leadership Iowa Opening Session Takes Place in Okoboji



The Leadership Iowa Class of 2021-22 gathered for the first time on Oct. 6-8. The forty leaders began getting to know their classmates and previewed what's in-store for the fast-paced program year ahead. Participants took part in fun exercises to quickly become better acquainted with one another, heard from dynamic speakers and local leaders, and had the opportunity to explore the Okoboji area through a team scavenger hunt. ■