



IOWA CEO SURVEY: Talent Recruitment Biggest Concern

Leaders more
bullish on state
than national
business climate;
AI use growing



STORY ON PAGE 16

CALENDAR OF EVENTS

JULY 30
Webinar: Pre-employment Testing
Process Series (Session 1)
VIRTUAL

AUGUST 4-8
Leadership Iowa University
DES MOINES

AUGUST 6
Workplace & Product Safety Public
Policy Meeting
DES MOINES

AUGUST 7
Environment Public Policy Meeting
DES MOINES

AUGUST 8-9
Executive Forum
MASON CITY

AUGUST 13
Employment & Workforce Public
Policy Meeting
DES MOINES

AUGUST 14
Economic Growth Public Policy
Meeting
DES MOINES

AUGUST 20
Tax Public Policy Meeting
DES MOINES

AUGUST 26
Executive Open Golf Outing
WEST DES MOINES

SEPTEMBER 17
Webinar: Pre-employment Testing
Process Series (Session 2)
VIRTUAL

**VISIT WWW.IOWAABI.ORG AND CLICK THE "EVENTS"
TAB FOR DETAILS ON ALL UPCOMING EVENTS.**

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FROM THE CHAIR:**Insights from ABI CEOs and a New Chapter in Leadership**

The cover story of this month's edition of ABI's Business Monthly highlights the views and predictions of ABI member company CEOs, all taken from our annual survey of those leading women and men. This article, reflecting views from across the state is always a fun and informative read and I hope you enjoy it.

This issue also provides my first opportunity to share this column as the incoming Chair of ABI. The Iowa Association of Business and Industry is member driven and succeeds because of the active participation of our members, the quality staff and those who volunteer their time and talents to serve on

the Board of Directors. Together, we can continue to build upon the tremendous track record of success for ABI.

As many of you know, I am a proud native Iowan and am privileged to have spent my entire post college career at Winnebago Industries. 2024 marks our 66th year in business and our success, like many other companies, has been driven by the business environment and talent in Iowa. I am thankful to be a part of the Winnebago Industries team and I am also incredibly thankful for the opportunity to serve ABI and its members during the coming year, and for the opportunity to help advance ABI's mission.

As you read this, we are celebrating another great annual event. Last month's Taking Care of Business Conference in the Quad Cities was a smashing success. If you weren't there, you missed one of the best business meetings and networking opportunities of the year. Make plans now to join us in Council Bluffs next June for the 2025 conference. You will not want to miss it!

My goal this coming year for ABI is to build on the association's tremendous record of positive impact on Iowa and Iowa businesses. Thank you in advance for your help and support as we continue to move forward. **ABI**



Chad Reece
ABI Chair
Winnebago Industries

FROM THE FOUNDATION:**Sizzling Summer Programs:
Hotbed of Opportunities for Iowa Students**

The summer months are anything but a "summer break" for the ABI Foundation. Two of our annual programs, Business Horizons and Leadership Iowa University, are held in July and August, respectively. Both week-long programs immerse high school and college students in opportunities-awareness curriculum. This curriculum directly benefits Iowa's workforce by fostering innovation and entrepreneurship and linking academic knowledge to practical application. The curriculum's success is exemplified by Elevate Iowa's continuous talent pipeline development of qualified, eager-to-work students.

BUSINESS HORIZONS

This action-packed week enables high school students to confidently forge connections between concepts learned in the classroom through real-world application. By combining hands-on, entrepreneurial experiences with team-oriented challenges, the program demonstrates how business and leadership skills are intertwined and applicable to any career interest. Along with a new network of friends and mentors,

students leave equipped with a renewed sense of confidence in their next steps.

**LEADERSHIP IOWA
UNIVERSITY**

This fast-paced week provides students the unique ability to explore Iowa's opportunities with a focus on helping bridge the gap between college and career. The program is designed to connect our state's next decision makers with tools for personal and professional success. By way of networking events, engaging round-table discussions, business tours, and a dynamic speaker series, students learn why Iowa is the ideal state to live and work.

ELEVATE IOWA

This initiative is a statewide, integrated marketing campaign to promote careers and educational pathways in manufacturing. It also addresses misconceptions surrounding the industry while simultaneously promoting how innovative technologies, such as robotic automation and artificial intelligence, provide new and exciting career opportunities.

Through several state and national partnerships, we annually award multiple \$500 scholarships each summer to Iowa high school seniors pursuing careers in manufacturing.

Do you know high school students who'd benefit from a business-minded leadership development program? Does your company have college interns who'd benefit from learning more about statewide and community initiatives? Are you a manufacturer who's offering an alternative to the traditional four-year degree? If so, nominate or encourage students to learn more about one of these programs or initiative before it's too late!

The ABI Foundation encourages your organization to invest in Iowa's students this summer. Today's students are tomorrow's workforce, and your involvement undoubtedly solidifies these programs as the best weeks of summer for many of our participants.

To learn more about each program or how your organization can get involved this summer, visit www.IowaABIFoundation.org. **ABI**



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WHAT'S TRENDING:

Risks Associated with AI-Generated Content

Have you ever wondered who actually owns the rights to content that is partially generated by Artificial Intelligence (AI) including various Large Language Models (LLM) or AI image generators? While there is no easy answer, the bottom line is that there is risk involved in publishing AI-generated content.

There are tangential issues that arise from using these tools. For instance, any queries that you use to generate content are public, thus lacking any confidentiality. In New York a lawyer used ChatGPT to draft a court filing and the cites that ChatGPT included in its research were famously wrong and led to sanctions of the lawyer. Further, the queries and instructions that the lawyer used were now in the public domain. Any data or information that should be kept confidential until the publication date, should avoid being published.

With the recent rapid proliferation of AI tools, ownership of the work product due to AI generators has led to a big question without a definitive answer. Based on similar case law and some insights from the Copyright Office, there are some guardrails to make sure you aren't generating higher-risk content than you are comfortable with. Currently the general rule at the Copyright Office is that only works created by a human author can be copyright protected. If you are using AI-generat-

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ed content, it should only be used as a framework for the final copy. Think of the AI-generated content as the frame of a house but the internal components should be revised independently.

There is much we do not know about AI-generated content ownership. The best-case scenario is to not use these tools and generate all your content independently so as to avoid copyright and confidentiality issues. If you must use these tools, put as much of your own creativity and added work into the final product. In the coming years, some of the questions we have on this topic will be answered by courts, but in the meantime, we can use the guidance we currently have to mitigate risks involved now. **ABI**

There is much we do not know about AI-generated content ownership. The best-case scenario is to not use these tools and generate all your content independently so as to avoid copyright and confidentiality issues.


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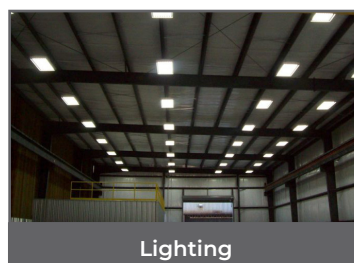
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COVER STORY FROM PAGE 13

IOWA CEO SURVEY: Talent Recruitment Biggest Concern

Leaders more bullish on state than national business climate; AI use growing

BY EMERY STYRON
news@corridorbusiness.com

A big-picture look at the sentiments of Iowa business leaders indicate that talent recruitment remains the biggest challenge for most (51%), followed by rising input costs (22%), according to ABI's 2024 CEO survey. The hot topic of artificial intelligence (AI) accounted for two of the seven questions on the survey, with results showing the up-and-coming technology is already being woven into Iowa business operations. More than 70% of the CEOs responding indicated they were either exploring or had already implemented AI applications in their businesses but few had put policies in place governing the use of AI by employees.

With a presidential election looming, more CEOs responding are pessimistic (32%) than optimistic "about the current direction of our state/country," with

43% either neutral or unsure on the question. A quarter of respondents say higher interest rates are affecting capital allocation decisions or causing re-evaluation of investment plans. Less than 10% cite serious disruptions on international operations due to global hotspots like Israel, Ukraine and China.

Asked for their views on the economy for the second half of 2024, respondents tilted slightly toward the positive. On a 1-10 scale with 1 being most negative and 10 most positive, 61% of CEOs' responses fell in the 6-10 range.

Not all businesses are affected equally by such factors as interest rate fluctuations, global conflicts, tech issues and other factors. Company leaders interviewed for this article unanimously agree that the business climate in Iowa is positive, but their views on the economy at large tend to differ according to factors affecting their specific industry.

Top Concerns Vary

As a top concern, "talent recruitment is an opportunity for any business," Chad Reece, vice president of government and industry relations for long-time Forest City RV Manufacturer Winnebago Industries.

"With the advent of advanced tech-

nologies used in manufacturing, that talent pool has to evolve."

When it comes to attracting talent, "the state of Iowa is in better shape than some other," Mr. Reece says. He credits state efforts to "entice employees to choose Iowa" and programs by universities and community colleges to train the workforce with up-to-date skills.

Even within the leisure industry, the top business concern is different for Scott Hottle, CEO & president of Standard Golf. "It's input costs by far," says Mr. Hottle, leader of the employee-owned Cedar Falls golf course supplier since 2012. "If there's anything that keeps us awake at night, that's it."

"We publish a catalog once a year. For first time in our history last year, we did not put pricing in it," says Mr. Hottle. Due to "lots of customer backlash," Standard went back to fixed pricing in its current catalog despite the risks of having to anticipate price fluctuations on raw materials like steel and plastic nearly a year in advance.

Osmundson Mfg. President & CEO Heather Bruce is not losing sleep over either raw material prices or recruiting. Her concerns are more basic: "Nobody's buying anything. I need sales, more than

I'm worried about my costs."

The fourth-generation owner of the Perry-based tillage and planting products producer, Ms. Bruce says "We had three years during Covid when everything was gravy in the farming industry. Inflation caught up, interest is up. With the culmination of all that, farmers aren't buying right now."

Rising Interest Rates A Broad Concern

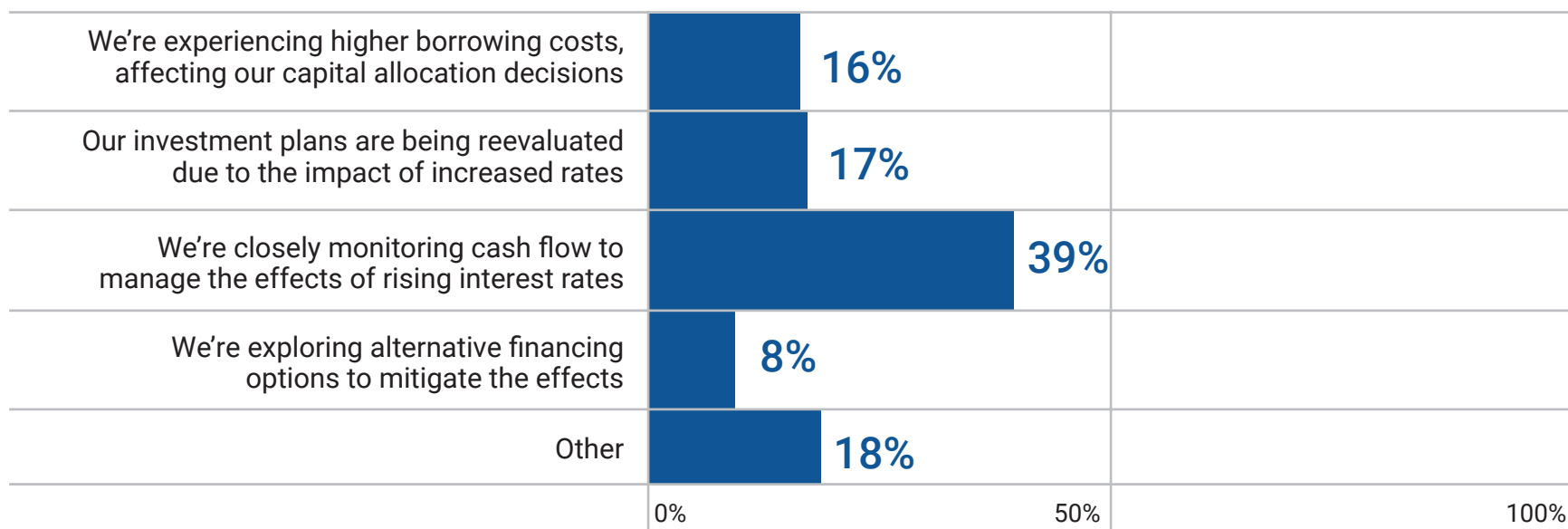
Osmundson, which is opening a second manufacturing facility in Mayfield, Kentucky, doesn't typically take on much debt for capital projects, but rising interest rates are still a major concern. "It affects us because it affects our customers," says Ms. Bruce.

Osmundson's immediate customers are original equipment manufacturers (OEMs) in the agriculture industry such as Iowa-based Kinze Manufacturing. Its ultimate consumers are the farmers who buy the big-ticket items and replacement parts that OEMs sell. Interest rates affect purchasing decisions at both levels.

Like Osmundson, Standard Golf doesn't borrow often but watches how interest rates impact distributors. The concern, says Mr. Hottle, "is that they

2024 CEO SURVEY

1. How are increased interest rates affecting your business?



2024 CEO SURVEY

stay functioning and healthy.”

Winnebago’s product lines represent “discretionary recreational purchases, so interest rate levels are an obvious factor,” says Mr. Reece. Despite higher rates, “interest in recreational vehicles remains,” he says.

“There is a cyclical element to many segments. The RV industry is recently coming off record breaking years, and now we are seeing more market normalization.”

Global Volatility Matters

One of many Iowa manufacturers involved in global markets, Osmundson experienced immediate effects when Russia invaded Ukraine in 2019. “We were growing very well before Covid and when the war came, nobody was able to sell there at all,” says Ms. Bruce. “Ukraine is the breadbasket more than Iowa is for Europe,” says Ms. Bruce. She holds onto hope for a positive outcome “as long as Ukraine is able to put up a fight.”

Winnebago’s market is focused in the U.S. and Canada, but “when international markets are affected, we’re all impacted in some way,” says Mr. Reece.

Standard Golf’s biggest challenge from international instability was difficulty last year in obtaining empty shipping containers for supplying its warehouse in Holland. Some of its vendors were hampered by supply chain issues of past years.

AI Use In Early Stages

“AI is at the top of most everybody’s list,” says Mr. Reece. “I don’t know that everyone has a full understanding of the total scope of possibilities. We are exploring all those opportunities. He declines to go into specifics on how

Winnebago is using AI, but is clear that his company is “setting parameters around usage.”

“AI is a powerful tool, but you have to remember when you engage on a platform that is not locked inside your company, you may be sharing data that is proprietary,” he says. “There are steps you can take to mitigate that risk.”

Ms. Bruce takes a more skeptical approach. “Nobody is truly using the actual AI. We’re all using some form of generative AI. Just the buzzword in the industry, I would argue.” Osmundson has policies in place regarding AI use, as it does with other tech platforms such as social media, she says.

“We don’t bump into it too much at this stage,” says Standard Golf’s Mr. Hotle. “We’ve dabbled in it with some of our marketing pieces, sort of let AI do some marketing verbiage on a real small scale.” With limited use, Standard Golf hasn’t seen the need to establish policies around the use of the technology.

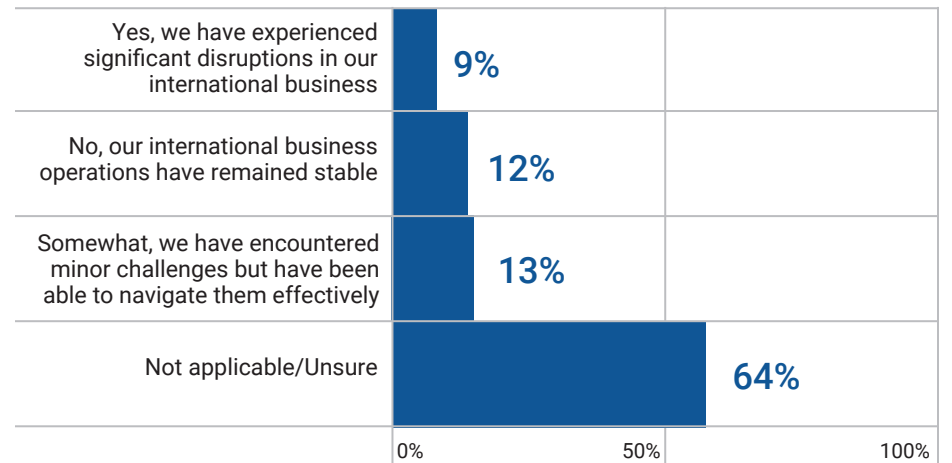
State Of Nation, Economy

All three leaders are high on Iowa’s business climate and efforts by the state government in that area, but range from pessimistic to neutral on the nation’s direction and economic outlook for the rest of 2024.

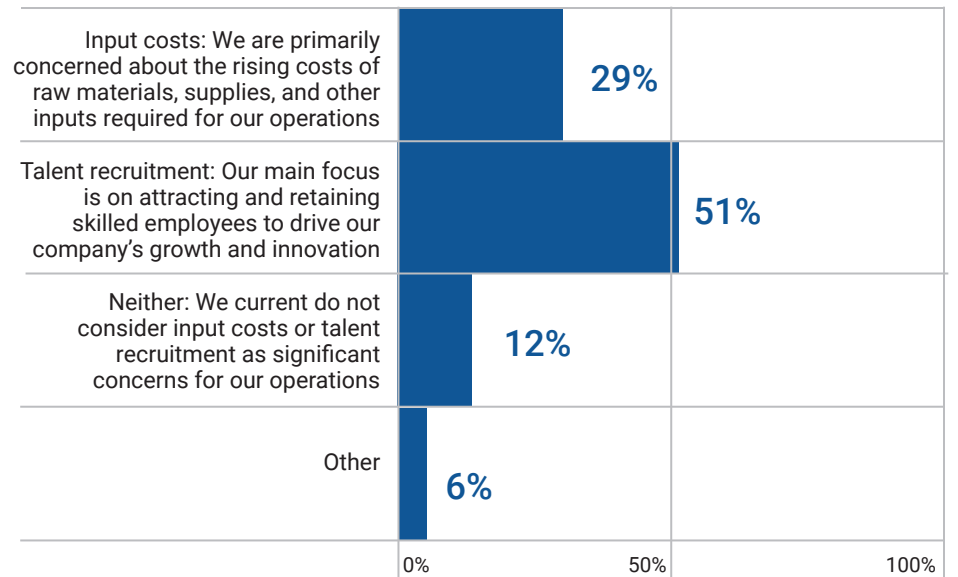
“The economy either needs to be in recession or bypass one. We’re teetering. That’s where we’ve been all of 2024,” says Ms. Bruce. “My hope is that we’ll be in full recession in 2025, or we’ll be coming out of it.”

She’s similarly dour on choices facing voters in the 2024 presidential election. “We need candidates younger than 80 to be running our country. We the peo-

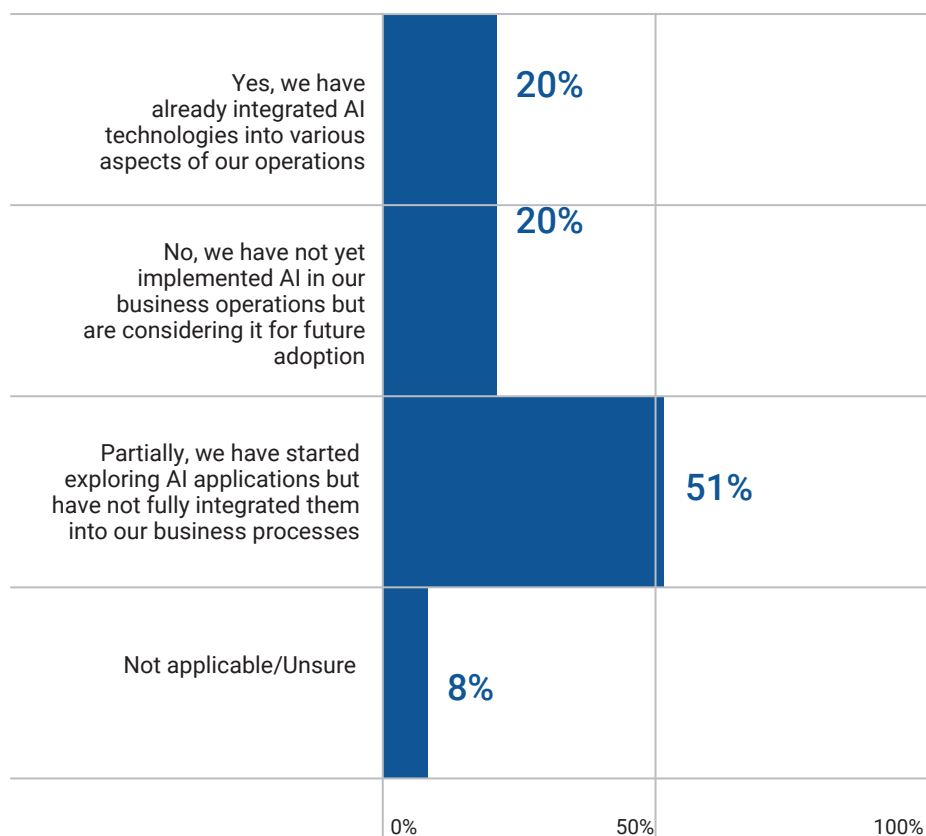
2. Have you seen a negative effect on your ability to export and do business internationally due to the increased volatility in the world? (Israel, Ukraine, China)



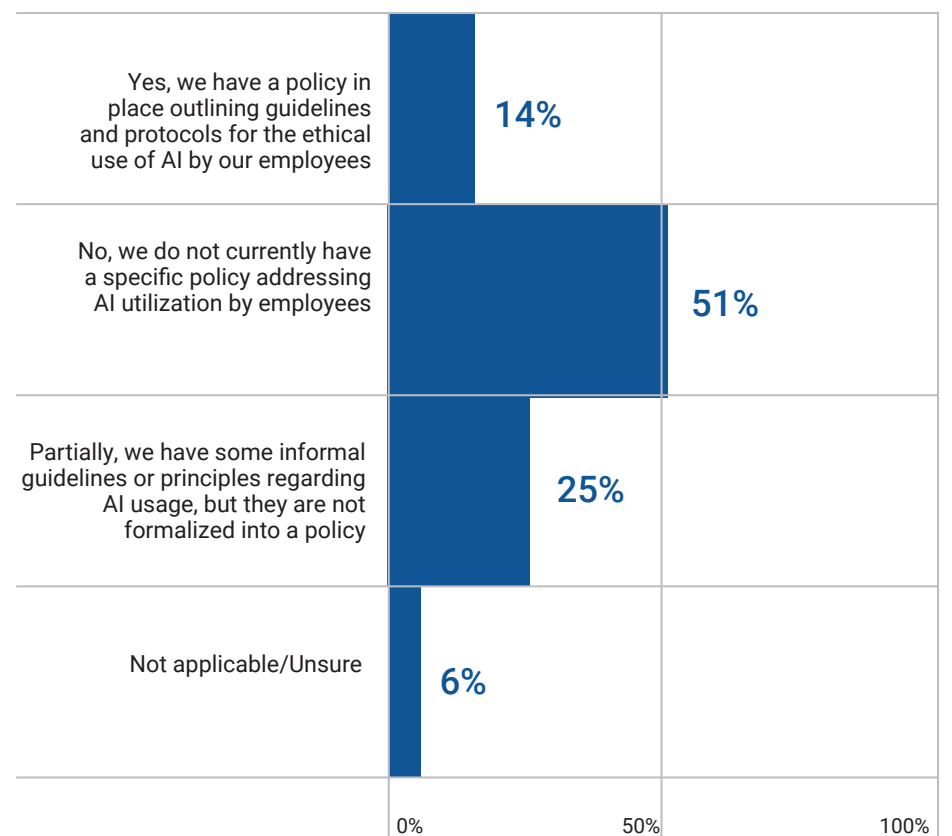
3. What is your biggest concern with your operations?



4. Are you implementing AI in your business?

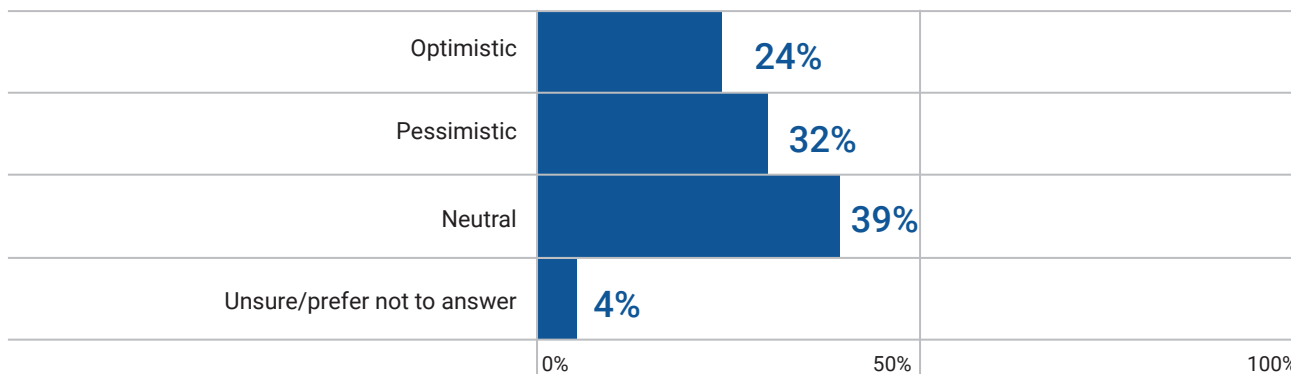


5. Do you have a policy around how your employees utilize AI to do their jobs?

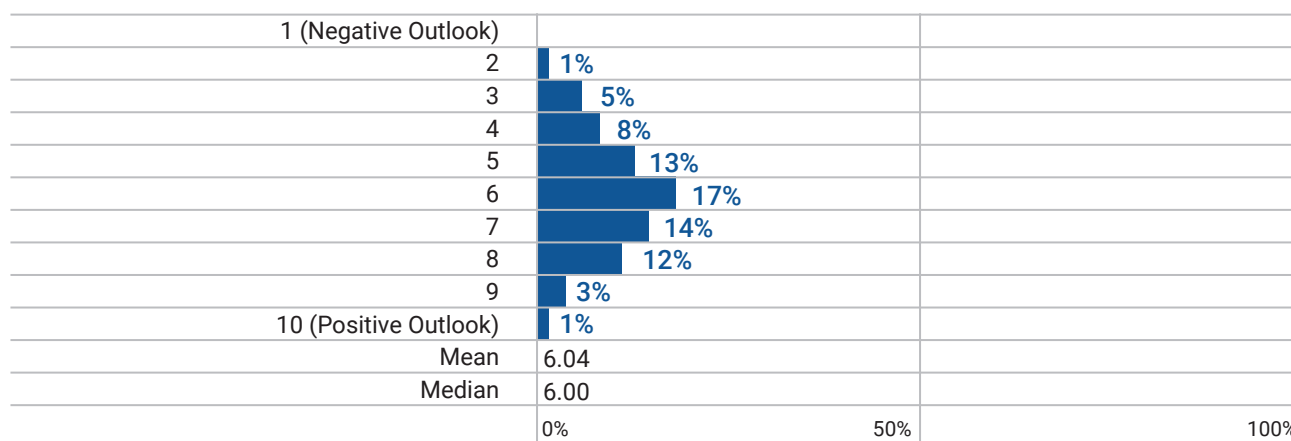


2024 CEO SURVEY

6. Given the election ahead, how do you feel about the current direction of our state/country?



7. What is your view of the economy for the second half of 2024?



ple need to do something different. We can't be doing the same thing over and over and expect different results. That's what we've been doing the last 20 years."

Mr. Hottle is slightly more upbeat. "The national path is concerning. It just seems like it's not the direction you'd like to see. They seem like they are still wanting to get their hands in your business. I'm hoping they can change their direction a little bit."

He expressed cautious optimism for the rest of 2024. "I'm hoping we missed the recession bug. I don't think it's going to be as bad as people anticipated."

Standard's business has been steady, but could be better, he says. "A robust economy gets people in a good mood, makes them want to entertain people on the course. We are in the entertainment business. It does affect us if things are looking a little sour."

Winnebago's Mr. Reece, a 36-year company veteran, takes a longer view. "National election cycles are interesting. This one doesn't differ. What we have going is that we are pretty optimistic about the long-term demand and desire for outdoor recreation. The election will happen, the American people will decide, and after the election, the American people will move forward."

As for the economy, he says, "As we move forward past the election cycle, I think we will see improvement, but it is going to take a little time." ABI



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EVENT REWIND:

Taking Care of Business Conference

June 4-6, 2024 | Davenport

Over 400 business leaders from around Iowa and the Midwest traveled to Davenport, June 4-6, for ABI's annual Taking Care of Business Conference, Iowa's premiere statewide business conference.

Featured speakers included Iowa Governor Kim Reynolds, Lesa France Kenne-

dy, Executive Vice Chair of NASCAR; Tommy Spaulding, Founder and President of Tommy Spaulding Companies and NY Times Best-Selling Author; and Frank Kelly, Political Strategist, Founder, and Managing Partner of Fulcrum Macro Advisors LLC.

Plans are already well underway for the 2025 Conference. ABI Board Chair Chad Reece and ABI staff are looking forward to seeing members in Council Bluffs next June! ABI



CAPITOL BUSINESS:

What Do You Want the Future of Business in Iowa to Look Like?

The theme for the July Business Monthly is the Quarterly Executive Survey, with reporting on trends in business, the business climate and perspectives from key industry voices. One purpose for highlighting the survey is to educate readers and public policymakers on the state of business in Iowa. It's hoped that the collective knowledge will serve as a guide to future public policy.

Your ABI public policy team will use the information to educate policymakers as well. In addition to the survey, ABI also convenes industry experts for feedback on specific aspects of policy affecting membership. It began with regional public policy meetings for that purpose throughout Iowa in May and June.

Coming in August more focused meetings will occur with the convening of the ABI Public Policy Committee meetings at the ABI offices in Des Moines. As an ABI member, you or someone from your team is welcome to participate and provide the expertise vital to making sure we continue to improve the competitiveness of the business climate in Iowa.

We seek input in five specific issue areas:

Workplace and Product Safety Committee

Most recently this committee has forwarded public policy recommendations that have become law around tort reform for medical employers and trucking companies as well as managing costs and creating predictability in workers compensation cases.

August 6 | Guest Speaker: Adam Lathrop, Division Administrator, Labor/OSHA Division - Iowa Department of Inspections, Appeals, & Licensing

Environment Committee

This committee recently saw success in limiting arbitrary air dispersion modeling not required by federal or state law, saving expanding businesses regulatory burdens at the time of investment.

August 7 | Guest Speakers: Sarah Piziali, Iowa Department of Natural Resources Air Quality Bureau Chief

Employment and Workforce Committee

New laws relating to work-based learning, expansion of apprenticeship programs, childcare solutions and ongoing support for workforce housing incentives all started as initiatives of this committee.



JD Davis

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ABI
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August 13 | Guest Speaker: Tim Goodwin, Chief Strategy Officer for Iowa Workforce Development

Economic Growth Committee

A two-year effort of this committee saw the enactment in 2024 of a MEGA-site incentive package allowing Iowa to compete with other states in landing Billion dollar investments in the Iowa economy.

August 14 | Guest Speaker: Debi Durham, Director of the Iowa Economic Development Authority and Iowa Finance Authority

Tax Committee

Business taxes today are lower because of the work of this committee. Employers structured as pass-through entities will see a flat 3.8% income tax rate and corporate filers are ahead of schedule to a flat 5.5% rate in just a few tax cycles.

August 20 | Guest Speaker: Kraig Paulsen, Director of the Iowa Department of Management

Thank to you, the ABI member companies that have participated in the public policy committee process as the effort has clearly led to an improved business climate in Iowa. Please consider continuing those efforts. And for member companies that have not participated, please consider picking a committee and getting involved.

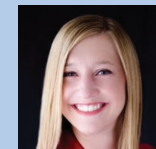
More information is available at iowaabi.org/events.
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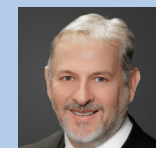
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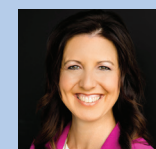
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The Iowa Association of Business and Industry (ABI) has been the voice of Iowa business since 1903. Its mission is to provide a strong, unified voice to business and industry on issues affecting Iowa employers. ABI is comprised of member companies representing all industries and sizes in Iowa's 99 counties. ABI members employ more than 330,000 Iowans.

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