

THE EXECUTIVE

THE STATE CHAMBER



Nebraska Chamber of Commerce & Industry

November/December 2012

Chamber Staff Concludes 2012 Legislative Forums

The State Chamber, in cooperation with local chambers in Nebraska, has concluded its 2012 legislative forum tour. Turnout was strong this election year, with 1,361 attendees at forums held in 35 communities across the state during September and October. In addition, 58 state senators or legislative candidates attended this year's forums,

which generated considerable coverage by local news media.

This year's forums, conducted by Nebraska Chamber staff, highlighted key accomplishments from the Nebraska Legislature's 2012 session, including new legislation in the areas of economic development, energy supplies, and legal protection for employers who provide job references.

The forums also included the latest rankings on Nebraska's economic competitiveness and tax climate, as well as an update about the Chamber's Forging Nebraska's Future initiative.

For three decades, the legislative forums have been a joint effort between the Nebraska Chamber and the local chambers of commerce. The forums present an opportunity for the State Chamber to gather input from local community leaders on issues of concern, while at the same time briefing business owners and employees on developments that will impact Nebraska's business climate and job growth. ■

Left: At the forum in Blair, the State Chamber's Richard Baier, Executive Vice President of Forging Nebraska's Future, reviews the findings of the Nebraska Progress Report, one of the first major undertakings of the initiative.



Right: State Chamber President Barry Kennedy provides a preview of the 2013 session of the Nebraska Legislature for forum participants in Kearney.



Nebraska Chamber of Commerce & Industry
PO Box 95128, Lincoln, NE 68509-5128
Tel: (402) 474-4422 Fax: (402) 474-5681
<http://www.nechamber.com>
nechamber@nechamber.com
Editor: Jamie Karl



State Chamber Views...

*Guest Editorial by Steve Ford,
CEO, Pepsi-Cola Bottling Co., Lincoln
Chairman of the Board
Nebraska Chamber of Commerce & Industry*

'Lean Government'

It is no secret that the past few years have been challenging for businesses in Nebraska and across the United States. Faced with increased international competition, rising costs, regulatory burdens, difficulty securing skilled workers and a volatile world economy, many successful businesses have implemented Lean Enterprise, or simply "Lean," to help them remain competitive. Founded in the manufacturing sector, Lean is a structured quality improvement process that allows an organization to improve customer satisfaction and efficiencies, significantly reduce waste, and stimulate innovation. Today, Lean management principles are being utilized extensively in the service and government sectors. Nebraska's public sector organizations — faced with ever-increasing demands, shrinking resources and changing customer expectations — could benefit greatly by implementing Lean-related quality improvement concepts within their respective organizations.

"Lean Government," as it is referred to in the public sector, was first implemented by the State of Iowa in 2003. Today, 12 states and many local units of government around the country are actively involved in the Lean Government process. The results to date have been exceptional. In Iowa, for example, Lean Government helped decrease the average time of a sales tax audit to less than four months. Similarly, the State of Maine was able to reduce the amount of time required to process vital statistics requests from 90 days to 5 days. Oregon estimates \$84.1 million in savings related to Lean implementation. Even the Nebraska Department of Environmental Quality, several years ago, was able to use Lean principles to reduce the average time needed to obtain an air quality permit from 24

months to less than 6 months.

Local units of government are also experiencing positive Lean results. The city of Grand Rapids, Michigan, for example, was able to avoid \$265,000 in extra charges related to workers' compensation claims. Imagine how a Nebraska community could use Lean to simplify the process for pulling a building permit or how a local school district might improve their district's process for tracking student health information.

The goals of implementing Lean Government are varied. First and foremost, Lean Government helps to create more efficient processes that result in increased customer or taxpayer satisfaction. In today's world of heavy government regulation, clear and efficient processes would have a profound impact on business. A recent study by the National Association of Manufacturers, for example, found that the number one issue limiting job growth in America was heavy regulation. Likewise, government entities that utilize Lean Government strategies can experience significant cost savings by limiting the need for increased staffing or forgoing other costly management solutions like major new technology platforms. These savings, if implemented in Nebraska, could improve the public tax environment, which is a primary limiting factor on new job growth in our state. Finally, public entities that have engaged in Lean report increased overall employee satisfaction. In essence, through the Lean process, governments learn to do more with the same or less resources.

Successfully implementing Lean Government is not an easy process. There must be clear support and direction from top officials, while also taking every effort to engage the front-line employees. Special effort must be made to engage customers

(program users) in a fashion that is foreign to many public entities. There will also be planning and consultant costs associated with the initial startup. Unfortunately, improvements realized through the Lean process typically do not make great newspaper headlines. Therefore, every effort must be made to measure and quantify the results of the effort.

In the end, Nebraska taxpayers will be the clear winners if Lean principles are integrated into the public sector. The Nebraska Chamber would be pleased to see the positive Lean experiences of our leading Nebraska businesses replicated in our public sector. Together, we can make Nebraska's public sector better and more efficient for the NExt Generation! ■

Leadership Nebraska Accepting New Applications

Leadership Nebraska has begun its search for the members of its next class, Class VII, which will begin in May 2013. The application deadline is December 31, 2012.

Established by the Nebraska Chamber in 2006, Leadership Nebraska aims to build a better sense of statewide community by identifying and educating individuals who possess a strong commitment to become more engaged in issues, programs and activities that are important to Nebraska. The program offers six 1½- to 2-day sessions a year, allowing class members an opportunity to develop and hone their leadership skills while gaining a broader understanding of their state.

Tom Whalen, chairman of the Chamber's Leadership Nebraska Council, said: "The knowledge gained from the Leadership Nebraska experience is invaluable for careers, as well as future community and state leadership endeavors."

For more information or to apply for the program, visit www.leadershipnebraska.com — or contact Don Mihovk at dmihovk@nechamber.com or (402) 474-4422. ■

Nebraska Chamber Forum Survey: Labor Shortage Is Top Concern Across State

A new survey by the Nebraska Chamber shows that the lack of skilled labor is a leading concern among community leaders and business professionals across the state. The survey was conducted throughout September and October as part of the State Chamber's annual legislative forums held in 35 communities across Nebraska, including Omaha, Lincoln, Grand Island, Kearney, Hastings, Norfolk, Beatrice, Columbus, Fremont, Sidney, South Sioux City and Scottsbluff.

The survey found the biggest long-term challenges facing the communities of respondents were: shortage of skilled/motivated labor (20.68%); lack of good jobs (15.51%); population loss (12.28%); infrastructure (11.95%); government mandates (10.50%); and housing (9.37%).

The survey also examined the issue of how to pay for the growing cost of government. A strong majority of respondents (64.30%) said the best way to pay for public employee benefits – including pension and health care – is to require government workers to contribute more toward their own pensions and health care, while only 5% favored increasing taxes.

Nearly one-third of respondents (30.53%) said that the Nebraska Chamber's top policy priority should be "reducing overall cost of doing business in Nebraska, including taxes and regulation." Other respondents favored "new strategies to boost economic development and job creation" (19.87%); ensuring "an effective, efficient educational system" (16.64%); and working to create "an educated and skilled workforce" (15.67%).

On national issues, an overwhelming majority of respondents opposed an increase in federal income taxes, with 82% saying they favored an extension of current tax rates that were implemented a decade ago. Only 8% said federal tax rates should be allowed to rise.

More than 37% said regulatory actions by federal agencies were the biggest threat facing their business, while 31% said the largest threat was the U.S. debt level. The federal health care law, its taxes and employer mandates received the third-highest number of votes. ■

State Chamber Receives National Honor;

Kennedy Elected To Chair Council Of State Chambers

In September, during the annual meeting of the Council of State Chambers (COSC), the Nebraska Chamber was recognized by the Association of State Chamber Professionals (ASCP) for its outstanding achievement in the category of non-dues growth. State Chamber President Barry Kennedy and Senior VP-Membership and Marketing James Berringer, accepted the ASCP award on behalf of the State Chamber.

Later in the week, the nation's state chamber executives elected Kennedy as the new chairman of COSC, which is comprised of state chamber CEOs and presidents from across the United States. COSC was founded 68 years ago to promote cooperation among state chambers of commerce by interchange of views regarding the policies and practices. ■

Nebraska's Business Tax Climate Still Ranked In Bottom Half At Number 31

According to a new study released in mid-October by the Tax Foundation, Nebraska's business tax climate remains in the bottom half of all states. Nebraska is ranked No. 31 of 50 in the Foundation's 2013 State Business Tax Climate Index. The Cornhusker State fell one spot from its 2012 ranking.

With the exception of No. 42 Iowa, Nebraska's neighboring states are ranked higher, including No. 1 Wyoming and No. 2 South Dakota. To compile its business tax index, the Tax

Foundation measured five areas of taxation that impact businesses: corporate taxes, individual income taxes, sales taxes, unemployment insurance taxes, and property taxes. Nebraska's best ranking came in unemployment insurance taxes (No. 8), while its worst ranking came in property taxes (No. 38).

In its report, the Tax Foundation noted that "the absence of a major tax is a dominant factor" for the states that made the foundation's top ten list. ■

Chamber's 2013 Annual Meeting Set For February 7

The State Chamber's 2013 Annual Meeting and Legislative Caucus will be Thursday, February 7 at The Cornhusker Hotel in Lincoln. This is one of Nebraska's most recognized and well-attended Chamber events of the year.

Those attending will have an opportunity to hear from key state lawmakers and business leaders, as well as attend briefings on vital issues of concern to the business community. The evening banquet will feature the traditional passing of the gavel to the new State Chamber chairman and a special tribute to the newest inductees of the Nebraska Business Hall of Fame.

For more information about the State Chamber Annual Meeting, please call (402) 474-4422 or e-mail Carol Sibley at csibley@nechamber.com. This special event also presents sponsorship opportunities to get your business recognized before a large target audience. Businesses or organizations interested in sponsoring should contact James Berringer at (402) 474-4422 or jberringer@nechamber.com. ■

Chief Industries, Orthman Named Nebraska's Manufacturers Of The Year

Chief Industries, Inc. of Grand Island and Orthman Manufacturing, Inc. of Lexington were the recipients of the 2012 Innovation in Manufacturing Award for Nebraska. The companies were honored at the Oct. 3 meeting of the Nebraska Chamber of Commerce & Industry's Manufacturers Council held in Grand Island.

The Innovation in Manufacturing Award is sponsored by the State Chamber and McGladrey, a leading provider of assurance, tax and consulting services to the manufacturing and wholesale distribution industries,

with more than 6,500 professionals and associates in 75 offices nationwide. The award is presented annually to Nebraska manufacturers who successfully implement new ways of conducting business through the use of products, processes, technologies and strategies.

"It's an honor to recognize Chief Industries and Orthman Manufacturing with this award," said Barry Kennedy, president of the Nebraska Chamber of Commerce & Industry. "The spirit of innovation implemented by both of these companies gives us another

reason to be proud of our manufacturing base in Nebraska, and it illustrates why manufacturers are helping pave the path to economic recovery."

During the Manufacturers Council meeting luncheon, Governor Dave Heineman proclaimed the week of Sept. 30 – Oct. 6 as Manufacturing Week in Nebraska. The state's manufacturing sector plays a vital role in Nebraska's local economies by employing nearly 125,000 Nebraskans and producing more than \$10 billion in annual output. ■



Tony Urban (left), tax partner in McGladrey's Nebraska office, presents the Innovation in Manufacturing Award to John McCoy, president of Orthman Manufacturing, and to Chief Industries' corporate controller Susan Albers. Also pictured is Richard Cornish of Valmont Industries (right), chairman of the State Chamber's Manufacturers Council.

State Chamber Welcomes New Investors

Membership in the Nebraska Chamber of Commerce & Industry is an investment in Nebraska's economic well-being. This month, the State Chamber welcomes the following new members. We encourage you to consider doing business with fellow Chamber members.

BEATRICE

NGage Group
Bill Demuth

The Resolution Center
Gale Jungemann-Schulz

FREMONT

Christensen Lumber Inc.
Tom Christensen

GENOA

Preferred Sands of Genoa, LLC
Dave Kendle

GUIDE ROCK

The Guide Rock State Bank
Clifford E. Vogler

LINCOLN

Eley Corporation
Mark Eley

Excel Development Group
Brent Williams

Frohman Law Office, LLC
Ann M. Frohman

Val Limited
Duane Thomas

*Recommended by: Steve Ford,
Pepsi-Cola Bottling Co.*

Village Development, L.L.C.
Tamas R. Allan

OMAHA

Adair Asset Management, LLC
Scott Makinster

Arbor Health Plan
Tom Smith

Metropolitan Community College
Sheila O'Connor

Redstone Communications
Ryan Horn

UMB Bank, N.A.
Joel Falk