

TO: Iowa Newspaper Association Member Editors
FROM: Iowa Department of Economic Development
DATE: July 18, 2008
RE: "Iowa Innovators"

The "Iowa Innovators" series is a joint project of the Iowa Newspaper Association and the Iowa Department of Economic Development (IDED). The series is an outgrowth of an idea from member INA publishers. "Iowa Innovators" articles describe initiatives that Iowa communities have used to improve their ability to attract business and industry and demonstrate community innovation. The articles also describe Iowa companies on the leading edge of technology, business expansion, workforce development and recycling.

It is hoped that these article ideas will be published locally and spark community and business initiatives statewide. If you have community or business success stories to share, contact IDED, 200 East Grand Ave., Des Moines, IA 50309, 800.245.IOWA (4692) or e-mail: business@iowalifechanging.com.

The following is a list of companies and communities featured in this round of "Iowa Innovators" articles:

1. The central **Iowa community of Newton** continues to reinvent itself following the closing of longtime employer Maytag. **The Iowa Speedway** is making the community a tourism destination, and recruitment of new manufacturers such as **TPI Composites** is bringing needed new jobs. TPI Composites, one of the nation's leading wind turbine blade suppliers, announced that it is moving into a new 316,000-square-foot facility in Newton. When the \$56-million project is completed, approximately 500 new jobs will be created. The community's rebirth is also assisted by former Maytag employees who are tapping into their entrepreneurial side to start new ventures. **Springboard Engineering**—formed by eight former Maytag employees—is an engineering services company that now provides large and small manufacturers with high-volume consumer product development.
2. "We're here to help accelerate the success of north Iowa businesses," says Jamie Zanos, director of **North Iowa Area Community College's John Pappajohn Entrepreneurial Center (JPEC)**. And with the soon-to-be-filled North Iowa Business Incubator, located in **Mason City** and next door to JPEC, 10 entrepreneurs and their companies are a step closer to business success. One company that's using the incubator to make strides in a very competitive industry is **Latham Hi-Tech Hybrids**. Led by the husband-and-wife team of John and Shannon Latham, the 10-employee company is an independent seed corn dealer that uses local dealers to sell to farmers in Iowa, Nebraska, Minnesota, Wisconsin and South Dakota.
3. Flexibility, attention to detail and customer focus drive the success of businesses in today's global economy. A highly skilled and available workforce, an efficient transportation infrastructure and supportive local and state governments are crucial factors when businesses look to expand their operations. In the historic southeast **Iowa river town of Fort Madison**, one longtime employer and one new manufacturer—**Dupont and Siemens Power Generation**—are merging these principles to achieve business success.

Newton Springs Ahead

The central Iowa community of Newton continues to reinvent itself following the closing of longtime employer Maytag.

The Iowa Speedway is making the community a tourism destination, and recruitment of new manufacturers such as TPI Composites is bringing needed new jobs.

TPI Composites, one of the nation's leading wind turbine blade suppliers, announced that it is moving into a new 316,000-square-foot facility in Newton. When the \$56 million project is completed, approximately 500 new jobs will be created.

Steven Lockard, TPI president and CEO, says the Newton plant will support the company's recently signed agreement with GE Energy to produce blades for GE's 1.5-megawatt wind turbines, which are among the most widely used wind turbines in the world with more than 6,500 installed.

The community's rebirth is also assisted by former Maytag employees who are tapping into their entrepreneurial side to start new ventures.

Jordan Bruntz, a 20-year Maytag veteran who oversaw Maytag's engineering division, was offered a position with Whirlpool following that company's takeover of Maytag in 2007.

He turned the offer down, wanting to remain in Newton.

Today Bruntz and seven other former Maytag employees own and operate Springboard Engineering.

Springboard—an engineering services company—provides large and small manufacturers with high-volume consumer product development.

“We offer a proven track record of innovative thinking and design,” says Bruntz, Springboard president. “Our employees are all former Maytag employees who were responsible for the most innovative designs in the appliance industry.”

“Through our new contract engineering firm, we are offering one-stop shopping from concept to production for customers around the globe.”

In fact, adds Bruntz, Whirlpool has agreed to be one of Springboard's first clients in the new venture.

“The ability to design, prototype and test new concepts under one roof is an exceptional value to customers in all industries from small businesses to the top corporations,” Bruntz says.

It was estimated that outsourced engineering services revenues worldwide were \$750 billion in 2004 and are projected to exceed \$1.1 trillion by 2020.

“Small manufacturers are using our services because they don't have resources available for an engineering staff or the equipment necessary,” says Bruntz. “Large companies use us to supplement existing staff.”

Springboard can meet all the needs of its clients. “We offer the entire package from product concept to product prototyping,” says Bruntz.

“We can test component parts and even do limited production runs.”

By speeding clients' products to market, manufacturers can get a head start on their competition.

Springboard's staff of 50 workers has more than 800 years of combined engineering experience, says Bruntz.

“They include mechanical, electrical and software engineers specializing in high volume design. We also have consumer scientists and technicians who specialize in conducting product reliability and performance testing,” he continues.

“Springboard also has product development specialists with expertise in plastic injection mold making and prototype sheet metal fabrication.”

The company refurbished a 40,000-square-foot building that was formerly a retail store.

The project was awarded \$400,000 from the Iowa Department of Economic Development's Community Economic Betterment Account (CEBA) and tax benefits from the High Quality Jobs Creation (HQJC) program.

In return, Springboard expects to create 61 jobs, 58 of the jobs paying an average wage of \$34.11 per hour.

With a customer base consisting of white goods, home appliances, ag equipment and heavy industrial manufacturers, Bruntz says his company is hitting its revenue target.

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Planting the Seeds of Business Success

On the farm, an incubator is a warm, protected place for fertilized eggs to develop under the watchful eye of the farmer until they hatch. Likewise, the North Iowa Business Incubator, is a nurturing environment where new businesses can develop and grow during those challenging first few years of existence.

"We're here to help accelerate the success of north Iowa businesses," says Jamie Zanos, director of North Iowa Area Community College's John Pappajohn Entrepreneurial Center (JPEC).

And with the soon-to-be-filled North Iowa Business Incubator, located next door to JPEC, 10 entrepreneurs and their companies are a step closer to business success.

According to Zanos, "Nationwide averages for new job growth show that only one percent comes from companies moving into an area, while 44 percent comes from new business startups."

And while new businesses can and do fail, "Business incubators reduce the risk of small business failures," says Zanos. "There are no guarantees, but because incubated companies get intensive support from experienced business people, a very high percentage of those companies successfully 'graduate.'"

And since an overwhelming percentage of those companies stay in the communities they incubated in, the success of the 10 incubator companies is important to the north Iowa economy.

The North Iowa Business Incubator has been open since November 2007, and it allows clients to access fast, focused and flexible services from the staff of the Small Business Development Center, Iowa Workforce Development and JPEC.

"It's a unique model from which we operate," says Zanos. "We not only provide entrepreneurial education to those wanting to start a business, we also provide business support to those already operating a company."

And a full range of services can be provided. "We're like a business consulting practice. Every one of our eight-person staff has either started companies, overseen corporate divisions, or managed large

manufacturing operations," says Zanos.

"We can provide clients with information on franchising, marketing, lean manufacturing, logistics, engineering and financing. And if our staff doesn't have the answers, we can direct them to the resources that do."

The North Iowa JPEC was established in 1996 through the support of venture capitalist John Pappajohn and his wife Mary. Development of the North Iowa Accelerator/Incubator

was assisted by a \$175,000 award from the Iowa Department of Economic Development.

One company that's using the incubator to make strides in a very competitive industry is Latham Hi-Tech Hybrids.

Led by the husband-and-wife team of John and Shannon Latham, the 10-employee company is an independent seed corn dealer that uses local dealers to sell to farmers in Iowa, Nebraska, Minnesota, Wisconsin and South Dakota.

"Our company is customer-loyal, not trait-brand loyal," said John Latham, president, Latham Hi-Tech Hybrids. "We are developing a broad menu of genetics and traits from many sources so we can recommend the best seed for each customer, no matter where the traits originally come from."

As he looks ahead to the 2009 growing season, Latham hybrid varieties will feature traits and technology from Monsanto, DuPont, Syngenta, and Dow among others.

"The North Iowa Incubator is in the center of our customer base," says John Latham. "It's first-class office space at a competitive rate. We have access to its conference center, utilize its technology and have access to JPEC's business-consulting services."

And just as Latham grows his customer-focused business, Mason City's JPEC and the North Iowa Accelerator/Incubator continue to provide client-focused business services to north Iowa entrepreneurs.

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Celebrating the Old and New in Fort Madison

Flexibility, attention to detail and customer focus drive the success of businesses in today's global economy.

A highly skilled and available workforce, an efficient transportation infrastructure and supportive local and state governments are crucial factors when businesses look to expand their operations.

In the historic southeast Iowa river town of Fort Madison, one longtime employer and one new manufacturer—Dupont and Siemens Power Generation—are merging these principles to achieve business success.

Dupont—the multinational company founded in 1802—celebrated its 70th year of operation in Fort Madison last fall and continues to invest millions annually at the site as products manufactured at the plant continue to evolve.

It was 1937 when Dupont bought an empty tire factory in order to make a variety of paints, thinners and other polymers for automotive, consumer and industrial customers.

Today, the 150-employee facility manufactures pigments that are used in paint productions as well as inks for laser printers, Tedlar film for use in solar panels and airplanes, Kevlar body armor, protective gear for firefighters, Nomex military uniforms and other products.

"We sell ink to most of the major printer cartridge producers," says George Wheeler, Dupont global asset manager, adding that the company is the largest manufacturer of digital printing inks in the world. "Enough ink has been produced in Fort Madison to fill more than 3.3 billion desktop printer cartridges."

And as the market for renewable or "green" energy sources grow, the Fort Madison facility should see continued growth of its Tedlar film for use in solar cells.

"The solar electric industry is growing by more than 30 percent each year, and Tedlar production should grow similarly," notes Wheeler.

Another company, Siemens Power Generation (PG), is using its Fort Madison location to take advantage of the exploding demand for electricity generated by wind.

When the company began production of its massive 12-ton, 148-foot-long wind turbine blades in 2007,

Siemens was looking to grow its overall capacity. "While wind power represents just one percent of U.S. electricity generation, market forces could grow to 20 percent in the next 12 years," says Mike Revak, Siemens PG's director of wind power in the Americas.

That's why—after only 18 months—the company is in the midst of a \$33-million expansion project that will result in the addition of 287 new jobs. "We looked from Texas to the Canadian border," says Revak. "We feel it's the best solution for us to expand at our existing facility in Iowa."

The Iowa Department of Economic Development helped leverage the expansion with a \$1.6 million award from the Economic Development Set-Aside (EDSA) program and tax incentives from its High-Quality Jobs Creation program.

Siemens PG's 311,000-square-foot facility, which currently employs 254 Iowans, sits on a 126-acre parcel, giving the company ample room to pursue its expansion needs.

Revak says the company's three-year expansion project will add 75,000 square feet to its existing building, and construct a second 125,000-square-foot plant.

Doubling the size of the workforce will occur over three years as well. "We've been very successful in finding the right kind of worker and there are a lot of the right people in southeast Iowa," says Revak.

Tracy Vance, executive director of the Fort Madison Chamber of Commerce, says Dupont and Siemens are examples that companies and entrepreneurs should emulate.

"The flexibility to retool to meet changing market trends, attention to detail, investing in employees and technology and being customer driven will help companies large or small succeed in this competitive global economy."

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