

INDIANAVISION

2025

A PLAN FOR HOOSIER PROSPERITY



# ADVANCING OUR FUTURE

SOUTHWEST REGION REPORT – DECEMBER 2013

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## **Indiana Vision 2025 – OUTLINE OF KEY DRIVERS AND GOALS**

### **DRIVER 1: OUTSTANDING TALENT**

- Increase the proficiency of Indiana students in math, science and reading to “Top 5” status internationally.
- Increase to 90% the proportion of Indiana students who graduate from high school ready for college and/or career training.
- Eliminate the educational achievement gaps at all levels, from pre-school through college, for disadvantaged populations.
- Increase to 60% the proportion of Indiana residents with high quality postsecondary credentials.
- Increase the proportion of Indiana residents with bachelor’s degrees or higher to “Top 10” status internationally.
- Increase the proportion of Indiana residents with postsecondary credentials in STEM-related fields to “Top 5” status internationally.
- Develop, implement and fully fund a comprehensive plan for addressing the skills shortages of adult and incumbent workers who lack minimum basic skills. **Indiana Career Council in place/progress taking place**

### **DRIVER 2: ATTRACTIVE BUSINESS CLIMATE**

- Adopt a right-to-work statute. **Passed February 2012**
- Enact comprehensive government reform at the state and local levels to increase efficiency and effectiveness in delivery of services.
- Reform public pension systems to achieve fairness and cost-containment.
- Preserve and enhance a “Top 5” ranking among all states for Indiana’s legal environment.
- Attain a “Top 5” ranking among all states for Indiana’s business regulatory environment. **Achieved in 2013 Report Card**
- Eliminate the business personal property tax.
- Eliminate the state inheritance tax. **Passed 2012/2013**
- Promote the enactment of a federal solution to the Internet sales/use tax dilemma.
- Streamline and make consistent the administration of the state’s tax code.
- Establish government funding mechanisms to more closely approximate “user fee” model.
- Contain health care costs through patient-directed access and outcomes-based incentives.
- Reduce smoking levels to less than 15% of the population. **Coalition progress and Wellness Council of Indiana’s QUIT NOW tool; first statewide smoking ban passed in 2012**
- Return obesity levels to less than 20% of the population. **Coalition progress, including new Wellness Council grant for 2014**

### **DRIVER 3: SUPERIOR INFRASTRUCTURE**

- Create and implement a plan to position Indiana as a net exporter of energy.
- Diversify Indiana’s energy mix with an emphasis on clean coal, nuclear power and renewables.
- Identify and implement workable energy conservation strategies.
- Develop and implement a strategic water resource plan that ensures adequate fresh water for citizens and business. **Indiana Chamber Foundation study in progress**
- Develop and implement new fiscal systems to support the array of infrastructure projects critical to economic growth. **More user pay systems and dedicated funding for future needs passed in 2013**
- Aggressively build out the state’s advanced telecommunications networks.

### **DRIVER 4: DYNAMIC & CREATIVE CULTURE**

- Develop entrepreneurship and aggressively promote business start-ups through education, networking, investment and financial support. **Creation of Office of Small Business & Entrepreneurship (reduce silos)**
- Increase the amount of technology transfer from higher education institutions and attain “Top 5” ranking per capita among all states. **Creation of Indiana Biosciences Research Institute**
- Achieve “Top 12” ranking among all states in number of utility patents per worker.
- Achieve “Top 12” ranking among all states in venture capital invested per capita.
- Strategically recruit foreign direct investment (FDI) and achieve “Top 12” ranking among all states in FDI as a percent of gross state product.
- Increase Indiana exports to achieve “Top 5” ranking per capita among all states.
- Promote a culture that further values diversity and civility, attracting and retaining talented individuals.

**Introduction**

During 2010-11, a 24-person taskforce of business and community leaders throughout Indiana developed *Indiana Vision 2025 (IV 2025)*, identifying four key drivers: **Outstanding Talent, Attractive Business Climate, Superior Infrastructure, and Dynamic and Creative Culture**. Under those four drivers, 33 goals were determined to be advanced. In June 2012, the **Indiana Chamber of Commerce**, along with its regional partners, hosted a series of forums consisting of thought leaders from throughout the state. These events were followed by a statewide summit in December 2012.



The Indiana Chamber remains committed to informing stakeholders about promising initiatives and tangible results related to the plan, and encouraging aggressive collaboration to ensure that regions are sharing their best practices. Additionally, the Chamber believes we must continually validate our top priorities, map our assets and strategically engage with business, community and philanthropic leaders and their organizations to keep *Indiana Vision 2025* top of mind.

Building on the 2012 momentum, the Chamber and its regional partners chose to reconvene a forum series for thought leaders to review the progress of *IV 2025* and explore ways of advancing regional prioritized goals. Forum participants heard from a variety of speakers and once again were afforded an opportunity to build upon the goals, comment on the plan’s progress and offer their recommendations on how to advance the initiatives in their region.

On December 11, 2013, the Indiana Chamber and its Southwest regional partner, **Evansville Regional Business Committee**, hosted a half-day forum at the **Old National Bank** headquarters in Evansville. Thirty-two thought leaders attended and participated in a lively combination of presentations, discussions and collaboration.

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**Forum Structure**

The regional forums and statewide summit in 2012 focused on introducing the drivers and goals that make up *IV 2025* and giving participants the opportunity to provide input and identify regional priorities and assets. The emphasis for these most recent forums was placed on sharing updates and progress pertinent to the drivers and goals, as well as planning strategically to prioritize areas of needed emphasis.

At the Southwest Indiana forum, **Ed Hafer**, president of the **Evansville Regional Business Committee** and regional partner/forum coordinator, welcomed attendees. **Indiana Chamber of Commerce** senior vice president, foundations & operations **Mark Lawrance** and Chamber vice president of communications **Tom Schuman** launched the event with a brief review on the history and focus of *IV 2025*. Lawrance and Schuman shared an update on the progress made toward achieving the goals. The forum was then facilitated by representatives from **CHORUS®, Inc.**, an Indiana-based management consulting firm that had also facilitated the 2012 forum series and statewide summit.

Following each speaker, forum participants were given the opportunity in small groups to discuss the speaker comments, address their applicability to the Southwest region, and record additional information that might further advance the goals and priorities.

<b>Speakers addressing goals under each driver included:</b>	
<b>DRIVER 1: Outstanding Talent</b> <ul style="list-style-type: none"> <li>Christy Gillenwater, President &amp; CEO, Chamber of Commerce of Southwest Indiana</li> </ul>	<b>DRIVER 2: Attractive Business Climate</b> <ul style="list-style-type: none"> <li>Linda White, President &amp; CEO, Deaconess Health System</li> </ul>
<b>DRIVER 3: Superior Infrastructure</b> <ul style="list-style-type: none"> <li>Barry Cox, President &amp; COO, Warehouse Services (Mt. Vernon, IN)</li> <li>Eric Powell, Manager, Intermodal &amp; Economic Development, The Indiana Rail Road Company</li> </ul>	<b>DRIVER 4: Dynamic and Creative Culture</b> <ul style="list-style-type: none"> <li>Kent Parker, 2013 Executive-in-Residence, Romain College of Business, University of Southern Indiana</li> <li>Michael Cloran, Founder, DeveloperTown</li> </ul>

**Southwest Region Participants**

Thirty-two regional leaders attended the *Indiana Vision 2025* forum on December 11, 2013 in Evansville.

**Matthew Bajorek**  
Vice President  
Chase Bank

**Nancy Eckerle**  
Executive Director  
Jasper Chamber of Commerce

**Jim Heck**  
Executive Director  
Grow Southwest Indiana  
Workforce

**Hank Menke**  
President  
OSF Brands

**Randall Stephens**  
Sr. Vice President  
JPMorgan Chase

**Dr. Stephen Becker**  
Director & Associate Dean  
IU School of Medicine  
(Evansville)

**James Edwards**  
President  
Edwards & Associates

**Philip Hooper**  
Executive Director  
Department of Metropolitan  
Development

**Kent Parker**  
2013 Executive-in-Residence  
Romain College of Business,  
University of Southern Indiana

**Connie Wellmeyer**  
General Manager-Corporate  
Planning  
Toyota Manufacturing, Indiana, Inc.

**Kathy Briscoe**  
Agent  
FC Tucker Emge Realtors

**JP Engelbrecht**  
CEO  
South Central Communications, Inc.

**Douglas Joest**  
Airport Manager  
Evansville-Vanderburgh Airport  
Authority District

**Eric Powell**  
Manager, Intermodal &  
Economic Development  
The Indiana Rail Road Company

**Linda White**  
President & CEO  
Deaconess Health System

**Rev. Adrian Brooks**  
Pastor  
Memorial Baptist Church

**Christy Gillenwater**  
President & CEO  
Chamber of Commerce of  
Southwest Indiana

**Dr. Alan Johnson**  
Dean  
Vincennes University Jasper

**Steve Schaefer**  
Chief of Staff  
City of Evansville

**Luke Yaeger**  
Exec. VP & COO  
Commerce Bank

**Michael Cloran**  
Partner  
DeveloperTown

**Justin Groenert**  
Director of Public Policy  
Chamber of Commerce of  
Southwest Indiana

**Jeff Knight**  
Exec. VP, Chief Legal Counsel  
Old National Bancorp

**Michael Schopmeyer**  
Co-Managing Partner  
Kahn, Dees, Donovan & Kahn,  
LLP

**Jack Cole**  
Director, Member & External  
Relations  
Indiana Grantmakers Alliance

**Ed Hafer\***  
President  
Evansville Regional Business  
Committee

**Sally Lambert**  
Principal  
Rideout Public Affairs

**Donald Schulte**  
Executive Director  
WestGate Academy

**Barry Cox**  
President & COO  
Warehouse Services, Inc.

**Kevin Hammert**  
President & CEO  
Regency Properties

**Jeff Mason**  
Vice President  
JPMorgan Chase Bank, NA

**Dr. David Smith**  
Superintendent  
Evansville Vanderburgh School  
Corp.

\* Denotes Regional Partner



## Southwest Region Challenges & Opportunities

**Through survey results and forum discussions, the challenges, opportunities and assets characterizing the economic environment in Southwest Indiana were identified. Though there was considerable alignment between the challenges and opportunities identified during the 2012 and 2013 forums, there were areas that received slightly different emphasis in the 2013 forum from participants.**

### PRIMARY CHALLENGES

- 1. Transportation Infrastructure:** The transportation infrastructure in Southwest Indiana is both a challenge as well as an opportunity. The completion of Interstate 69 will link Southwest Indiana to other regions. However, bridge access across the Ohio River is limited in the area and must be addressed to make I-69 fully effective. A link from the interstate to the Jasper/Huntingburg area is needed as well to move people and products. An inland port would also have great benefit.
- 2. Workforce Development:** Southwest Indiana has a strong, urgent need for a talented, technically competent and innovative workforce. A challenge the region shares with every other region is the lack of technical skills of its labor force necessary to grow and thrive in a 21st century economy. Forum participants emphasized that business and education must work closely to steer students toward career paths that match their capability and the region's opportunities.
- 3. Educational Excellence:** Forum participants believe that workforce development and educational excellence combine to form the single most critical issue to the region. From early childhood through higher education, Southwest Indiana must focus on preparing students for productive, 21st century-relevant careers and vocations. Funding is not the only issue affecting educational excellence, but it may be the greatest barrier to advancing the system.
- 4. Quality of Life:** The quality of life experienced by citizens in Southwest Indiana is another area that is both a challenge and an opportunity. While there are clear advantages to living in the region (such as a low cost of living), building an economic, cultural and recreational environment that attracts and retains the best and brightest talent will require constant attention. Besides developing amenities that people will find attractive, the region must also become a more welcoming atmosphere to a diverse population.
- 5. Change Management:** Whether it is transitioning from a traditional manufacturing mindset or rethinking entrenched governmental structures, forum participants believe the region struggles to open itself to new ideas. The rate of change in the present high-tech economy necessitates that the region react quickly and confidently when opportunities arise.
- 6. Collaborative Effort:** Several excellent, effective economic initiatives have been launched in recent years. Now, the challenge is to work collectively as a region to consolidate the strategic initiatives for dramatic impact.



### OVERARCHING OPPORTUNITIES TO LEVERAGE

- 1. Location and Transportation:** As the I-69 extension nears reality and joins well-established Ohio River access, Southwest Indiana is well positioned to take advantage of its proximity to major cities and their commerce. Though there are gaps to address – bridge access being a major one – the region's multi-modal infrastructure opens it for significant opportunity if leaders can leverage its benefits to businesses and entrepreneurs.
- 2. Economic Base:** Southwest Indiana has a diverse business foundation that includes energy, health care, life sciences, logistics, manufacturing and an entrepreneurial mindset. This diversity also bodes well for any new high-tech industry looking for like-minded entrepreneurs to drive innovation and opportunity.
- 3. Workforce:** Though there are challenges regarding its current readiness for advanced technology, the region's workforce displays a traditionally strong work ethic, an ability to innovate and a readiness for new opportunities. Forum participants believe that this same work ethic can be leveraged to drive innovation and a new level of technical competency.
- 4. Educational Resources:** The region boasts excellent K-12 schools, multiple colleges and universities (both public and private), vocational training and distinguished graduate programs. These resources should help the region both attract talented individuals and also retain them.
- 5. Quality of Life:** Southwest Indiana citizens enjoy a low cost of living, growing recreational and cultural amenities, an improving downtown Evansville (important as a "hub" for activity) and a strong, traditional work ethic.

**Southwest Region Prioritized Goals**

In 2012 and again in 2013, Southwest forum participants were surveyed regarding how they would prioritize the 33 goals listed under the four drivers. There was a great deal of alignment in the two surveys with only minor movement in the priorities between the two years. Below are the four drivers with the top goal in each.

<p><b>DRIVER 1: Outstanding Talent</b></p> <ol style="list-style-type: none"> <li>1. Develop, implement and fully fund a comprehensive plan for addressing the skills shortages of adult and incumbent workers who lack minimum basic skills.</li> <li>2. Increase to 90% the proportion of Indiana students who graduate from high school ready for college and/or career training.</li> <li>3. Eliminate the educational achievement gaps at all levels, from pre-school through college, for disadvantaged populations.</li> <li>4. Increase to 60% the proportion of Indiana residents with high quality postsecondary credentials.</li> </ol>	<p><b>DRIVER 2: Attractive Business Climate</b></p> <ol style="list-style-type: none"> <li>1. Enact comprehensive government reform at the state and local levels to increase efficiency and effectiveness in delivery of services.</li> <li>2. Attain a “Top 5” ranking among all states for Indiana’s business regulatory environment.</li> <li>3. Contain health care costs through patient-directed access and outcomes-based incentives.</li> <li>4. Return obesity levels to less than 20% of the population.</li> <li>5. Preserve and enhance a “Top 5” ranking among all states for Indiana’s legal environment.</li> </ol>
<p><b>DRIVER 3: Superior Infrastructure</b></p> <ol style="list-style-type: none"> <li>1. Develop and implement new fiscal systems to support the array of infrastructure projects critical to economic growth.</li> <li>2. Aggressively build out the state’s advanced telecommunications networks.</li> <li>3. Create and implement a plan to position Indiana as a net exporter of energy.</li> </ol>	<p><b>DRIVER 4: Dynamic and Creative Culture</b></p> <ol style="list-style-type: none"> <li>1. Develop entrepreneurship and aggressively promote business start-ups through education, networking, investment and financial support.</li> <li>2. Promote a culture that further values diversity and civility, attracting and retaining talented individuals.</li> <li>3. Increase Indiana exports to achieve “Top 5” ranking per capita among all states.</li> </ol>

**Southwest Regional Forum Observations & Recommendations**

**Key Driver #1: Outstanding Talent**

CHORUS Observations:

Forum participants placed emphasis on nurturing students to recognize the value of technical skills and their applicability to the regional workforce. They pointed out the important role that manufacturing does and will continue to play in the region and the need to continue to develop resources that will train the workforce in required skill sets. They posed several observations and recommendations linking family involvement to academic achievement. They were especially encouraged, though, with the existing assets the region has to move education and training forward. Excellent public school systems and outstanding higher education institutions are already in place and appear to be especially ready to work with business to meet the needs of the workforce.

Participant Statements and Themes:

- Address issues in which social and family issues affect educational achievement.
- Encourage parents early on about benefits of careers in manufacturing.
- Leverage region’s career and tech centers to prepare students for jobs; clarify needed skill sets.
- Capitalize on exceptional engineering talent in region. Involve these resources in student education and awareness.
- Create a sustainable, embraced partnership between schools and businesses.

**Key Driver #2: Attractive Business Climate**

CHORUS Observations:

Forum participants focused their recommendations on controlling the cost of doing business in the region, noting that energy expenses are rising and that manufacturing is especially affected by these increases. Reforms to tax codes should only come once alternative revenue sources are identified and secured. Energy is a critically important industry in Southwest Indiana, so participants were very mindful of federal actions that would impose more regulations on the coal industry and, thus, adversely affect the region. The participants also expressed great concern about the wellness of the region’s citizens. Besides recommending public awareness and programs to address issues such as obesity and smoking, they also advocate corporate wellness as a path to lowering health care costs and improving the lives of residents.

Participant Statements and Themes:

- Streamline government and the delivery of services.
- Identify multiple approaches to reversing the obesity trend and smoking.
- Leverage wellness programs that already exist in communities and promote corporate wellness programs.
- Further develop downtown Evansville as a regional hub for activity; make it great for livability.

**Key Driver #3: Superior Infrastructure**CHORUS Observations:

For Southwest Indiana, transportation connectivity is a priority. Participants addressed connectivity throughout their discussions on superior infrastructure, noting the need for better bridge access going south and completion of I-69 to link the region with other areas of the state. Leveraging water resources was also a topic of discussion. Water is abundant, but developing infrastructure is required to take full advantage of it, whether for manufacturing, consumption or transportation. There are pockets of some significant manufacturing in the region, especially in the Jasper-Huntingburg area; therefore, providing transportation connectivity for this area to I-69 is highly encouraged by forum participants. Finally, improvements to the region's information technology infrastructure must be addressed quickly.

Participant Statements and Themes:

- Absolute need for a water resource plan and improved water treatment facilities.
- Need I-69 bridge link between Indiana and Kentucky.
- Promote regional airport expansion.
- I-67 through Dubois County is critical: high level of commerce moves through this area.
- Promote diversity in energy sources.

**Key Driver #4: Dynamic & Creative Culture**CHORUS Observations:

Participants expressed exceptional enthusiasm for the existing resources and the prospects for further growth in entrepreneurship. An entrepreneurial culture has already taken hold in Southwest Indiana and the opportunity for growth seems substantial. Pooling and organizing the resources to promote new ventures is an important next step. There is concern (but with some guarded optimism) that the region become more inviting to diverse cultures. Acceptance of this diversity, participants believe, will increase the likelihood that talented and visionary young people will choose to come and stay in the region.

Participant Statements and Themes:

- Promote a culture that accepts, but balances, a necessary level of entrepreneurial "failure" with the conservative values of the state.
- Create adequate funding sources for start-up ventures.
- Promote entrepreneurial initiatives in educational settings.
- Mentor and develop young adults, despite cultural and generational differences.
- Change our culture to welcome diversity to a greater degree.
- Focus on our regional core competencies and align workforce skills with those industries.

**MOVING FORWARD >>>**

The Southwest Indiana economy continues a strong recovery from the economic downturn and that has given the forum participants good reason for optimism. They are quite aware and open to regional cooperation to keep the economic momentum going. Perhaps more than any other region of the state, they seem especially encouraged by their existing educational and training resources and the work ethic of their existing workforce. They believe that many of the elements for substantial economic growth are in place, but that the region must move with a sense of expediency to capitalize on their opportunities. This means that transportation and information infrastructure issues must be quickly remedied. The enthusiasm for entrepreneurship in the region is palpable and is already an important component of that culture that the region is ready to support and grow. Now, leaders must ensure that regional leaders advocate prompt action to fill any gaps that might impede economic growth.

Just as cooperation within the region is emphasized here (as well as in several other areas of the state in which forums took place), it is important for regions to share best practices and learn from each other. While the challenges in each region are somewhat unique, solutions often revolve around effective communication and collaboration. Strategies and initiatives that prove successful in one location could provide valuable lessons for others in different regions. For true statewide progress toward the goals of *Indiana Vision 2025*, each region must be as strong as possible. The best way to help make that happen is by working together.

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