



# News Release

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## **Iowa Business Council Calls for Continued Innovation in Four Key Areas; Also Cites Workforce Challenge**

January 31, 2006 – (Des Moines, IA) – At a time when Iowa’s economy is described as being in “a promising growth mode,” the Iowa Business Council’s outgoing chair and President of MidAmerican Energy Company, Todd Raba, calls for continued innovation in four key areas. In remarks delivered at the Council’s 20<sup>th</sup> Annual Partnership Dinner held January 30 in Des Moines, Raba said, “Over the last few years, the Council has focused on four key issue areas: education, economic development, health care, and continuous process improvement. We believe all of these are critical to developing a robust and sustainable economy.”

### **IOWA’S NEW EARLY CHILDHOOD EDUCATION MODEL**

The quality of a state’s early childhood education system has become a key economic development issue throughout the U.S. Ultimately this impacts both short-term and long-term workforce quality, reliability, and availability.

Research has documented that 85% of a child’s brain development occurs before age six. Furthermore, once a child falls behind in school, he or she tends to stay behind. Raba pointed out that as a state we have historically spent only one-tenth as much on childhood education from birth to pre-kindergarten as we do for children ages 7 – 18.

There are long-term, significant benefits to early childhood education. For every dollar invested in education before kindergarten, the return on investment is at least \$7. Children experiencing high quality early education are less likely to need special learning programs. They also require less government assistance and are less likely to be incarcerated. With early education, children have a better chance of becoming productive and self-sustaining citizens.

From a business perspective, Raba pointed out that “a quality early childhood education system makes for a more productive and dedicated employee who misses work less frequently and is ultimately a solid contributor to the company’s bottom line.” In 2005, the Iowa Business Council sponsored two Early Childhood Development/Education Awareness Conferences to identify solutions.

He further stated, “The Council is pleased with the result of the 2005 Session of the General Assembly that appropriated \$21.6 million for early childhood development for FY2006.” Raba noted that the appropriation appears to already be making a measurable difference. Still, there is a need for policy leaders to continue to



collaborate on a “world class early childhood education system. It needs to be a priority within a fiscally responsible budget for education.”

Raba encouraged interested business leaders and elected officials to join this collaboration by attending the Early Childhood Education Summit which will be held on March 1 in West Des Moines. Perspectives from business, government, and education will assist Iowa’s planning and implementation process.

### **TEAM DRIVEN ECONOMIC DEVELOPMENT**

In 2002, the Iowa Business Council, with support of the Iowa Chamber Alliance, formed the Iowa Coalition for Innovation and Growth (ICIG). Within this framework, leaders from business, education, and government constitute action-oriented teams to address issues in a number of specialized areas. These include Business Development and Process Improvement, Health Care Lean, Entrepreneurial Formation, and Advanced Manufacturing.

### **HEALTH CARE LEAN IMPLEMENTATION**

Raba shared that over the past five years, the number of U.S. companies offering health insurance to employees has decreased by 266,000, most of them small to mid-sized firms. While employers are re-evaluating health care insurance benefits, Iowa’s health care community has been doing its part to improve service efficiency and minimize costs. ICIG’s Health Care Lean Team has produced results that have extended to practical solutions at the University of Iowa Hospitals and Clinics. The Hospital’s Heart Center increased capacity to perform same-day unscheduled procedures by 50%. The Emergency Treatment Center increased its ability to see patients in less than 30 minutes by 32%. The Cancer Center reduced patient wait time by 69%. These examples demonstrate how Iowa institutions can become more efficient and competitive.

The success of the University of Iowa efforts has generated statewide interest in health care Lean to the point that the Iowa Healthcare Collaborative will be taking over Health Care Lean teams’ responsibilities. The Council is enthusiastic about this collaboration between the Iowa Hospital Association and the Iowa Medical Society. Raba applauded them for assuming the activity which started with an ICIG team.

### **CONTINUING PROCESS IMPROVEMENT – BUSINESS AND GOVERNMENT**

Raba explained how the application of Lean Enterprise principles has streamlined processes and improved product quality for numerous Iowa businesses – improving efficiencies without threatening jobs. Iowa Business Council members working with government agencies, including the Iowa Department of Natural Resources, the Iowa Department of Economic Development and Iowa Workforce Development have achieved impressive results in state government as well. He cited a number of permitting and approval processes which have been dramatically reduced from months to days. Raba commended state agencies for implementing Lean practices.



The Council supports the 2007 budget request of the Iowa Department of Management to fund an Officer of Lean Enterprise within the state's executive branch.

### **ADDITIONAL 2005 ACCOMPLISHMENTS**

In addition to the four primary initiatives, Raba reported new efforts in entrepreneurial development and advanced manufacturing.

#### **– Entrepreneurial Formation**

Recognizing the need to create opportunities for businesses to compete for investment capital, ICIG's Entrepreneurial Formation Team developed a Web site to link entrepreneurs and investors located at [www.IowaEntrepreneur.com](http://www.IowaEntrepreneur.com). The site is available to anyone with business or investing interests.

#### **– Advancing Manufacturing**

Iowa ranks 5<sup>th</sup> nationally in percentage of total gross state product based in manufacturing. A total of \$23 billion, or 21% of the state's economy, comes from heavy industry. Exports of Iowa manufactured and processed goods grew to \$6.4 billion in 2004, a 22% increase over the year before. Raba pointed out that even with our success in manufacturing, the sector faces challenges in technology integration, research, process efficiencies, and workforce shortages. The Council encouraged attendees to participate in a statewide Advanced Manufacturing Conference addressing these issues on May 16-17, 2006, in Cedar Rapids.

### **UPCOMING CHALLENGES: DIVERSITY AND WORKFORCE DEVELOPMENT**

The U.S. Department of Labor has predicted a shortage of 10 million skilled workers by 2010. In Iowa, this will equate to a shortage of tens of thousands. "The Business Council has a growing concern about the workforce shortages Iowa companies will face in the future," Raba said in his closing comments. "This is an issue for all of us to wrestle with in the upcoming year. It's an issue one can't tackle alone. We look forward to working together to find solutions that are right for Iowa."

### **IOWA BUSINESS COUNCIL – PROVIDING ACTIVE LEADERSHIP FOR A VITAL IOWA ECONOMY**

The Iowa Business Council is a non-profit, non-partisan, self-funded organization whose 24 members include the top executives of 20 of the largest businesses in the state, the three Regent university presidents, and Iowa's largest banking association. Collectively, these companies and institutions employ more than 180,000 Iowans. They have made over \$25 billion worth of capital investments in the state. Founded in 1985, the Council's purpose is to focus the personal commitment of its members to assume active leadership roles on major initiatives that offer opportunity to enhance Iowa's economic vitality and improve the lives of Iowans. Council members identify major economic issues, evaluate options, and assist in implementing solutions through collaborative public/private partnerships, such as the Iowa Coalition for Innovation & Growth. The Council releases the results of a quarterly economic



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outlook survey based on responses from its corporate members. It also hosts an annual partnership meeting and dinner for statewide leaders in business, academia, and government. For more information, go to [www.iowabusinesscouncil.org](http://www.iowabusinesscouncil.org).