

NORTHEAST INDIANA'S BUSINESS CASE FOR CORPORATE OFFICE OPERATIONS

Wadley Donovan Gutshaw Consulting (WDGC) has been providing consulting guidance to the Northeast Indiana Regional Partnership. The Northeast Indiana Region has an array of significant, if sometimes hidden, strengths towards further developing and attracting cross-industry office functions. WDGC's role has been to identify segments for job and capital investment that best resonate with the competitive strengths of Northeast Indiana.

Executive Summary

The opportunities in Northeast Indiana for companies considering expansion or relocation are ripe for talent attraction and development at moderate costs and with an excellent and affordable lifestyle. These advantages are particularly applicable to five specific industry and functional business segments for which a business location case for Northeast Indiana is particularly compelling. WDGC views the first three as priority segments given what we view will be more robust market dynamics.

- **Contract Research Organizations** – customer support for reimbursements, operations and clinical trials, building upon the extensive health care community and medical devices cluster in the Region – hires are predominantly associate degree individuals, with a smattering of 4-year degree holders plus nurses and physicians. This is a growth industry and to our knowledge, no areas are promoting this segment.
- **Managed Service Desks** – evolution of the ‘help/service desk.’ There is sector growth and a trend towards mid-size community siting strategies, given workforce shortages in many larger markets. Talent pool comprises customer service as well as technically-oriented college grads; the pool of local graduates and a neutral local accent will be assets to promote; will also need to demonstrate a customer service and corporate office experience base; robust telecommunications connectivity will be essential; the mix of technically-oriented manufacturing is an asset for customer solutions in the manufacturing industry.
- **Medical Claims Processing & Revenue Cycle Management** – building upon the sizable insurance and health care industry presence locally, coupled with substantial growth and rapid change within the health care medical payments industry; also taps into the medical services occupational cluster locally. Focus is client support and interface encompassing insurers, insured and health care providers.
- **Manufacturing Engineering Centers of Excellence** – a particularly specialized fit for Northeast Indiana; builds on strengths in several targeted manufacturing segments: metals, composites, and orthopedics – linked to the strength of engineering programs at regional universities.
- **Creative Design, Marketing, and Merchandising** – builds on the successes of local companies that have established a national and global presence in fashion and music.

Why NE Indiana / Why Fort Wayne?

Northeast Indiana presents notable business operational, engineering, and design ecosystems; nurtures and accelerates growth companies; and provides a compelling business case for corporate investment coupled with an affordable lifestyle to attract and nurture talent

Advantages:

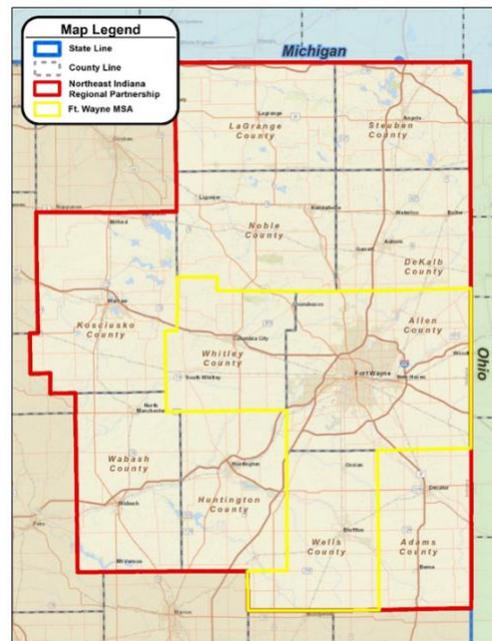
- Globally significant engineering and design ecosystem
- Talent pipeline for a variety of knowledge occupations in growth segments
- Moderate salaries and high level of disposable income as talent attractors
- Excellent quality of life attributes in an attractive, affordable and “up and coming” community centrally located between Chicago, Detroit, and Indianapolis
- Favorable local and state business climate aspects

About Northeast Indiana

Northeast Indiana, with Fort Wayne as the region's focal point, is strategically situated along major North-South (I 69) and East-West Interstate (I 80-90) corridors within 2.5 hours drive of Chicago, Detroit and Indianapolis and with non-stop air service to 9 major destinations in the US.

The Region's economic distinctions include:

- A major global center of the orthopedic and medical devices industry (headquarters, engineering and manufacturing);
- An important center of the property and casualty insurance industry;
- Headquarters of 2 Fortune 500 global companies;
- A nationally significant center of creative design and merchandising;
- A significant presence of the health care industry;
- As well as a solid base of manufacturing industries across a wide array of industrial specialties from advanced materials to defense and telecommunications to food and beverage manufacturing.



The Region has a highly regarded quality of life, balancing urban and suburban amenities with wide expanses of farmland, woods and lakes interspersed with small towns – all providing a wide range of lifestyle options for residents. The Region ranks high on affordability, considering home prices and other cost factors in the context of area income. Fort Wayne has emerged over the past several years as a key attractor for the region and a hub for corporate office and mixed-use development and related residential, restaurant, recreation and entertainment amenities --- a true 'live-work-play' environment in an uncongested, affordable, yet urban setting.

Key Population Statistics:

- Northeast Indiana Region: 786,000
- Fort Wayne Metropolitan Area: 439,000
- 45-minute commuter shed from Fort Wayne: 521,000 to 603,000 depending on specific location

Occupational Employment (Fort Wayne Metropolitan Area):

- Insurance: 5,245 / concentration 17% above the national average
- Engineering: 4,400 / concentration 43% above the national average
- Design: 9,650 / 1% above the national average
- Health Industry Technicians: 8,250 / 32% above the national average

Colleges and Universities:

Over 42,000 students are enrolled at institutions in the Region, including Purdue Fort Wayne, Ivy Tech Northeast, Indiana Tech, Indiana University Fort Wayne, Trine University, Grace College, University of St. Francis, Manchester University, Huntingdon University and Indiana Wesleyan. Engineering and business

programs are particularly well-regarded and over 60% of annual graduates receive degrees in STEM, business, and health-related fields.

Competitive Positioning

The WDGC team prepared a comparative benchmarking of Northeast Indiana versus five peer metro areas – these areas have similarities, geographically, size-wise or by industry. This is essentially the same process that companies and site selection consultants use to screen, evaluate and recommend locations. Location criteria were customized to the industry sectors best matched to the area. Based on this comparison, Northeast Indiana's stand-out attributes include:

- Favorable overall growth, median age, and growth in prime working-age cohorts;
- Housing affordability, ease of commuting, and relatively favorable personal tax burden;
- For the Region's size, college and university resources stand-out among benchmarked peers; NIIC and Parkview are further catalysts for regional talent to generate innovation;
- Talent concentrations in engineering/design, medical, insurance and higher-level servicing provide an anchor for creative and competitive targeting and marketing;
- Very competitive salary costs across most disciplines / limited pressure to escalate salaries;
- Downtown activity in commercial, retail, and housing space has re-energized Fort Wayne;
- Convenient air travel to non-stop destinations and drivable to Chicago, Detroit, Indianapolis, Cincinnati, and Columbus;
- Moderate taxation and the EDGE program is a meaningful State of Indiana incentive; Fort Wayne and other jurisdictions in Northeast Indiana offer additional local incentives; well-regarded workforce training incentives infrastructure.

Within the targeted segments, Northeast Indiana can generate a powerful value proposition focused on underutilized talent resources; competitive salaries for the level of talent available locally; and in conjunction with affordability, quality of life and a positive business climate reputation.