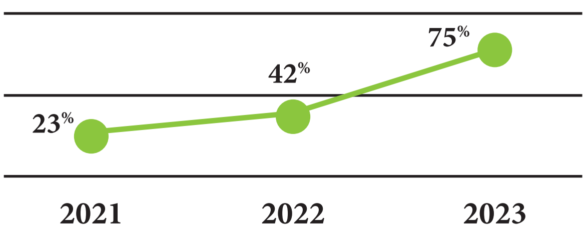
MEDCO

Marion Economic Development Corp

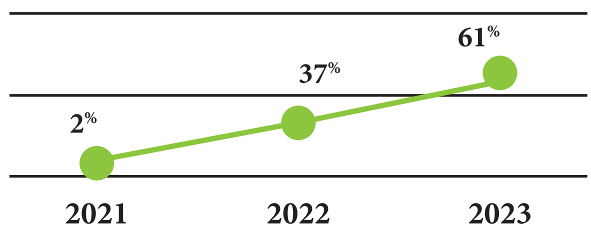
The Business Voice Call program (formerly referred to as Business Retention and Expansion program) included 105 in person visits from January 2023 to December 2023. Interviews were completed with over 200 individuals representing local employers and entrepreneurs working in our local communities. The graphs below show the percentage of "Yes" responses to the question posed with trend lines shown from left to right for 2021, 2022 and 2023.

Products

Has the company introduced new products in the last 3 years?



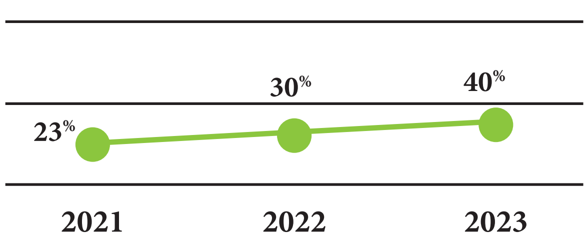
Are new products anticipated in the next 2 years?



Local businesses continue to invest in the implementation of new technology allowing them the ability to reach new customers with new products combined with upskilling their employees for growth. The increase and anticipated increase in new products are a direct impact of COVID. The pandemic stressed the importance of diversification in customer and product. Our community businesses have always been resilient, but the accelerated focus of having a diverse customer/product mix is more important today to withstand the ebbs and flows.

Sales/Facility Needs

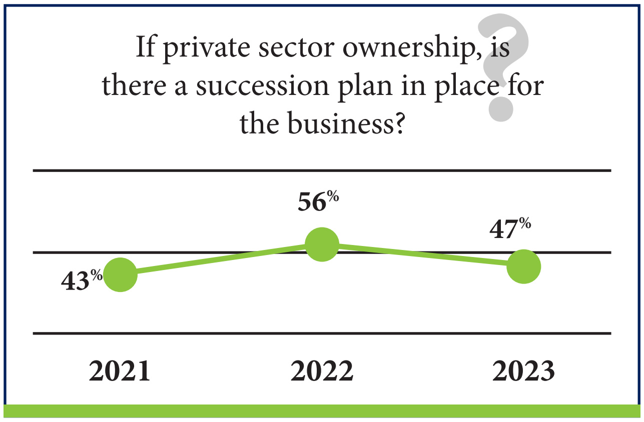
Does the company plan to expand or modernize in the next three years?



Almost 60% of respondents reported increased sales in 2023. Although this is a decrease from the over 75% who reported increased sales in 2022, these results show strong operations and results across our local business industries.

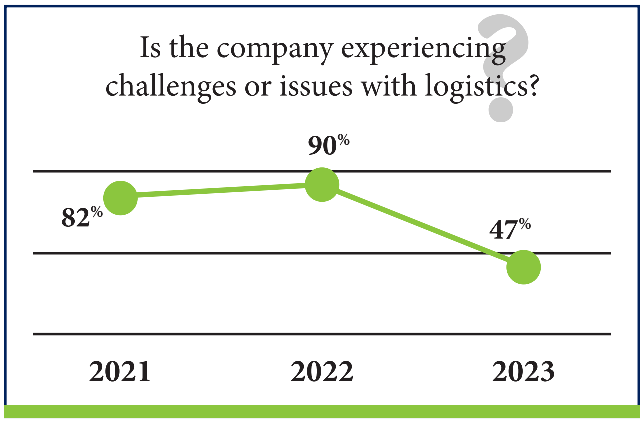
Expansion and modernization trend lines increasing aligns with the trend line increase in new products and services. Modernization plans include solar and other renewable energy and green related investments along with the continued movement towards utilizing A.I. and robotic processes.

Management



MEDCO has worked to increase visibility of the importance of a succession plan by growing strategic relationships and hosting the Business Founders event series. This strategic gathering is intended to curate opportunities for our local business owners with resources and introductions to trusted local partners who are experts in exit planning. As business owners grow their companies, succession planning is critically important to supporting the long-term retention of a business.

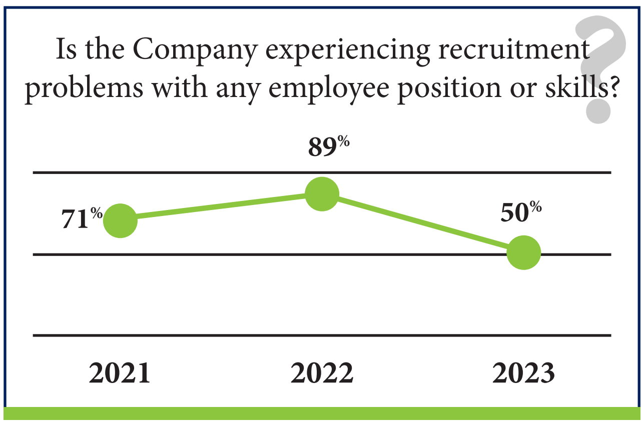
Supply Chain



Labor supply in particular delivery drivers of all kinds noted as the main issue. Most challenges noted continue to be container/freight costs and lead times. Both challenges have been normalized in the bidding/quoting process over the past couple of years which has helped minimize impact but more importantly set realistic expectations. The customer has accepted the reality of lead times and their effect on completion of projects and ability to deliver product.

As much as supply chain has hampered delivery timelines, the related freight/fuel and container costs have had a greater effect on final profit margins. Inflationary pressures continue to be top of mind with some already seeing some stabilization going into the new calendar year.

Workforce

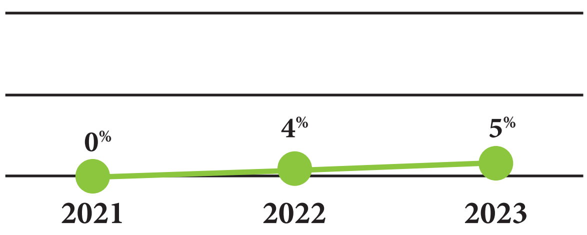


The local hiring market cooled throughout 2023 resulting in less opportunities for new employees but also for those looking for a change. The softer market led to the large decrease from prior years around respondents experiencing recruitment problems. 2023 was a year we saw expectations being tempered on the hiring front with the employee's employment market has tightened up significantly. The political environment at the State level was mentioned as a concern related to being attractive for hiring from outside the region.

MEDCO continues to deliver competitive advantage through its support of Community Promise, Marion Community Build, and Venture Academics. These workforce pipeline initiatives are partnerships with the two Marion high schools.

Community

Are there any reasons the Marion community may not be considered for future expansion?



Marion has many strengths as a place to do business. The common themes from respondents noted the positive community leadership, business climate, and quality of life. Most also noted the low cost of living, the stableness of the local economy and community, and the strong public education system. The concern for respondents is around barriers to growth with the overwhelming majority citing the lack of supply of both skilled and unskilled workers.