



2007 BUSINESS DYNAMICS NORTHEAST INDIANA

Released June 13, 2008

Prepared by Lincoln Schrock on behalf of The Community Research Institute
Funded by the Northeast Indiana Foundation
Supported by the Northeast Indiana Regional Partnership

NEW BUSINESSES & EXPANSION

There were 158 new or expanding businesses in the 11 county northeast Indiana region (NEI) in 2007, of which 47 were new businesses. The analysis indicates that most of these were internal startups (20), 16 were new to the region, and there were 8 internal relocations (with the remaining of unknown or undeterminable origin). The 111 expansions include physical plant, added employees, significant equipment investment, or any combination of these. Note that retail, restaurant, and most small service offices are not included.

Total known or estimated dollar investment in plant facilities and/or equipment was \$750 million, but there were 28 expansion events for which the dollar investment is not known. Thirteen of these were in Grant County and three were in LaGrange County, where specific information was not released for any new or expansion event. Twenty-five (15 percent) of all new or expansion events did not involve a dollar investment; that is, most of these involved *leased* space, and in most cases, there were no new employee hires.

The range of all projects was \$10,000 to \$200 million. The average investment of the companies for which there was an investment and that investment is known (i.e. the 158 events less 28 with unknown investment and the 25 with no known investment) was \$7.1 million dollars, and the median value of these projects was \$1.2 million dollars. There were 11 large projects which exceeded a \$10 million dollar investment. These provided the bulk of the new/expanding investment dollars, or \$585 million or 78 percent of the known total. Excluding the 11 projects which exceeded a ten million dollar investment, the average investment of the known “smaller” new or expansions was \$1.78 million dollars, and the median of these “smaller” events was \$1.0 million dollars.

DATA ON 2007 INVESTMENT DOLLARS

By County	Number of events		Total Dollar Investment	Major Event(s)
	New	Expansion		
Adams	1	4	\$13.36 M	\$13M Red Gold expansion-NAICS 311
Allen	12	37	\$102.31 M	\$27M Edy's expansion-NAICS 311; Foamex equipment (\$10.7 M)-NAICS 326; FedEx building/equip (\$11 M)-NAICS 492;
DeKalb	9	14	\$38.23 M	\$13M Heidtman Steel bldg/equip (NAICS 331)
Grant	0	13	unknown	13 expansions of existing businesses, 8 of which were mfg and 2 of these were in food processing
Huntington	0	7	\$6.83 M	\$4.5M in equipment for CFM Corp-NAICS 333
LaGrange	3	3	unknown	4 investments related to RV industry-NAICS 336 (and 811)
Noble	5	16	\$60.43 M	\$34.6 M expansion for Courier Corp- book publishing/warehouse/distribution- NAICS 323/424
Steuben	5	6	\$19.70 M	\$8.34M Vestil Mfg building and equipment expansion-NAICS 333
Wabash	5	1	\$338.80 M	\$200M and \$130M ethanol plants-Poet Biorefining and Wabash AgriProducts-NAICS 325; \$8.5M Living Essentials –NAICS 312
Wells	3	4	\$65.25 M	\$56M Alexin NEW-NAICS 331; \$6.3M Buckhorn Inc equipment-NAICS 333
Whitley	4	5	\$104.85 M	\$75M SDI expansion-NAICS 331; \$13.8M C&A Tool expansion –NAICS 333
NEI Total	47	111	\$750,000,000	(note: no Grant Co or LaGrange dollar amounts known) (includes 1 employee expansion which was in multiple counties)

TOTAL NEI NEW AND EXPANDED DOLLARS AND EVENTS BY NAICS¹

Total known or estimated new employment in 2007 was 2,550. From the 158 new or expanding events, there were 121 businesses which indicated that there would be employee expansions (76.5 percent of total events); 30 companies (19 percent of the new/expanding events) which may expand employment, but data was not available at this point; and seven that stated that there would be no new employment although they were undergoing a building or equipment expansion (4.4 percent). Of those hiring more employees, the range is 1 to 214. This is an average of 16 employees for all 158 events, or an average of 21 new employees for each event in which it is stated that there will be an increase in employment. In addition, there were a few businesses which reported that employees would be retained or called back from layoffs, etc. and these numbers are not included in the employee expansion totals. The reported number of retained employees from this group of new and expanding business was 381 in 2007.

¹ CRI assigned NAICS codes to these events by checking the description of the event or the known major activity of the business, and for many reasons, it is possible that some errors of assignment could have been made. In addition, many businesses have more than one NAICS code, and therefore there is some flexibility in which sector to reflect the activity. CRI first attempted to align the event with the most appropriate NAICS, but also made adjustments if the event may be applicable to one of the major categories identified in the table above. For example, American Axle and Mfg is doing research in its office at NIIC (NAICS 541), but we felt that by identifying this with a NAICS 336 (vehicle mfg), that this would highlight the importance of 336 in this area. NAICS 541, unfortunately, is not a strong NAICS in NEI.

TOTAL NEI NEW AND EXPANDED DOLLARS AND EVENTS BY NAICS²

No. of Events	NAICS	NAICS Title	Known Dollar Investment		Known Projected New Employees		Major Events and County
			Total	Average	Total	Average	
23	336	Transportation Equip Mfg	\$40.40M	1.76M	639	28	\$8.3M equipment @Pullman Ind. (DeKalb)
19	332	Fabricated Metal Prd Mfg	\$16.87M	0.89M	251	13	\$5M equip @Bushe(Noble) w/41 new empl; \$4.3M equip@ Rieke Corp (DeKalb); \$1.7M equip & 30 new empl @Autoform Tool (Steuben); \$2.2M equip @ Murray Equip.(Allen)
13	331	Primary Metal Mfg	\$155.3M	\$11.9M	170	13	\$75M bldg/equip and 52 new empl @SDI (Whitley); \$56M build/equip and 51 new empl @Alexin (new, Wells); \$13.5M bldg/equip and 18 empl @Heidtman Steel (DeKalb)
13	311 312	Food Mfg/ Bev Prd Mfg	\$50.4M	\$3.88M	119	9	\$27M bldg/equip and 65 new empl @Edy's (Allen); \$13M new const @Red Gold (Adams); \$8.5M and 40 new empl @Living Essentials (Wabash)
11	423 424	Wholesalers Durable/Non-durable	\$14M	\$1.27M	72	7	\$6M bldg/equip @Five Star Distributing (Whitley); \$1M bldg/equip and 32 empl @Saturn Wheel (Hton); \$3.38M bldg and 6 empl @Trane (Allen)
9	333	Machinery Mfg	\$41.33M	\$4.6M	434	48	\$13.8M equip. C&A Tool Eng (Whitley).; \$8.34M Vestil Mfg w/104 new empl (Steuben); 100 new empl @ Novae Corp (Hton); \$4.5M equip at CFM Corp w/ 214 new empl (Hton)
8	339	"Misc Mfg" aka medical mfg, and other "misc"	\$9.16M	\$1.1M	113	14	\$3.68M bldg/equip with 55 new empl @Baekgaard (Allen); \$4.3M equip. @Precimed
7	323	Printing	\$38.4	\$5.5M	154	22	\$34.65M and 100 new empl @Courier Corp (Noble)
6	484 488 492	Truck Transportation and Warehousing; Support Act.; Couriers	\$11.4M	\$1.9M	38	6	\$11M and 25 empl@ UPS (the Allen Co expansion) **could include Courier's \$34M expansion in this group given major reason for expansion (currently, Courier is in NAICS 323)
6	326	Plastics & Rubber Prdts Mfg	\$12.6M	\$2.1M	53	9	\$10.7M equip and 30 empl @Foamex (Allen)
4	325	Chemical Mfg	\$333.3M	\$83.3M	88	29	\$200M and 40 new empl @Wabash AgriProducts (biodiesel, Wabash Cnty); \$130M @ Poet BioRefining and 40 empl (ethanol, Wabash Cnty)

These represent NAICS sectors for which at least 4 new or expansion events occurred in 2007. All events are listed in accompanying spreadsheet.

² CRI assigned NAICS codes to these events by checking the description of the event or the known major activity of the business, and for many reasons, it is possible that some errors of assignment could have been made. In addition, many businesses have more than one NAICS code, and therefore there is some flexibility in which sector to reflect the activity. CRI first attempted to align the event with the most appropriate NAICS, but also made adjustments if the event may be applicable to one of the major categories identified in the table above. For example, American Axle and Mfg is doing research in its office at NIIC (NAICS 541), but we felt that by identifying this with a NAICS 336 (vehicle mfg), that this would highlight the importance of 336 in this area. NAICS 541, unfortunately, is not a strong NAICS in NEI.

BREAKDOWN BY COUNTY

NEW AND EXPANDED DOLLARS AND EVENTS

Breakdown by county:	Number of new or expanding business	New employees from these new or expanding firms
Adams	5	76
Allen	49	624
DeKalb	23	389
Grant	13	unknown
Huntington	7	357
LaGrange	6	60
Noble	21	358
Steuben	11	330
Wabash	6	123
Wells	7	57
Whitley	9	151
Multi-county	1	25
NEI	158	2,550

Note: not all investment is known; not all new or retained employee additions are known.

ACQUISITIONS

BY COUNTY:

Breakdown by county:	Number of acquisitions	Estimated employees in acquired firms	(Potential of)Affecting most employees
Allen	12	1,213	OmniSource To SDI (1,000 locally)
DeKalb	4	585	Tower Automotive(200); SPX Contech (180)
Grant	1	35	Chronicle-Tribune
Huntington	3	400	Wabash Technologies (220)
Wabash	4	875	Hayes Lemmerz (325); Wabash Alloys (290);
Whitley	5	805	Dana Col City (360); Reelcraft Ind (200); Dana Churubusco (170)
	29	3,913	

BY NAICS:

No. of Events	NAICS	NAICS Title	Employees Involved	Major Events
4	336	Transportation Equip Mfg	995	Dura Automotive; Hayes Lemmerz; Dana (Col. City to Wanxiang/China and Churubusco to The MAHLE Group)
4	331	Primary Metal Mfg	1,472	OmniSource to SDI; Wabash Alloys to Aleris
4	424	Wholesalers Durable/Non-durable	181	Stride Rite-acquired in 2007 by Collective Brands (note-closed in 2008); Trane to Ingersoll-Rand "no affect on expansion activities".
3	511	Publishing Industries (except Internet)	85	Marion Chronicle Tribune ((Paxton Media Group); Huntington Herald Press (Paxton Media Group); South Whitley Tribune News (to local)
2	333	Machinery Mfg	285	American Silicones and Wabash Technologies (DriveSol/Sun Capital Partners)
2	339	"Misc Mfg" aka here: medical mfg	95	Nemcomed (Avalign Tech-Round Table Healthcare Partners) and Precimed (Greatbatch NY)
2	332	Fabricated Metal Prd Mfg	226	Sinclair Intl to Brownells of Iowa; Tower Automotive to CerebusCapital Mgmt
2	311	Food Mfg	165	North Central Cooperative to Fulton Marshall Coop\Rochester IN and EMP Cooperative to Auglaize Provico\ Wapakoneta

One each NAICS event in the following categories:

MANF SECTOR	323	Printing
	327	Nonmetallic Mineral Prd Mfg
	334	Audio & Visual Equip Mfg
	335	Electrical Equip, Appliance Mfg
TRANSPORTATION & WAREHOUSING	484	Transportation/Distribution
CONSTRUCTION	236	Construction of Buildings

The *Acquisition worksheet* gives more information concerning the changes.

Note: In the first few months of 2008, Stride Rite and Harvey have announced plans to close.

CLOSINGS AND DOWNSIZINGS

There were 22 closings and 9 known downsizings in NEI in 2007. These events affected a total of 2,543 employees. By NAICS, the transportation equipment manufacturing (NAICS 336) was hit the hardest in terms of number of events, with two closings and 6 downsizings; although the closing of the GDY plant in Wabash NAICS 326 “Plastics and Rubber Products” was the highest in terms of employee loss. Note that GDY was an automobile manufacturing related business even though the NAICS code does not directly indicate this. The closing of Gotec Plus (NAICS 326) and Copperfield (NAICS 325) are other examples of vehicle related loss of jobs. Of the approximately 2,580 known jobs lost in NEI, over 1,700 were in manufacturing, and over 1,300 of these were directly related to vehicle manufacturing³. Since NEI is heavily involved with manufacturing, especially vehicle manufacturing, there may be some regional bias in collecting manufacturing data, and it is unknown if some other sector data has been missed.

³ In addition, there were another 140 jobs lost at the International Truck and Engine engineering and design office in Allen County. These are not manufacturing jobs, although they are vehicle related.

CLOSINGS AND DOWNSIZINGS

BY COUNTY:

	Total Events	# Closings	Affected Employees	# Downsizings	Affected Employees	Major Event(s)
Adams	1	1	23	0		
Allen	13	8	624	5	555	Kitty Hawk (300 jobs); International Truck (140); K.S. Unisia (150); American Home Mortgage (150)
DeKalb	4	2	68	2	62	
Grant	Unknown at this time					
Huntington	2	1	25	1	112	
LaGrange	1	1	35	0	0	
Noble	4	4	189	0	0	Tower Automotive (120)
Steuben	3	2	78	1	72	
Wabash	2	2	700	0		GDX (700)
Whitley	1	1	NK	0		
NEI TOTAL	31	22	1,742	9	801 (known)	

Note: if the affected employees were offered jobs within parent plant or transferred location within NEI, those totals were not included.

BY NAICS:

No. of Events	NAICS	NAICS Title	# Closings	# Downsizings	Job Loss	Major Events
8	336	Transportation Equip Mfg	2	6	619	K.S. Unisia, Tower Automotive
2	326	Plastics and Rubber Product Mfg	2	0	725	GDX closing
1	488	Support Activities for Trans.	1	0	300	Kitty Hawk closing
3	333	Machinery Mfg	1	2	212+	UTEC, Parker Hannifin
2	323	Printing & Related Support Act.	2	0	17+	
2	424	Wholesalers/nondurable	2	0	87	Alpha Shirt
1	522	Credit Intermediation	1	0	150	American Home (had acquired Waterfield Mortgage in 2006)
The following notes are on closings and downsizings which involved one event each, and no one event over 75 positions lost.						
	236	Construction of Buildings		Sunroom mfg		
	325	Chemical Mfg		Wire/pvc products for auto and appliance		
	327	Nonmetallic Mineral Prd Mfg		pre-cast concrete products		
	332	Fabricated Metal Prd Mfg		plastic and steel coating		
	334	Computer and Elect. Prd Mfg		wiring harnesses for modular office furniture		
	335	Elect. Equip, Component Mfg		fire protection systems		
	337	Furniture & Rel. Products		mattresses		
	561	Document Preparation		wood processing		
	511	Publishing Industries		The Manchester Monitor closed		
	541	Prof, Scientific, Tech Services		truck engineering and design		
	811	Repair & Maint.		Van and truck conversions		
	812	Personal Services		Photo finishing shop closed; since then, another similar service has opened		