



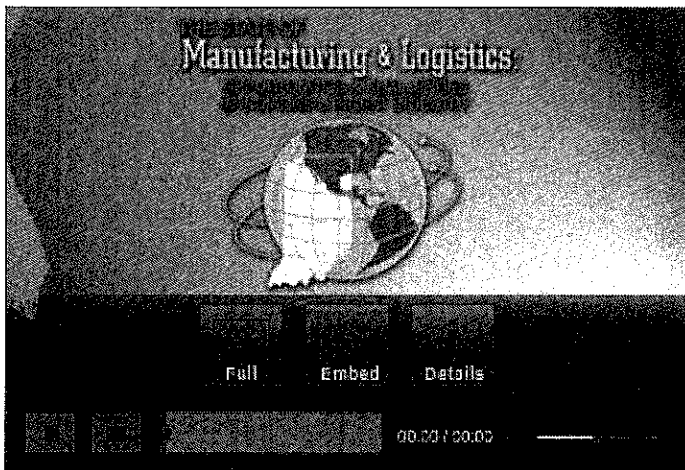
State manufacturing, logistics industries get high marks

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Indiana's reputation as a manufacturing and logistics leader remains intact despite concerns over whether enough workers will have the education and training necessary to meet demands of the evolving industries.

That finding is part of a 2010 manufacturing and logistics report card compiled by Ball State University economists and released by Conexus Indiana, an industry group that is part of Central Indiana Corporate Partnership.

A panel of experts, including Ball State Bureau of Business Research director Michael Hicks, discussed the results Thursday morning during a manufacturing and logistics conference presented by Conexus and *IBJ* at The Westin Downtown.



Indiana received an "A" grade in three categories: Manufacturing, Global Position and Tax Climate.

The state earned the high marks because its per-capita share of manufacturing jobs is tops in the nation. Its large amount of exports and foreign investment, and its friendly corporate tax climate helped as well.

"I think it's pretty well accepted that manufacturing and logistics are in our DNA," Conexus President and CEO Steve Dwyer said. "We get it, and we embrace it."

Concerns exist, however, said Dwyer, who served on the panel.

Indiana scored a "C-" in Human Capital and Diversification, and a "C" in Benefit Costs, Productivity and Innovation, and Venture Capital.

Apprehension over an unskilled work force and a heavy reliance on automotive-related manufacturing helped drag the state down. The high cost of worker benefits, lagging productivity and innovation, and weak support from venture capitalists also contributed to the state's lowest grades.

Perhaps the most important factor a company weighs when considering a location is availability of a well-trained work force, which makes "human capital" the most difficult matter facing Indiana, the study said.

J. Mark Howell, president of Brightpoint Americas, a division of Indianapolis-based Brightpoint Inc., can relate.

The wireless device distributor has 50 "team leaders" in its distribution operations, but fewer than 10 percent have college degrees, Howell said.

Further, the company recently hired two operations managers that it recruited from Wisconsin and Mississippi because it could not find qualified prospects locally.

It's Brightpoint's desire to fill those types of leadership positions within its distribution operations with employees who have earned a two-year or four-year college degree, Howell said.

"This is an increasingly sophisticated business, he said. "It's not just picking up and moving boxes around. It's deploying automation and technology to optimize the flow of goods."

Brightpoint distributes 50 million mobile phones annually from its Plainfield warehouses.

Howell typically sees more than 100 job postings online at any given time from companies with warehousing operations in Plainfield that are looking to hire. Given the state's unemployment rate of 10 percent, the availability of jobs underscores the lack of necessary skills, he said.

The skilled work force shortage could get even worse, with the addition of more logistics-related jobs coming to central Indiana.

New Jersey-based Johnson & Johnson is building a warehouse in Hendricks County that is expected to create 465 jobs when completed in mid-2011. And Southern Wine & Spirits of Indiana Inc. will create 200 jobs by occupying a distribution center in Greenwood.

Indianapolis is attractive to companies seeking warehousing and distribution operations because of its central location in the country, its interstate highways and the large FedEx hub at Indianapolis International Airport.

While BSU's report card gave the state's manufacturing sector an "A", logistics trails, but not by much, with a "B+".

The annual manufacturing and logistics report is the third Ball State has researched for Conexus, which

was founded in 2007.