

GE Capital
2011 National Middle
Market Summit



The Market that Moves America

Insights, Perspectives, and Opportunities
from Middle Market Companies



FISHER
COLLEGE OF BUSINESS

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introduction

Virtually ignored by the media, one of the most important drivers of America's economy flies largely under the radar. It accounts for a third of private sector GDP and jobs, and has been growing even over the past four difficult years, yet it gets little attention from policy makers or the public. This overlooked, perhaps surprising, force in U.S. business? The Middle Market segment.

Small business (less than \$10 million in revenues) basks in media attention as the leading indicator of the nation's entrepreneurial drive, with the Small Business Administration playing a key role in its development. Large multinational corporations (greater than \$1 billion) operate on the other end of the spectrum, and are the headliners of American business. They are unrivaled in terms of leveraging their size to influence favorable policy development and economic development.

Between the small and the large lies the Middle Market, with an influence on the national economy just as large — and just as significant — as the other two segments. Indeed, its impact is staggering. If the Middle Market were a country, its GDP would rank it as the fourth-largest economy in the world, just behind Japan's.¹ Clearly then, there is a need to better understand this important market sector and provide it with the level of support, attention, and advocacy it merits.

That is why two institutions that fully recognize the vital role of the Middle Market — GE Capital and The Ohio State University's Fisher College of Business — came together to establish a research partnership focused on the Middle Market. As one of the top 20 ranked national public universities, The Ohio State University, located in the heart of 'middle America', undertook a foundational, multi-source research initiative to better understand this critical market sector. The effort was led by Christine A. Poon, Dean of Fisher College of Business, and John W. Berry, Sr. Chair in Business, and included an interdisciplinary team of professors, researchers, and OSU students. The objective was to conduct a comprehensive, insight-driven research initiative on this cohort — to sharply define it, understand its operational capabilities and performance, and understand its needs with the hope that it will serve as a foundation leading to identifying ways to help this sector grow and develop, as well as help restore economic prosperity to the United States.

¹ Bureau of Economic Analysis, CIA World Factbook, US Census

a perspective on america's critical growth engine

The Middle Market is, in fact, a key driving force behind the U.S. economy, making critical national and local economic contributions and providing what has proven to be the most sustainable source of jobs and revenues.

The Middle Market represents over a third of American jobs and more than \$9 trillion in annual revenue.² Further, many of its companies, through their longevity, act as community pillars, providing stable employment and acting as responsible corporate citizens. What makes the middle market hard to understand is that it is not homogenous. Rather, it is a collection of businesses that range in size and structure and that span industries.

There are three multidimensional segments — correlating to revenue — and each segment displays certain operational and other traits. On the low end (\$10MM – \$50MM in revenue), companies often operate more like small businesses; in the middle (\$50MM – \$100MM) are well established enterprises with solid growth and consistent business practices; and at the high end (\$100MM – \$1B) are firms that are already large global companies, or are starting to resemble them.³

But revenue alone does not adequately describe this sector; it has an incredible diversity of business structures. The Middle Market comprises publicly traded, privately owned, and family-owned companies, and even partnerships and sole proprietorships. There also are companies that will be the “next big thing” by transitioning through the Middle Market, a case supported by the fact that 27% of all large companies in 2010 were still Middle Market firms in 2005.⁴ Finally, there are emerging growth businesses transitioning from small or start-ups to bigger businesses. And across each segment are community pillars that are anchored to local and regional economies.

The recession seems to have had a lesser impact on the Middle Market than on the large business segment. Surviving Middle Market companies added more than two million jobs from 2007 – 2010, even as large companies were shedding almost four million.⁵ Despite the continuing economic malaise and recessionary fears, Middle Market executives are optimistic about growth. This confidence comes from a strong belief in their ability to compete, innovate, and retool themselves to exploit opportunities. Yet Middle Market executives recognize they are facing critical external headwinds, and need to build and evolve internal capabilities in order to compete in what is likely a more global, more regulated, and more competitive marketplace.

Even in an economic reset, there are a select group of high performers growing at least 10x the rate of GDP growth.⁶ Top performers share distinctive management characteristics and priorities compared with other Middle Market firms. They put more emphasis on innovation, have stronger management cultures, and display a sharper customer focus. They also have sophisticated strategic planning processes in place and road maps for achieving growth targets.⁷

In sum, taking into account all of the Middle Market's aspects — its huge contribution to the economy, job creation even in tough times, its wide range of businesses and business models, and the challenges it faces — it is a truly amazing sector that deserves more attention, more advocacy, and greater access to capital and global markets. Its complexity makes this a challenging task, but, we believe, a compelling opportunity.

² US Census data

³ US Census data and OSU-RTI Research survey data

^{4, 5} Dun & Bradstreet

⁶ Compustat

⁷ OSU-RTI Research survey data

about this research

The research took a “market-backed” approach — applying multiple database sources, as well as customer input from a survey of 2,028 executives — to establish benchmarks that would set the stage for further research and problem-solving. The topics for exploration and examination were:

1. Understanding and defining the Middle Market

- Who is the Middle Market?
- What is its size and significance, and how does it impact national, regional, and local economies?
- What are its common business and management characteristics?

2. Understanding performance and outlook

- From 2007 – 2010, during one of the most tumultuous business environments in recent history, how did the Middle Market fare, in terms of job and revenue growth?
- Who are the high-growth performers and what characteristics do they share?
- What is the outlook of Middle Market executives, and what do they perceive as the key external and internal challenges they face?

3. Understanding unmet needs

- What are the critical external challenges facing the Middle Market?
- What are the internal challenges facing the Middle Market?
- What are the high-opportunity areas to advance knowledge and capabilities to drive Middle Market company growth?

detailed research findings

The Middle Market is a Critical Economic Engine

Almost 200,000 businesses — ranging in size (in revenues) from \$10 million to \$1 billion — make up the Middle Market,¹ so it is not surprising that they make an immense contribution to the national economy. From creating and sustaining jobs in local communities to surviving through long recessionary periods, research suggests that Middle Market companies are America's consistent growth engine.

	Annual Revenue	Businesses	Employment
Small Business	<\$10m	~6M	35%
Middle Market	\$10m-<\$1B	195,000	34%
Big Business	>\$1B	~2,000	31%

Three Distinct Segments²

The Middle Market is not a single, homogenous group of companies. Rather, there are three sub-segments that exhibit distinctly different operational and financial characteristics.

Segment 1: Businesses with \$10MM – \$50MM in revenues

- **Total Revenues:** \$3.2 trillion, 34% of total Middle Market revenue
- **Number of firms:** 156,000, 80% of total Middle Market firms
- **Number of employees:** 16 million, 39% of total Middle Market jobs. The typical business will have between 100 and 300 employees.

C-suite survey responses reveal that Middle Market businesses in this segment often operate more like small companies. They are typically privately held (94%), with a larger percentage than other segments being family-owned and operated. Half of them rely exclusively on local and regional suppliers, and nearly half of their workers are not salaried. Most of the firms in this segment have longevity similar to that of small businesses (approximately six years).

Segment 2: Businesses with \$50MM – \$100MM in revenues

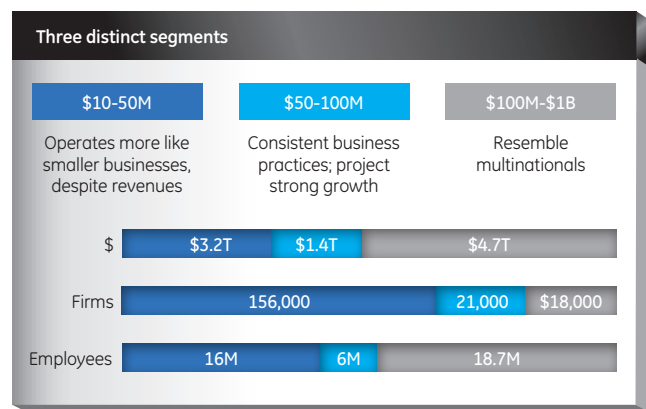
- **Total Revenues:** \$1.4 trillion, 15% of total
- **Number of firms:** 21,000, 11% of total
- **Number of employees:** 6 million, 15% of total. The typical business will have between 300 and 1,000 employees.

This segment contains well-established enterprises with consistent and mature business practices. They are three times more likely to be publicly listed than those companies in segment 1. They also have more mature business practices, with 53% setting formal annual growth targets. They also invest in systems and business process development, training and education, and research and development more like larger corporations. This segment is also more optimistic about prospects for growth in 2012 than any other cohort.

Segment 3: Businesses with \$100MM – \$1B in revenues

- **Total Revenues:** \$4.7 trillion, 51% of total
- **Number of firms:** 18,000, 9% of total
- **Number of employees:** 18.7 million, 46% of total. The typical business will have between 1,000 and 3,000 employees.

Firms in this segment are beginning to resemble multinational companies, in particular regarding sales force capabilities, customer focus, easier access to capital, and a more global footprint. About half also confirm they have locations outside of the U.S. and a third utilize global suppliers.



¹ US Census, Dun & Bradstreet

² US Census, Dun & Bradstreet, OSU-RTI Research survey

“Supporting the communities we serve is probably the most important part of what we do. Since we provide essential services, it is incumbent on us to return some revenues back to the region we serve. We do this by providing some municipal-type services that some of our customers cannot efficiently do, or we give grants.”

CFO, Wholesale Trade, \$500 million annual revenues, 2,150 employees, publicly listed

33% of U.S. Private Sector GDP and 41 Million Jobs

Analysts estimate that the Middle Market contributes approximately \$3.84 trillion to the U.S. private sector GDP.³ If the Middle Market were a country, its GDP would rank it as the fourth-largest economy in the world — just behind Japan but ahead of Germany.⁴ In addition, they employ 41 million workers, representing a full 34% of total U.S. private employment, and account for + 3.2 million more jobs than large companies in 2010.⁵ Further, these 200,000 Middle Market companies — 3% of all U.S. businesses — provide as many jobs as 5.8 million small businesses and surpass them in revenues.⁶

MIDDLE MARKET CONTRIBUTES APPROXIMATELY \$3.84 TRILLION

to the U.S. private sector GDP.³ If the Middle Market were a country, its GDP would rank it as the fourth-largest economy in the world — just behind Japan but ahead of Germany.⁴

Despite its size and impact, the successes and struggles of the Middle Market have remained largely unnoticed and undocumented. Without any formalized and generally accepted definitional construct, the segment remains under-analyzed relative to the large or small business segments. There is a scarcity of research that digs deep into the segment and recognizes its importance. Sources of data are limited and disparate, with few government-sponsored attempts to gather data specific to the segment to understand and address its needs.

Growing Companies Even in Tough Times

Even given that unlevel playing field, firms in the segment are growing. Indeed, a full 27% of all large companies in 2010 were still Middle Market firms in 2005⁷ — and this dramatic growth occurred while the U.S. economy shrank during the same period. (In fact, research suggests that there is a certain resilience associated with Middle Market firms by virtue of their size, diversity, responsiveness, etc.) Further, a large number of public Middle Market companies are tapping into the capital markets, and now account for 59% of all businesses raising financing through that channel.⁸

3, 4 Bureau of Economic Analysis, CIA World Factbook, US Census

5, 6 US Census

7 Dun & Bradstreet

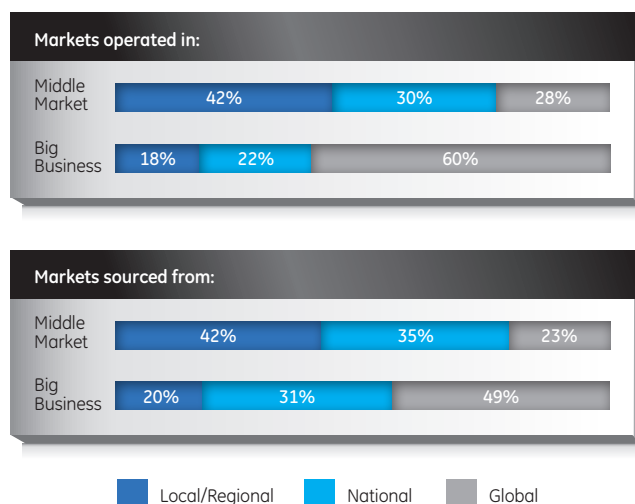
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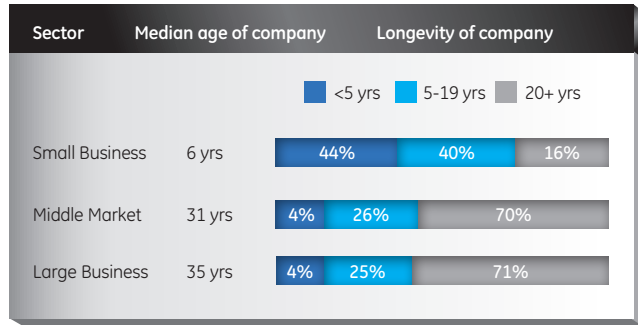
A Foundation of Communities: Sustainable Jobs and More

The direct beneficiaries of the Middle Market’s growth and resilience have been the communities that rely on them for stable jobs and other local contributions. Compared with larger companies, Middle Market firms usually have stronger community linkages and affiliations because their supply chain is more likely to be local and/or regional (as opposed to large multinationals, which are twice as likely as Middle Market firms to source from global suppliers).⁹ Compared with small businesses, Middle Market companies, because of their more substantial size, are also more likely to impact a community or city.



Data suggests that Middle Market firms fill the role of community stewards very well. They offer 16% more jobs per asset dollar than large corporations — and nearly 80% more on a revenue dollar basis.¹⁰ One possible explanation for this dynamic is that Middle Market firms are, by nature, more employee-intensive than large firms. Their processes and systems are typically less mature than those of large corporations, so they tend to compensate by hiring more people.

Middle Market businesses are also stable. Almost 70% of Middle Market companies have been in business for more than twenty years, compared with only 26% of small companies.¹¹ Also, only 4% of Middle Market companies have been in business for fewer than five years, compared with 44% of small companies.¹² Indeed, the median age of Middle Market businesses, 31 years, is comparable to that of large companies (35 years).¹³ Also, because they are less financially leveraged than large companies (11% lower liabilities per asset dollar), they are less susceptible to stress and job reductions due to unserviceable debt.¹⁴



Middle Market companies also differentiate themselves from large businesses in that they operate in and use suppliers from local and regional markets more than twice as much (with large firms more likely to use a global supplier base).¹⁵ About 43% of Middle Market executives surveyed say their company operates in local and regional markets, compared with only 18% of large businesses. 42% also say they use only regional and local suppliers, versus 20% of large firms.¹⁶

The Middle Market is a Resilient Job Creator

From 2007 – 2010, the economic downturn and the conditions it spawned had a sweeping impact on virtually all segments of the economy. The unprecedented credit crisis was immediately followed by the recession, sharply rising commodity costs, and sweeping regulatory reforms, and all of that combined to create one of the most difficult operating environments ever for American businesses. With consumer demand plummeting, it is easy to assume that all segments of the market would react and behave the same. That conclusion would be wrong, however, as it did not hold true for the Middle Market. In the face of those extraordinary headwinds, Middle Market businesses survived and grew.

An analysis of all businesses in the U.S. that survived the recessionary period of 2007 – 2010 reveals the following about Middle Market companies:

- Surviving Middle Market businesses added more than two

million jobs, while surviving large businesses shed nearly four million.

- Middle Market firms added, on average, more than 20 jobs per business, while surviving large companies downsized by more than 2,000.¹⁷

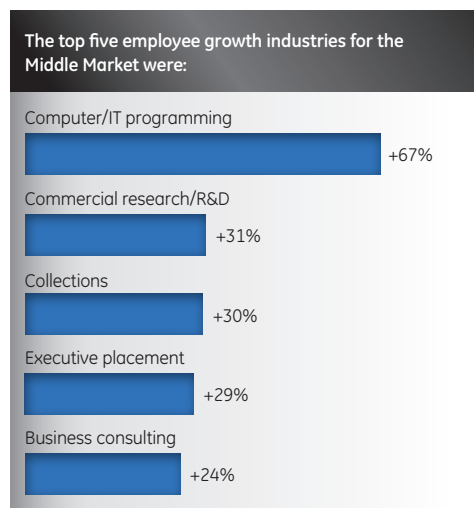
Clearly, the Middle Market was more resilient in the face of the severe economic climate, and this resilience can be attributed to the growth orientation of its companies and their relatively bureaucracy-free organizations. As such, they were on the lookout for opportunities resulting from larger market forces and they could quickly retool, refocus, and rehire to exploit them.

SURVIVING MIDDLE MARKET BUSINESSES ADDED MORE THAN TWO MILLION JOBS,

while surviving large businesses shed nearly four million. Middle Market firms added, on average, more than 20 jobs per business, while surviving large companies downsized by more than 2,000.¹⁷

Job Creation Across Many Sectors Even As Large Firms Were Laying Off

Between 2007 and 2010, surviving Middle Market businesses added more than two million jobs to the economy, with about a million of them coming from the Services sector.¹⁸ They also added a substantial number of jobs in Manufacturing (~240,000).¹⁹ The remaining new jobs were spread evenly between Financial Services, Retail and Wholesale trade, and Transportation. Comparatively, large firms shed 4.3 million jobs in the Services sector followed by another 367,000 in Manufacturing.²⁰ There were about a million jobs added in Retail and Wholesale trade, resulting in total net job losses of 3.7 million.²¹



11-13 Dun & Bradstreet
 14 Compustat
 15, 16 OSU-RTI Research survey
 17-21 Dun & Bradstreet

"Envision life before email versus now. The same huge shift is occurring due to social media, albeit in a much more public and open way. Young people communicate using social media now. Geographically dispersed group interactions occur through social media. 'News' travels to the world faster and management must accelerate its ability to respond quickly in the public relations area."

C-level executive, Real Estate, \$15 million annual revenues, 495 employees, privately owned

Job Creation Across All Regions, Even as Large Firms Made Deep Cuts in the Midwest

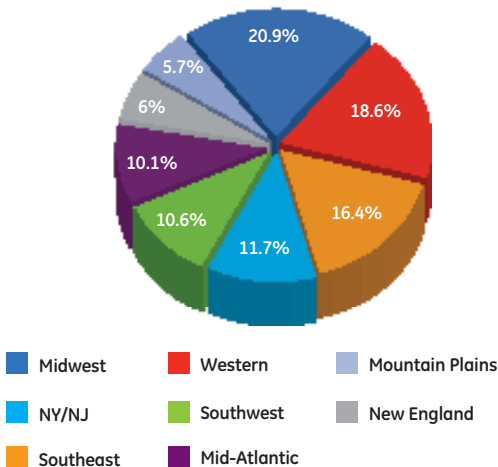
Between 2007 and 2010, Middle Market businesses added jobs across nearly every region of the U.S. During that same period, large business layoffs had a devastating impact on the Midwest.²²

Indeed, in the Midwest, large firms cut 4.9 million workers — representing a 35% regional reduction of their workforce — while Middle Market firms added nearly 500,000 in the region. Further, this 5% increase in jobs at Middle Market firms was broadly spread across all business sectors in the Midwest.²³

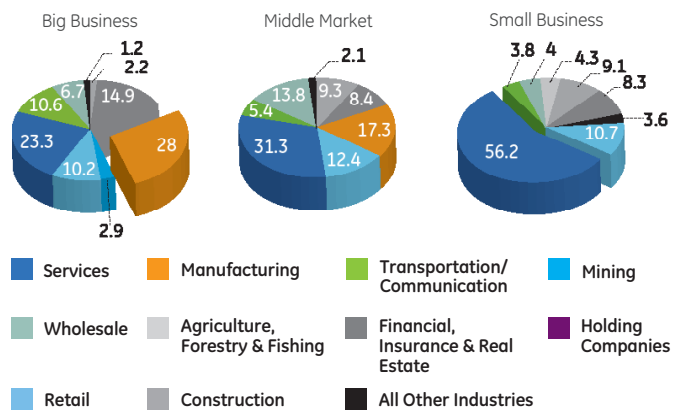
Inherent Diversity Builds Resilience

Diversity in the Middle Market is truly astounding — from revenue segments to employment to geography to ownership structures, every possible dimension is well represented. Middle Market firms are also more evenly located across all regions of the U.S.²⁴ Small businesses, by contrast, have a relatively higher concentration in the Southeast, while large businesses have a higher concentration in the New York metropolitan area.²⁵ Finally, Middle Market firms are more evenly spread across industries than their large and small counterparts. Small businesses have a relatively higher concentration in the Services sector, while large businesses have a higher concentration in Manufacturing and Financial Services.²⁶

Middle Market Geographic Diversity



Middle Market Industry Diversity (%)



The Middle Market Sees a Challenging Outlook for Growth

The recession and the ensuing weakening of the economy had a profound impact on the morale of the Middle Market. Executive confidence in the U.S. economy is low across all sectors, but negative sentiment is most pronounced in the small and Middle Market segments, as they are most susceptible to local and national forces. The confidence level in the U.S. economy among Middle Market executives is only 16%, and it is only 17% regarding their local economy. Larger companies have slightly higher confidence levels (25% in both the U.S. and their local economies)²⁷, presumably given that they are more capable of withstanding growth constraints with their national and/or global footprint and supply chain.

Middle Market C-Suite Confidence Levels



Internal Capabilities are a Key Concern

While 80% of executives surveyed anticipate growth in the coming fiscal year, a large majority of them are challenged by their own internal capabilities relative to sustained growth.

22-26 Dun & Bradstreet
27 OSU-RTI Research survey

Middle Market companies feel the most concern around talent management and developing future leaders, with 80% highlighting this area as one of their most pressing challenges. About three-fourths of executives also mention they are challenged in attracting top talent or in providing their employees with the appropriate career path and development opportunities to promote long-term retention.

Executives also say they feel constrained in their own management capabilities, particularly in having long-term growth strategies (51%). Additionally, 41% perceive their management team does not have the capabilities to meet the series of challenges they have faced since the recession, and 64% feel they do not possess the latest management tools and techniques.

Another key area of concern is around regulatory compliance, with 71% expressing difficulty in addressing regulatory compliance and the costs associated with it. 69% also express concern around their ability to stay abreast of and manage through changing tax policies.

While many Middle Market companies have embraced global markets and are aggressively distributing their products and services in new geographies, many are also facing the heat from international competitors, and 45% are concerned with these competitive threats.

[A Performance Gap Indicates Challenges to Future Growth](#)

By their own self-assessment, the data strongly indicates that there is plenty of room to improve overall business performance. Indeed, the research shows that there is a gap between the degree of importance of various capabilities and the executives' perceived ability to deliver against them. This is a concern for the entire Middle Market universe, as results are similar across all three sub-segments.

Key Performance Gap Areas

1. Attracting customers
2. Innovating in new products and services
3. Effective operational management
4. Access to highly trained workforce

The Middle Market Remains Optimistic

Middle Market businesses have a solid track record for performance through the recession. More than one-third of Middle Market executives report greater than 10% revenue growth for 2010 vs. the pre-crisis 2007-2008 period. Only 25% of large businesses and 28% of small businesses report similar results. Looking forward, 80% of Middle Market companies expect to grow in 2012, driven by a focus on attracting new customers and adopting new channels, investing in innovation, increasing operational efficiency, managing through a difficult external environment, and effectively managing the workforce.²⁸

80% OF MIDDLE MARKET COMPANIES expect to grow over the next 12 months, driven by a focus on attracting new customers and adopting new channels.

The Key Elements for Achieving Growth

By using a statistical analytic tool known as factor analysis, the survey research was able to reduce 33 growth-enabling attributes down to five key factors that drive growth. The number one driver of growth — perceived by 26% of executives — is attracting new customers (including opening new markets and channels). This includes driving sales force effectiveness, better managing customer relationships, and accessing new markets (U.S. and global).

The number two key driver is innovation investment — which includes new products and services, process improvements, and equipment/IT upgrades. The third key driver is effective operational management, which includes operational efficiency and having access to capital. The number four driver is managing outside pressures, especially around regulatory and government relations. Although rated lower on the list, this is an area of concern that demands extra attention. A number of executives stress that the government will need to improve its tax and regulatory policies to help companies achieve their growth targets.



The fifth driver involves workforce issues such as employee training and career pathing, access to talent, and managing healthcare and labor costs.

Across industries, 16% of executives say access to a highly trained workforce is instrumental in achieving their growth targets. The firms agree that their ability to offer training and interesting career prospects could be important differentiators in attracting the right people.

Note that most of the executives, whether from private or public companies, large firms or small, rank the drivers similarly.

The Middle Market has Exceptional Performers with Common Characteristics

Despite the recent recession, a number of Middle Market companies have shown phenomenal growth. Data shows that among firms with public financing, between 2005 and 2010, the top 20% of these Middle Market companies grew at an average annual rate of +26% — nearly 10 times the rate of GDP growth.²⁹ Further analysis gives us insights into some differentiating characteristics that help the top-growing companies (“The Middle Market Growth Champions”) outperform the rest of the group.

TOP TWENTY PERCENT

of Middle Market companies with public financing grew at an average annual rate of +26% — nearly 10 times the rate of GDP growth.²⁹

- **Investing more.** As the recession approached and then took hold, a majority of these Middle Market businesses made drastic cuts in costs and saved cash. The top-growing companies, on the other hand, chose to make strategic capital investments to take advantage of the opportunities that came along. Our analysis shows that the top 20% of Middle Market firms made a 2.5 times greater investment (over sales) than those at the bottom 20%.³⁰
- **Lower operating costs.** These firms also used the recession to fine-tune their internal operations. In most cases, it meant a leaner organization, with SG&A costs (over sales) lower by an average of 17% when compared to the bottom quintile of companies.³¹
- **More profitable.** The average profitability (EBITDA/Sales) of the top quintile has been much higher than that of the bottom quintile: 12% compared with -1%.³²
- **Higher market value.** These companies have been rewarded by the market with market cap over asset ratios, on average, about five times that of the bottom quintile companies.³³

Defining Characteristics of Middle Market Growth Champions

Our survey of C-suite executives of 1,447 Middle Market companies identified an elite group of companies (9%) that have achieved exceptional growth. These Growth Champions achieved double-digit growth post-recession (2010 – 2011) and project a greater than 10% growth rate in the next fiscal year as well. The survey sheds light on some of their defining characteristics:

OUR SURVEY OF C-SUITE EXECUTIVES OF 1,447 MIDDLE MARKET

companies identified an elite group of companies (9%) that have achieved exceptional growth.

- **Are in a growth phase.** Growth Champions typically consider themselves to be in a growth phase (74%) while only 7% of the stable and declining groups see their company that way.
- **Are bullish about hiring.** Growth Champions have about 68% more employees per company than other Middle Market companies (1,312 compared to 780). Growth Champions have also been hiring at more than twice the rate of the rest of the segment.
- **Are concentrated in Manufacturing, Technology, or Business Services.** Growth Champions have a higher likelihood of being in the Manufacturing, Technology, or Services sectors, while stable or declining businesses are more likely to be in Financial Services or Construction.
- **Operate in global markets.** Almost half of Growth Champions operate in global markets, with just 21% reporting a local-only orientation. Other Middle Market companies operate inversely to Growth Champions — 53% are exclusively in local markets and only 18% have a global focus.
- **Source nationally and globally.** Compared with other Middle Market firms, Growth Champions get greater price leverage by sourcing nationally and globally — 41% source nationally and 27% source globally, compared to 30% and 16%, respectively, for other Middle Market firms. Conversely, only 22% of Growth Champions say they contract with local and/or regional suppliers only, which compares to 54% for the rest of the sector.
- **Invest heavily in R&D.** Growth Champions on average invest over 12% of their revenues on R&D compared to only 5% by the other firms in the segment.
- **Exhibit a greater focus on innovation and exploring new markets.** Tapping into new markets and accessing new customers is top-of-mind for the majority of Middle Market companies, but Growth Champions tend to prioritize it even more. Growth Champions also back their new market access strategies with greater investments in innovation compared to the rest of the group.

Growth Champions Share Distinctive Management

“The role of the leader of any organization is to anticipate changes and to outline the steps required to achieve the desired objectives, and then put the pieces in place. You make fewer mistakes because you are prepared. You may also play a role in shaping the outcomes and be better positioned to capture the opportunity, thereby driving revenue growth and profitability.”

CEO, Healthcare, \$48 million annual revenues, 25 employees, privately owned

Priorities

While the defining characteristics on the previous page show how Growth Champions distinguish themselves from their peers from a financing or operations perspective, our survey indicates that the real differentiator is in management priorities and the culture they foster. Our survey reveals that the leaders of Growth Champions are aligned around five key strategic priorities:

1. Focus on innovation
2. Stronger management culture
3. Sharper customer focus
4. Exceptional talent management
5. Broader geographic vision

1. Focus on Innovation

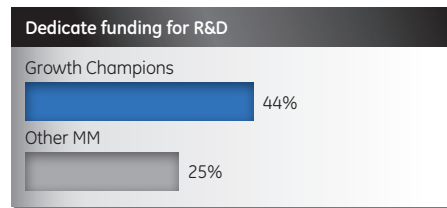
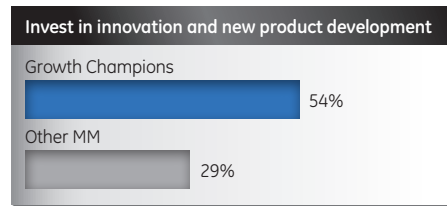
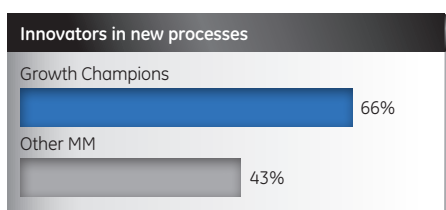
The strongest common theme across Growth Champions is a relentless focus on innovation. Continuous innovation is seen not only as a key to survival but also as their most important asset in competing with larger businesses. More than one-half of Growth Champions invest in innovation and new product development compared with only a quarter of the rest of the segment. Further, Growth Champions typically invest almost 2.5 times more in R&D per sales dollar than do lower growth Middle Market firms, and have dedicated funding for it.

Growth Champions also foster a culture of innovation throughout

GROWTH CHAMPIONS

typically invest almost 2.5x more in R&D per sales dollar than lower growth Middle Market firms.

the company. They say that innovation in new products and services is absolutely essential, and 70% of them believe they perform well in innovation compared with only 39% of the rest of the group. The following charts illustrate more detail around innovation process, new products, and innovation investment.



2. Stronger Management Culture

As businesses transition from the small segment to the Middle Market, one important area of focus is the development of management capabilities. Growth Champions seem to do a better job at this compared to the rest of the group. They typically articulate a corporate vision, develop aligned business strategies, institute robust processes, and manage their performance well.

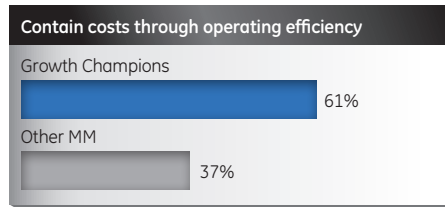
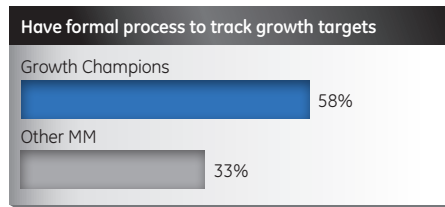
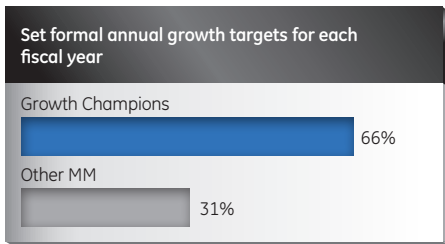
From a strategic planning perspective, 57% of Growth Champions have long-term growth strategies compared with only 26% of Middle Market firms. Growth Champions also say (at twice the rate of the rest of the group) that they have a diversified funding strategy in place, and about 71% also believe they have a high-performing management team.

Growth Champions hold themselves more accountable. 66% have a formal growth target for the next fiscal year, with 58% saying they have formal processes to track their progress toward this goal (with the corresponding figures of 31% and 33% for the rest). Further, 53% of Growth Champions have formal processes for broader employee communication of growth targets as compared to only 24% of other Middle Market firms.

Growth Champions also are more adept at managing change. 55% of them say they are able to effectively manage external change, while only 32% of the rest of the segment believe similarly.

“Customer focus is the prime point of difference for us with our competitors. Unlike most distributors, we do not ask customers to fit into our model. We respond to the needs of our customer. If you lose sight of what your customer wants, you will lose the business. It is better to spend a little more to give your customers what they want.”

CFO, Healthcare/Services, \$200+ million annual revenues, 459 employees, privately owned



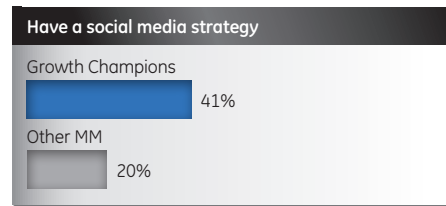
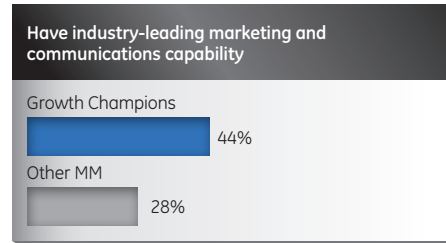
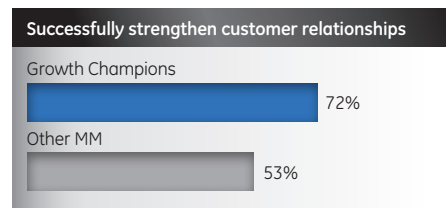
3. Sharper Customer Focus

One key driver for success in the Middle Market is the ability to continuously attract new customers and enter new markets, thus it is no surprise that Growth Champions invest heavily in the area of customer relationships.

62% of Growth Champions consider themselves adept at attracting new customers compared to only 40% of other companies in the Middle Market segment. 72% also see themselves as successful in strengthening customer relationships.

Nearly half of the Growth Champions also have leading marketing and communications capabilities in their industry, and about the same number say they are investing in developing further capabilities in sales and marketing. For the rest of the segment, in comparison, only 28% identify their marketing and communication capabilities as leading in their industry. A mere 35% say they are investing in sales and marketing. The differences in customer focus even extend to participation

in social media, for which 41% of Growth Champions have a strategy compared to only 20% for the rest of the segment. In addition, while 53% of Growth Champions say they have a digital strategy, only 31% of other Middle Market firms do.



4. Exceptional Talent Management

For most Middle Market companies, the need to focus on talent becomes quite obvious as they gain critical mass and transition from operating like a small company, but few manage to attract and retain talent. Growth Champions, though, stand out for their success in attracting talent — by offering innovative career development training, stock options, and attractive compensation structures.

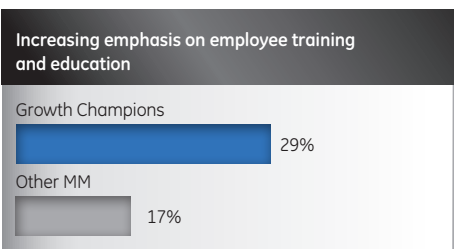
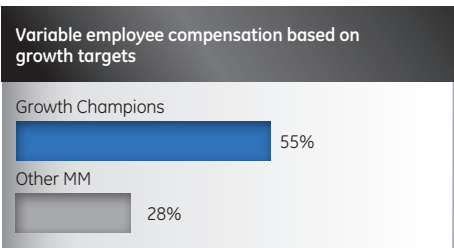
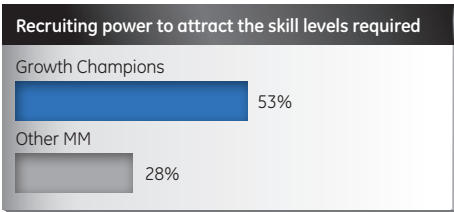
About half of Growth Champions say they have both access to the skilled workforce necessary for their organization and the recruiting power to attract that talent. Only 36% of the rest of the segment have access to talent and only 28% have what is necessary to attract it.

“In the past 4 years, the market has slowed significantly, so we had to find markets outside of the U.S. to achieve growth. We found success in many new markets. Within the next year, exports will exceed domestic sales. I have a clear and succinct message for other business executives: “The bottom line is that you need to go where the markets are.”

President, Construction, \$15 million annual revenues, 75 employees, privately owned

Results-driven variable compensation is becoming the norm in the Growth Champion segment, with 55% reporting having some form of variable compensation program. There is segment-wide concern over providing competitive wages, but it is more acute for the rest of the group, with 74% expressing concern, compared with Growth Champions at 62%.

Growth Champions also invest in employee skill development, with 29% putting greater emphasis on employee training and education compared with only 17% of other companies. They also are becoming more aware of the merits of accurate performance measurement, with 24% saying they will be putting greater emphasis on employee reviews compared to 16% for the rest of the segment.

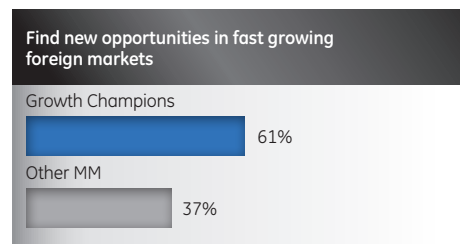
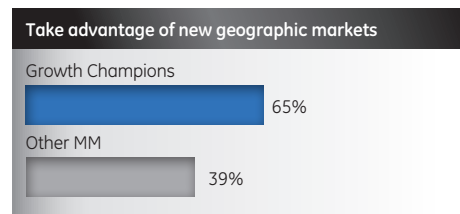


5. Broader Geographic Vision

Growth Champions clearly articulate the need for a larger and broader geographic vision — whether in the form of manufacturing, sourcing footprint, or in finding new opportunities in fast growing foreign markets for their products and services. Depending on the industry in which they operate, some may even start with a global sales and marketing strategy.

Thus, 44% of Growth Champions operate globally and 37% use global suppliers, compared with 18% and 16%, respectively, for the rest of the Middle Market segment. And, here in the U.S., 65% of Growth Champions are expanding from a local/regional focus to the larger national market while only 39% of other Middle Market firms are doing so.

Further, Growth Champions view broader geographic expansion as essential to growth and business success. 39% see expansion beyond the U.S. as absolutely essential (compared to 16% for the rest of the segment) and close to half are identifying and working on global opportunities (compared to 32% of the other Middle Market firms).



Conclusions

In sum, taking into account all of the Middle Market's aspects — its huge contribution to the economy, job creation even in tough times, its wide range of businesses and business models, and the challenges it faces — it is a truly amazing sector that deserves more attention, more advocacy, and greater access to capital and global markets. Its complexity makes this a challenging task, but, we believe, a compelling opportunity.

Overview of Research Approach

We designed and executed comprehensive research that combined multiple databases with a national attitudinal survey of C-suite executives:

Analyses based on data from:

- a. Bureau of Economic Analysis
- b. Census
- c. Compustat
- d. D&B

Survey

- a. National representative sample of 2,028 C-suite executives of private and public businesses:
 - 410 companies with revenues \$5MM – <\$10MM
 - 1,447 companies with revenues \$10MM – <\$1B
 - 171 companies with revenues \$1B+
- b. Comprehensive self-administered online survey
- c. Designed by Ohio State University and RTi Research, fieldwork conducted by ResearchNow online panel
- d. Conducted May and June 2011

Definitions of Company Sizes (in revenue)

- Small business: \$5 million – <\$10 million
- Middle Market: \$10 million – <\$1 billion
- Large business: \$1 billion+

Middle Market Survey Research Results



Research Overview

What...

- National Survey Of C-Level Executives

Who...

- 2,028 Private and Public Organizations with over \$5million in Gross Revenue in 2010

When...

- Field Period: May Through June 2011

How...

- Self-Administered Online Survey

Insight Areas

- Growth Sentiment & Outlook
- Management Growth Priorities
- Impediments to Growth
- Leadership Characteristics
- Regulatory Impact & Concern
- Financial Management & Capital Access
- Defining the Middle Market Difference

Sample Composition (1/2)

- A comprehensive sampling framework

Gross Annual Revenues	\$5mm to \$9.99mm	20%
	\$10mm to 19.99mm	20%
	\$20mm to 49.99mm	18%
	\$50mm to \$99.99mm	13%
	\$100mm to \$499.99mm	13%
	\$500mm to \$1bn.	7%
	\$1bn or more	8%
Region	Northeast	26%
	Midwest	20%
	South	28%
	West	24%
Ownership	Private	82%
	Public	18%
Union Presence	Unionized	12%
	Non-Unionized	88%
Age of Business	Less than 20 years	28%
	21 to 50 years	42%
	51 years or more	30%

Sample Composition (2/2)

Employee Size	20-49	19%
	50-99	18%
	100-499	31%
	500-999	9%
	1000 or more	23%
Growth Stage	Start Up	2%
	Growth Stage	35%
	Stable Period	54%
	Declining Phase	7%
	Preparing to Sell	3%
Title	Owner/Partner/Principal	17%
	CEO	7%
	President	6%
	CFO	20%
	COO	5%
	Managing Director	7%
	Other C-Level	12%
	Other Company Officer	9%
	EVP	16%
Industry	Manufacturing	18%
	Financial services/Insurance	14%
	Technology & business services	8%
	Construction/Services	7%
	Healthcare/Services	5%
	Retail	5%
	Wholesale Trade	4%
	Real Estate	3%
	Transportation/ Trucking/Auto Dealership	3%
	Food & Beverage/Wholesale & distributors	2%
	Industrial products/machinery & equipment	2%
	Franchise/Restaurants	1%
	Leisure goods/Consumer products	1%
	Agriculture, Forestry, Fishing	1%
	Other	11%

The Survey Areas

Growth Orientation

- Growth Stage
- YOY Growth
- Anticipated Growth

Drivers of Growth

- 33 Specific Potential Growth Drivers
- Performance on Each Growth Driver

Operational Excellence

- 18 Specific Process & Strategy Elements
- Changing Emphasis on Each Element
- Company Performance on Each Element

Talent Management

- Degree of Challenge for Each of 13 Talent Areas

Regulation & Policy

- Policy & Regulations with Highest Impact
- Degree of Challenge Each of 10 Regulatory Areas
- Agreement that Regulators & Officials Promote Business Interests

Effective Financial Management

- Important Financial Issues
- Most Critical Capital Challenges
- Satisfaction with Balance Sheet
- 17 Financial Challenges

Managing Change

- Top 3 Outside Challenges
- Satisfaction with Company's Ability to Meet Outside Challenges
- 8 Specific Challenge Areas

Attitudes

- 24 Specific Attitudinal Statements

Middle Market Analytics

Revenue Segment data
Pages 7 - 103

Growth Champions data
Pages 104 - 190



GE Capital

Revenue Segments



Definitions

This section of the report evaluates five groups, defined by the companies annual revenues:

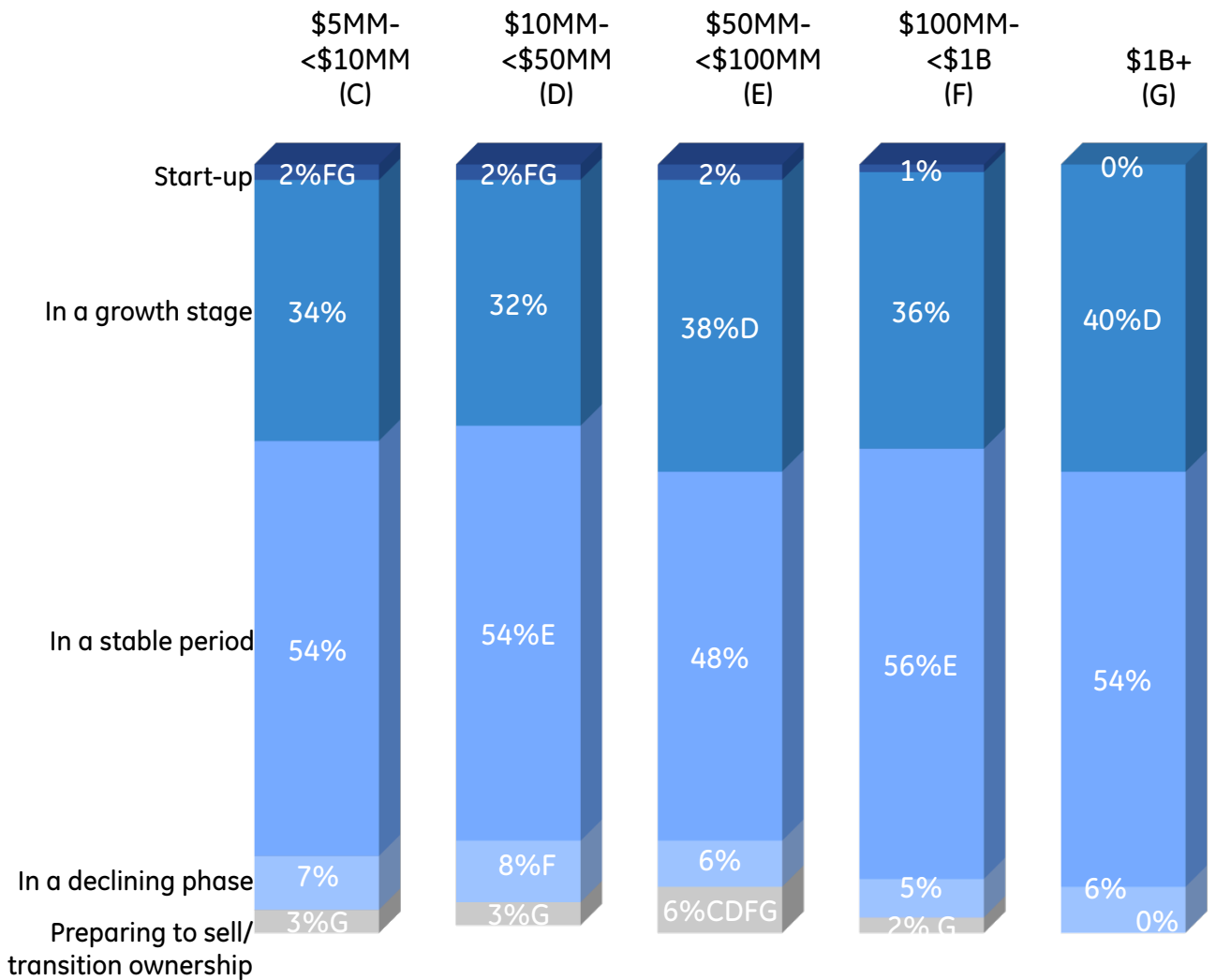
- \$5MM-<\$10MM – Small Firms
 - 10MM-<\$50MM
 - \$50MM-<\$100MM
 - \$100MM-<\$1B
 - \$1B+ - Large Firms
- } The Middle Market

Throughout the section, letters indicate significant differences between groups at the 90% confidence level.

Note that, where appropriate, results are ranked in order of ratings by Growth Champions.

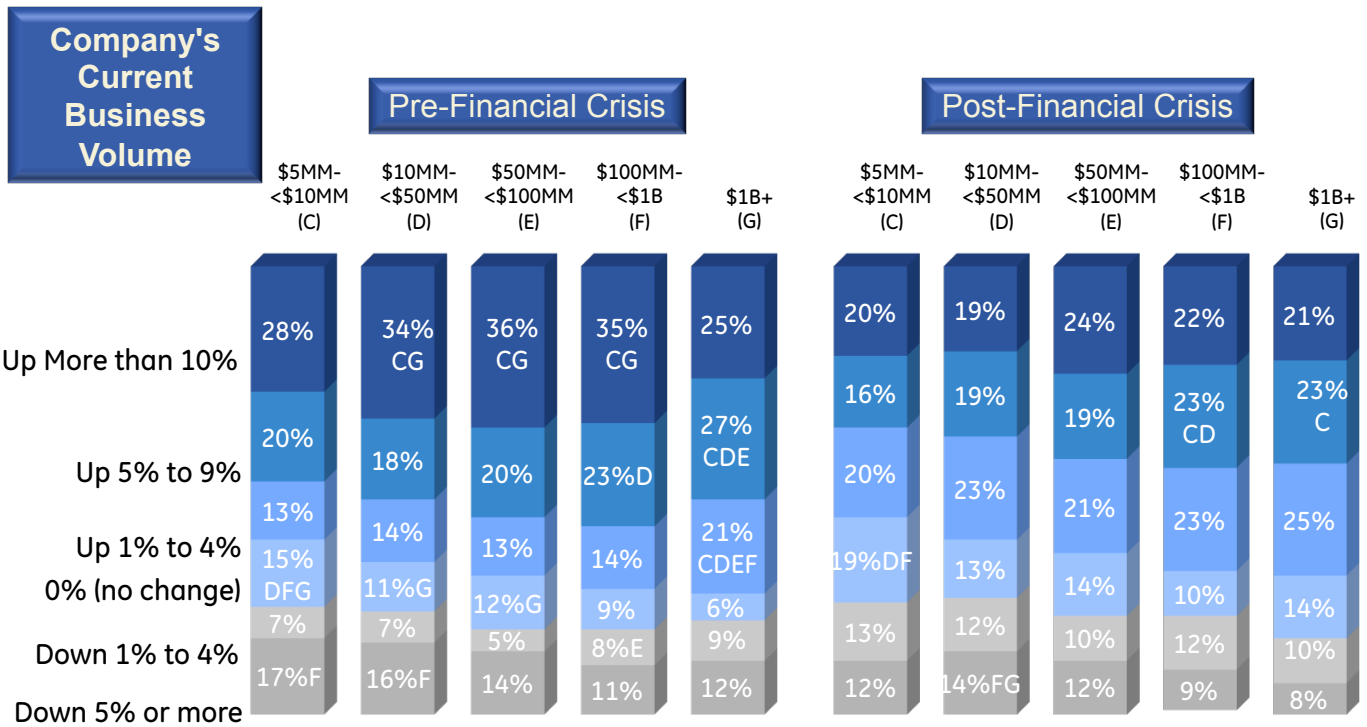
Question text and base sizes of those answering are footnoted on each slide.

Company's Business Phase

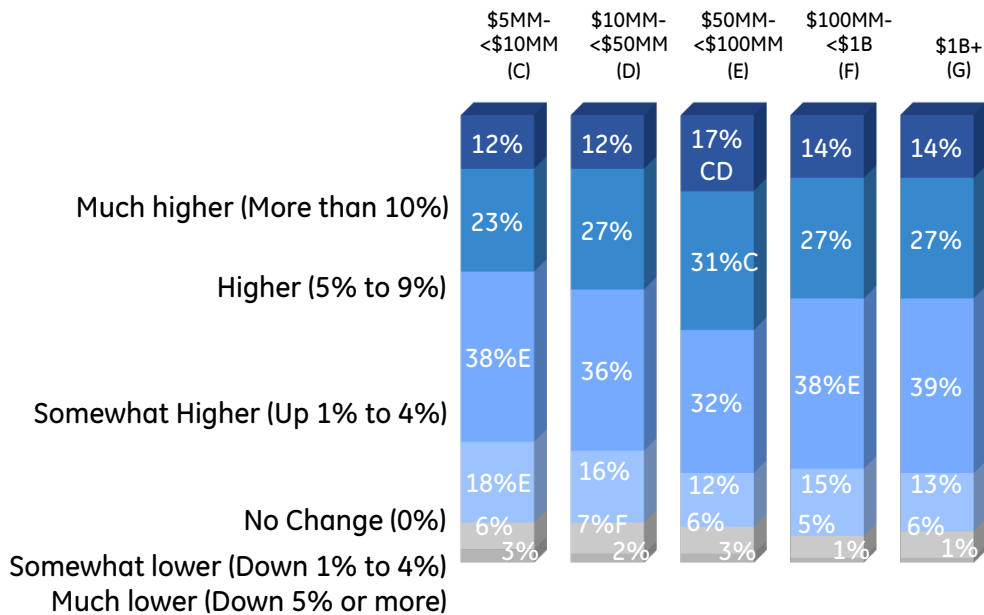


Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171
 Q.7a Which of the following best describes your business?

Company's Business Volume/Growth



Anticipated Business Growth - Next 12 Months



Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171

Q.7b Which of the following best describes your company's current business volume versus each time period, as measured by Gross Revenues?

Q.9 Thinking about your business growth over the next 12 months, do you anticipate that your business volume will be (INSERT SCALE) than it is currently?

Reasons for Business' Rate of Growth vs. Pre-Financial Crisis - % Total Unaided Mentions (1/2)

	Revenue				
	\$5MM - <\$10MM	\$10MM - <\$50MM	\$50MM - <\$100MM	\$100MM - <\$1B	\$1B+
Base: Total Respondents	(410)	(782)	(266)	(399)	(171)
	%	%	%	%	%
	(C)	(D)	(E)	(F)	(G)
Positive (Net)	77	80	82	79	77
Company Processes/Offerings (Subnet)	17	16	15	18	21
Better/new management	2	2	2	2	4
Stable nature of business/not affected by crisis	4 ^{EG}	3 ^G	2	3 ^G	1
No/less competition	2	3	2	3	2
Expansion/increase business	3	3	3	3	2
More acquisition	1	1	3 ^{CD}	3 ^{CD}	7 ^{CDEF}
Product (Subnet)	7	9	9	9	5
New/diverse products	4	4	4	5	4
Quality products	2	2	3	3	1
Services (Subnet)	11^G	13^{FG}	13^{FG}	9	5
Service/customer service	2	3 ^F	3	2	1
Growth (Subnet)	7	9	11^C	12^C	9
New/increased business/project	2	3	3	2	2
Opened new locations	2	1	3 ^D	2	1
Economy (Subnet)	25	25	29	30^{CD}	25
Demand (Sub-Subnet)	10	9	10	15^{CDEG}	9
Demand/increased demand (unspecified)	*	1	2 ^C	4 ^{CD}	5 ^{CD}
Demand for service/specific services	*	2	*	1	--
Demand for housing/real estate	4	3	4	4	2

Table continues

* Less than 0.5%.

Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

Q.8a To what do you attribute the rate of growth of your business versus Pre-crisis 2007/2008?

Reasons for Business' Rate of Growth vs. Pre-Financial Crisis - % Total Unaided Mentions (2/2)

	Revenue				
	\$5MM - <\$10MM	\$10MM - <\$50MM	\$50MM - <\$100MM	\$100MM - <\$1B	\$1B+
Base: Total Respondents	(410)	(782)	(266)	(399)	(171)
	% (C)	% (D)	% (E)	% (F)	% (G)
	13	13	16	16	12
Market growth/conditions	2	3	5 ^C	4 ^C	3
Recovering economy	6	7	8	8	6
Income/Spending (Sub-Subnet)	2	3	3	2	2
Consumer spending/income	1	1	3 ^{CD}	2	1
Finance (Subnet)	8	8	9	9	9
Price	5	4	6	4	4
General Finance	3	4	3	6 ^{CE}	5
Advertising (Subnet)	6^{FG}	5	5	4	3
Advertising/marketing	5 ^{EF}	3	2	2	3
Sales	1	1	3 ^{CDG}	1	--
Staff	4 ^{DFG}	2	3	2	1
Technology	1	3 ^C	2	2	2
Government/Regulations	4 ^F	3	4 ^F	2	4
Negative (Net)	15	15^{EG}	11	14	10
Economy (Subnet)	7	9	8	8	6
General Economy (Sub-Subnet)	5	5	6	5	4
Recession/weak economy	3	3 ^G	5 ^G		1
Demand (Sub-Subnet)	2	3	2	4	2
Poor demand of housing/real estate	1	2	2	4 ^{CDG}	1
Did not open/exist prior to crisis	*	1	--	*	--
Financing/Pricing	3	2	3	3	2
None	7	6	8	7	11 ^D

* Less than 0.5%.

Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

Q.8a To what do you attribute the rate of growth of your business versus Pre-crisis 2007/2008?

Reasons for Business' Rate of Growth vs. Post-Financial Crisis - % Total Unaided Mentions (1/2)

	Revenue				
	\$5MM - <\$10MM	\$10MM - <\$50MM	\$50MM - <\$100MM	\$100MM - <\$1B	\$1B+
Base: Total Respondents	(410)	(782)	(266)	(399)	(171)
	%	%	%	%	%
	(C)	(D)	(E)	(F)	(G)
Positive (Net)	63	64	64	68	65
Economy (Subnet)	30	30	26	38^{CDEG}	30
General Economy (Sub-Subnet)	20	22	19	28^{CDEG}	19
Better/stable economy/recovery	11	13 ^E	9	16 ^{CEG}	9
No/less competition	3	2	2	3	1
Better market conditions	3	3	3	5 ^{CDE}	3
Demand (Sub-Subnet)	11	8	9	11^D	11
Increase in demand of product/services	4	5	5	8 ^{CD}	9 ^{CDE}
Increase in demand for housing/real estate	4 ^{DEF}	2	1	1	2
Product (Subnet)	6	6	6	7	9
New products/services	3	4	3	4	6
Good/quality products	1	2	2	3	2
Company Growth (Subnet)	5	7^C	10^C	10^C	10^C
More growth/expansion	2	5 ^C	6 ^C	7 ^C	5 ^C
More acquisition	*	1 ^C	2 ^C	2 ^C	3 ^C
Service (Subnet)	7	7	8^G	6	4
General Service (Sub-Subnet)	4	5	5	4	2
Better service	2	3 ^G	2	2	1
Staff	3	2	4 ^{DF}	2	1

Table continues

* Less than 0.5%.

Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

Q.8b To what do you attribute the rate of growth of your business versus Post crisis 2010/2011?

Reasons for Business' Rate of Growth vs. Post-Financial Crisis - % Total Unaided Mentions (2/2)

	Revenue				
	\$5MM - <\$10MM	\$10MM - <\$50MM	\$50MM - <\$100MM	\$100MM - <\$1B	\$1B+
Base: Total Respondents	(410)	(782)	(266)	(399)	(171)
	% (C)	% (D)	% (E)	% (F)	% (G)
Company Image (Subnet)	8	7	5	6	5
Better planning	1	3 ^{CE}	1	3 ^{CE}	2
Better management	3	2	3	2	2
Government	4 ^{DF}	2	3	2	2
Price	3	4	6 ^F	3	5
Advertising (Subnet)	3^G	2	2	2	1
Better advertising/marketing	3	2	2	2	1
Miscellaneous Positive					
Increase in customers base	2	3 ^F	2	1	2
New/advanced technology	*	1	2 ^C	2 ^C	2 ^{CD}
Stability of consumer/customer confidence	1	2	1	3 ^C	1
Negative (Net)	26^F	25^F	22	21	20
Economy (Subnet)	17^G	16^G	14	14	11
General Economy (Sub-Subnet)	14^{FG}	13^{FG}	12	9	8
Declined/unstable economy	7 ^F	6 ^F	6	4	4
Lack of customer spending	3	3	4	2	1
Demand (Sub-Subnet)	4	4	3	6^E	4
Less/no demand for construction/real estate	2	2	3	3	1
Less/no demand of product/services	1	1	*	3 ^{CDE}	2
Company	3	3	4	3	3
Business is same/no growth	6 ^{EF}	4 ^F	2	2	4
None	11	10	14	12	13

* Less than 0.5%.

Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

Q.8b To what do you attribute the rate of growth of your business versus Post crisis 2010/2011?

Reasons for Anticipated Business' Rate of Growth

% Total Unaided Mentions (1/2)

	Revenue				
	\$5MM - <\$10MM	\$10MM - <\$50MM	\$50MM - <\$100MM	\$100MM - <\$1B	\$1B+
Base: Total Respondents	(410)	(782)	(266)	(399)	(171)
	%	%	%	%	%
	(C)	(D)	(E)	(F)	(G)
Positive (Net)	70	72	76	77CD	74
Growth/Expansion (Subnet)	15	17	13	18E	16
New/expanding markets	3	5	4	5	4
Growth/high growth	2	3	4	5C	2
More clients	3	4E	2	3	2
New projects/initiatives/contracts	1	2	1	3CDE	2
Products (Subnet)	8	8	12CD	10	8
New products/services	6	4	6	8D	5
Good quality	2	2F	4CF	1	2
Company Strategy/Reputation (Subnet)	4	4	8CD	7D	7
New vision/business focus	2	2	2	3	2
Acquisitions	-	1	2C	1C	4CDF
Markets (Subnet)	9	7	9	10D	12D
Market condition	3	2	5D	5CD	8CD
Improving construction market	3D	1	1	2	2
Sales/Demand (Subnet)	4	6	7	6	5
Increased sales	3	3	4	3	2
Demand/pent up demands	1	3	3	3C	3
Economy (Subnet)	19	20G	19	19	13
Economy/better economy	12	10	12	10	9
Better recovery/economic recovery	2	2	3	4	2
Economic stability	2	4C	2	3	2

Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

Q.10 To what do you attribute the anticipated rate of growth of your business in the next 12 months compared to today?

Reasons for Anticipated Business' Rate of Growth % Total Unaided Mentions (2/2)

	Revenue				
	\$5MM - <\$10MM	\$10MM - <\$50MM	\$50MM - <\$100MM	\$100MM - <\$1B	\$1B+
Base: Total Respondents	(410)	(782)	(266)	(399)	(171)
	%	%	%	%	%
	(C)	(D)	(E)	(F)	(G)
Service/Customer Service (Subnet)	8FG	7FG	6G	4	2
Good service/customer service	2G	4G	4G	3G	-
Technology (Subnet)	1	1	2	2	5CD
New/upgraded technology	1	1	2	2D	5CDE
Price/Cost (Subnet)	4	4	6	4	7D
Better prices	2	2	4CF	1	4F
Customers (Subnet)	5	5	3	4	3
Improvement in customer spending/confidence	3	3	3	3	3
Advertising/Marketing (Subnet)	4EF	3F	2	1	1
Advertising/aggressive advertising/marketing	3F	3	2	1	1
Miscellaneous Positive					
Improve business/business opportunities	3	3	2	4	2
Negative (Net)	24EFG	23EFG	17	17	14
Economy (Subnet)	10E	10	7	9	8
Poor/unstable economy	3	3	2	3	3
Slow economic growth	4	4	3	3	2
Price/Cost	4D	2	2	3	2
Funding (Subnet)	2	2F	3F	1	1
Lack of government funds	2	2F	3F	1	1
Consumer	2	2	2	1	4F
Growth/Expansion	3FG	2G	2G	1	-
Miscellaneous Negative					
Do not anticipate/expect growth	3E	3E	1	3E	1

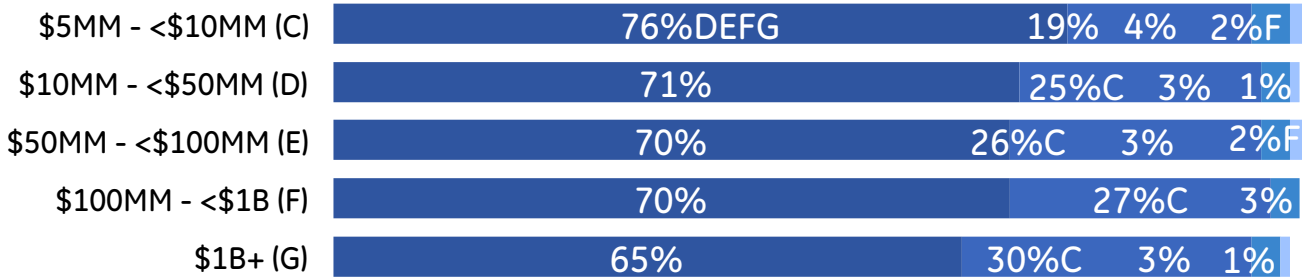
Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

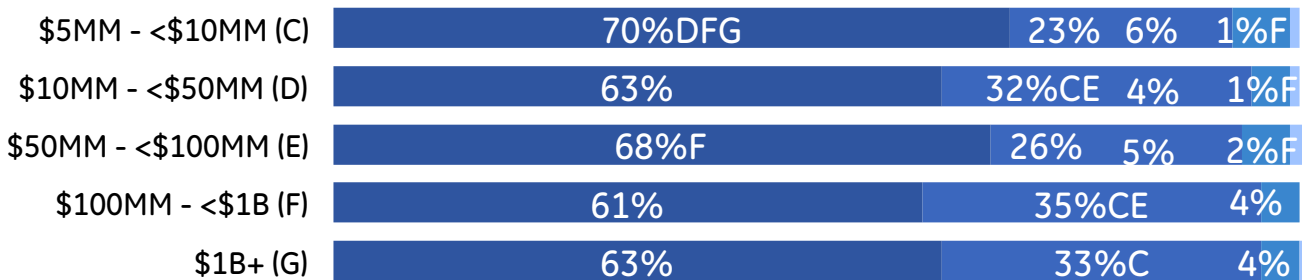
Q.10 To what do you attribute the anticipated rate of growth of your business in the next 12 months compared to today?

Importance of Elements in Ability to Meet Growth Targets (1/9)

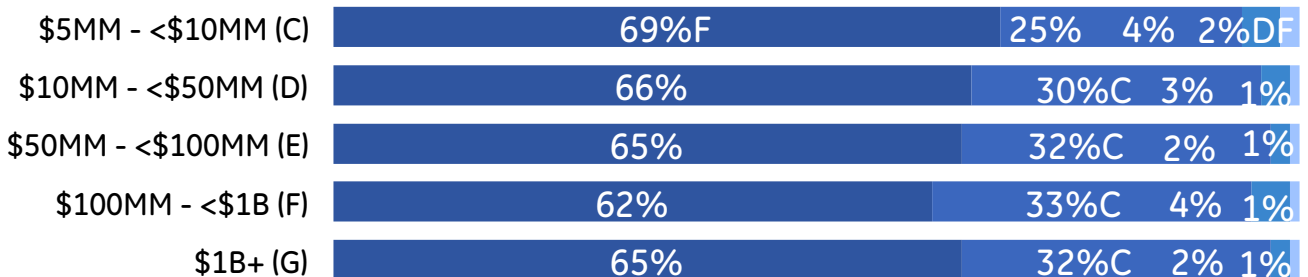
Attracting new customers



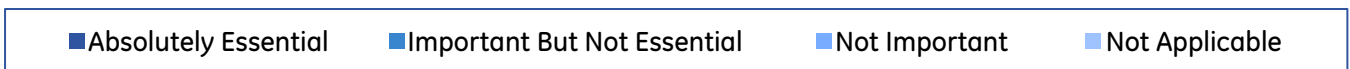
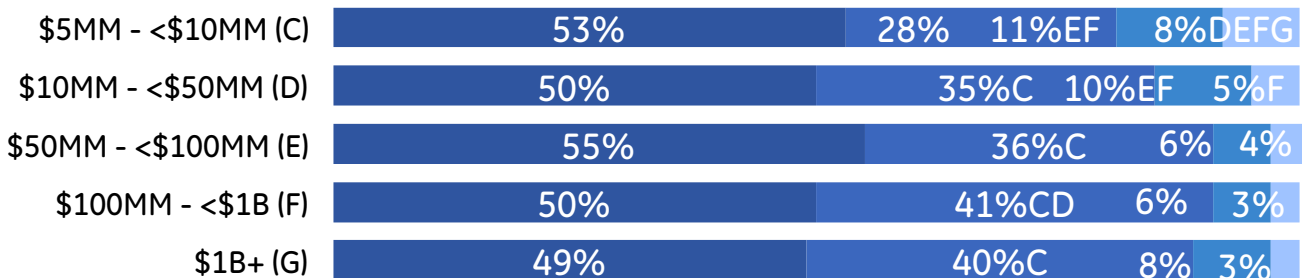
High performing management team



Strengthening customer relationships



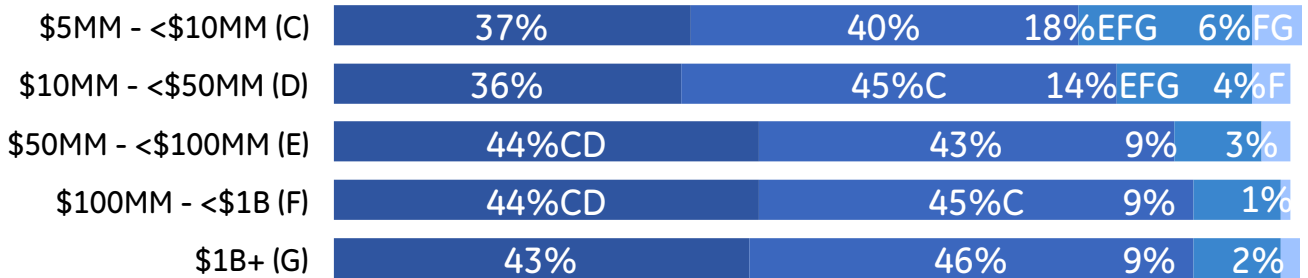
Better sales force effectiveness



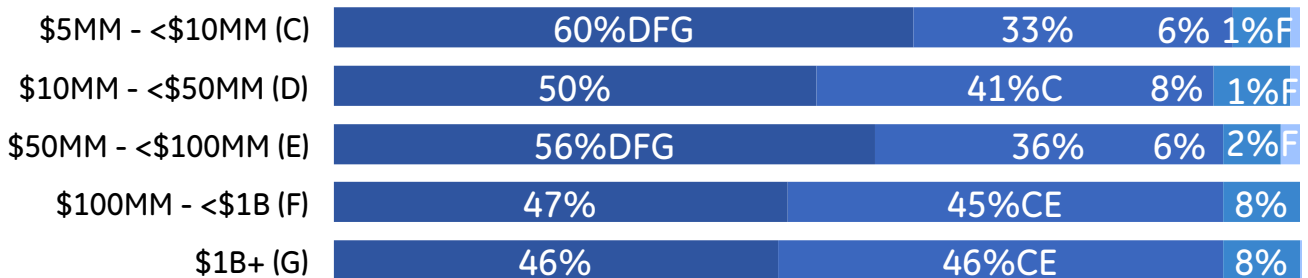
Letters indicate significant differences between groups at the 90% confidence level.. Ranked based on Growth Champions. Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171 Q.11 How important are each of the following in your ability to meet your growth targets over the next 12 months?

Importance of Elements in Ability to Meet Growth Targets (2/9)

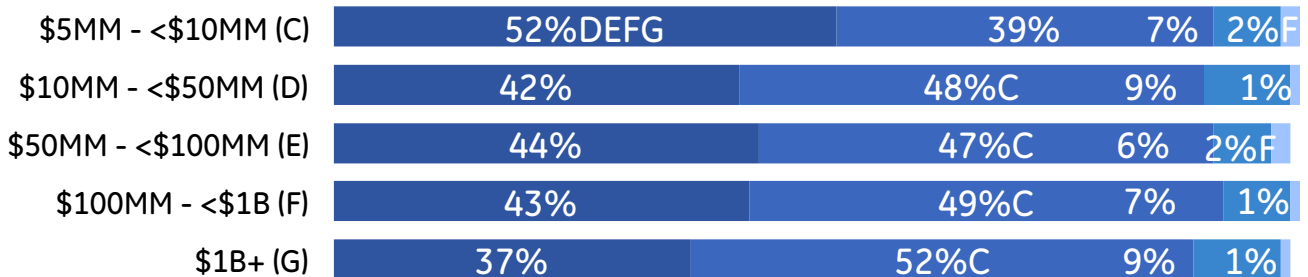
Innovation in new products & services



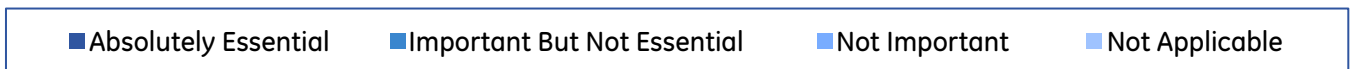
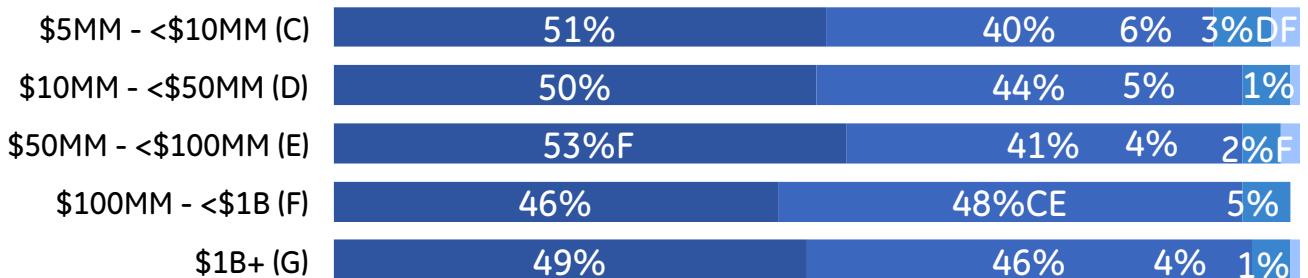
Managing cash flow



Better marketing and communications



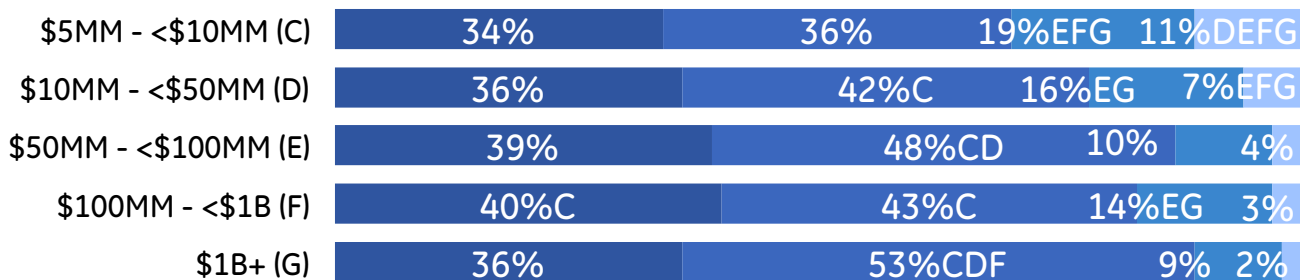
Better cost containment/ operating efficiency



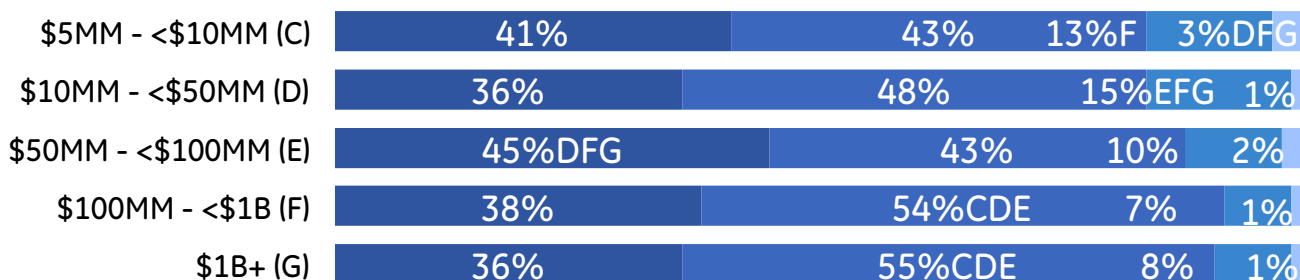
Letters indicate significant differences between groups at the 90% confidence level.. Ranked based on Growth Champions. Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171 Q.11 How important are each of the following in your ability to meet your growth targets over the next 12 months?

Importance of Elements in Ability to Meet Growth Targets (3/9)

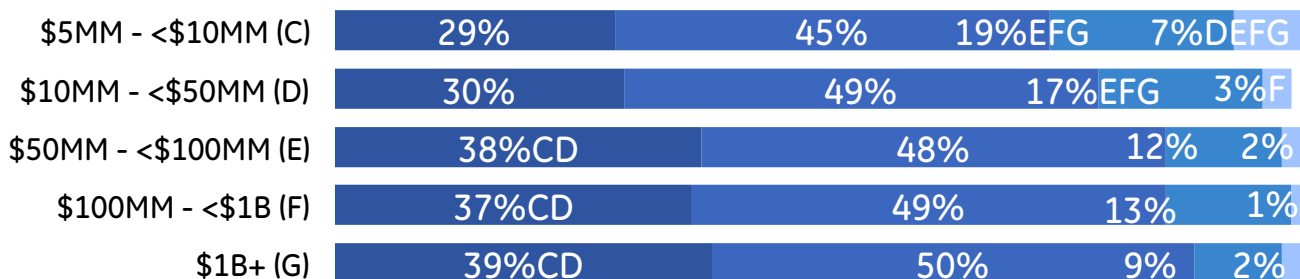
Expansion in U.S. current markets



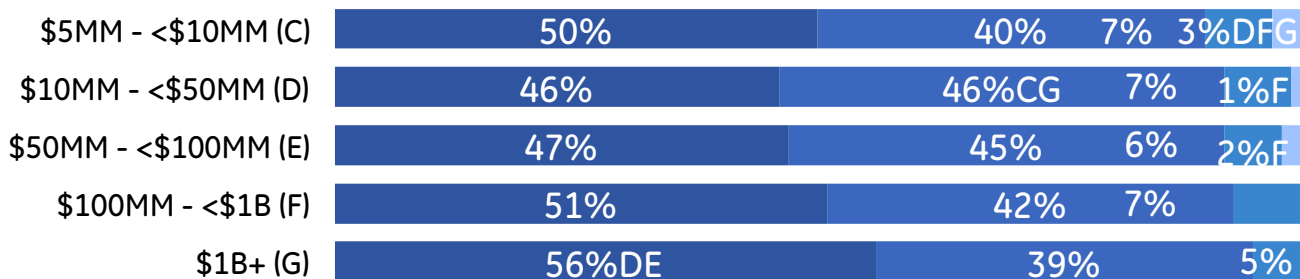
Access to highly trained workforce



Innovation in new processes



Better national economic conditions

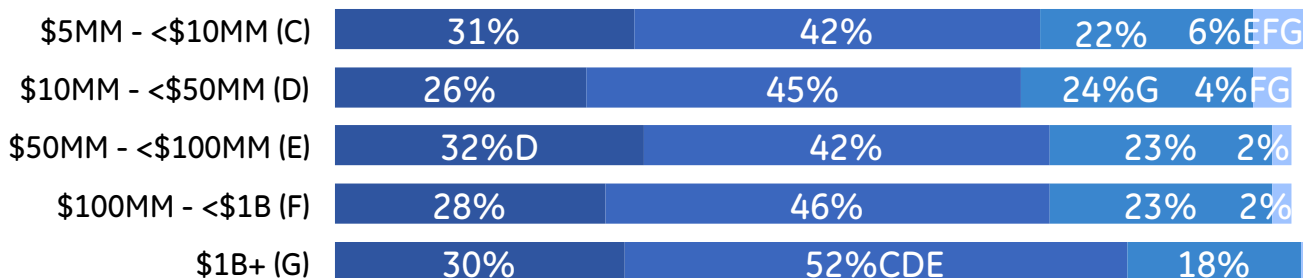


■ Absolutely Essential
 ■ Important But Not Essential
 ■ Not Important
 ■ Not Applicable

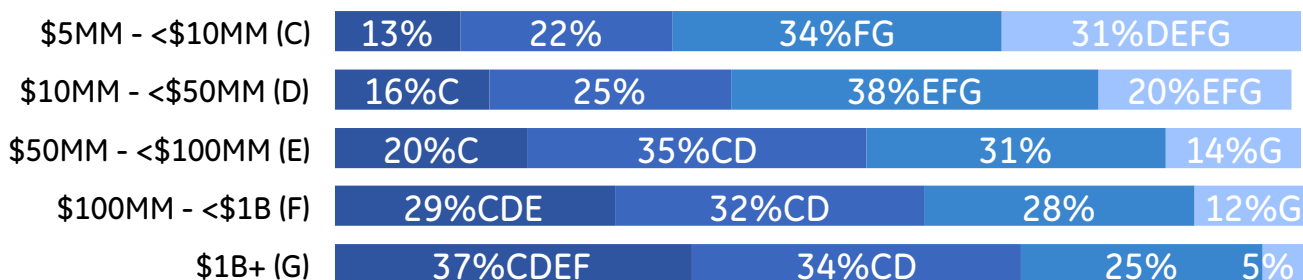
Letters indicate significant differences between groups at the 90% confidence level.. Ranked based on Growth Champions. Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B; N=399: \$1B+; N=171 Q.11 How important are each of the following in your ability to meet your growth targets over the next 12 months?

Importance of Elements in Ability to Meet Growth Targets (4/9)

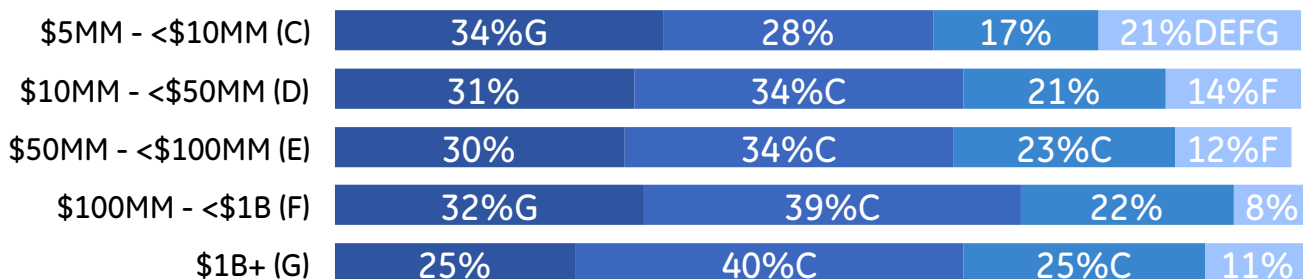
Additional capital for growth



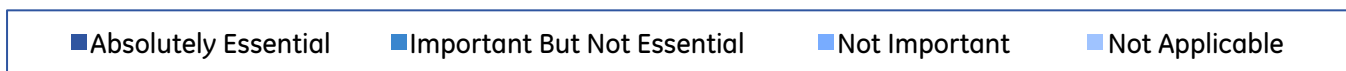
Access to foreign markets



The cost of commodities or raw materials



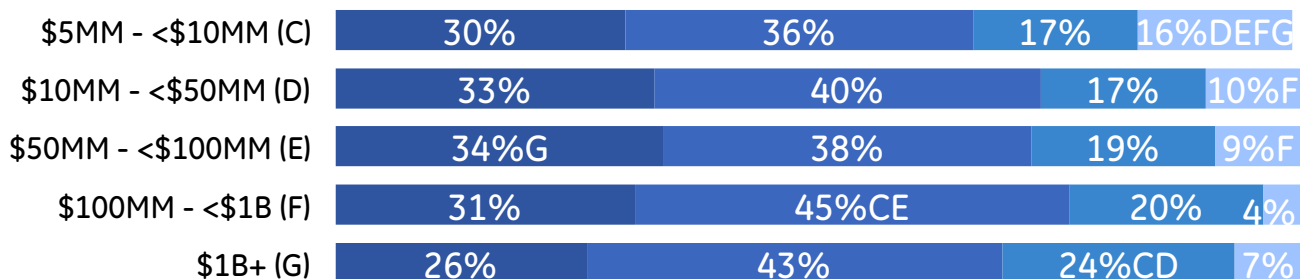
Upgrading equipment and technology



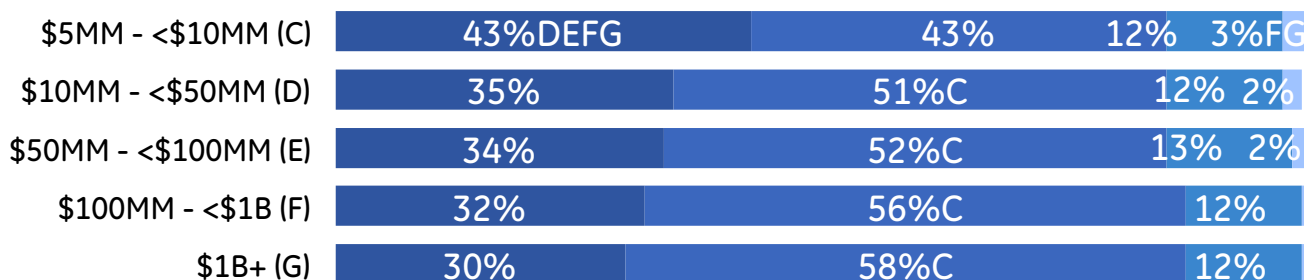
Letters indicate significant differences between groups at the 90% confidence level.. Ranked based on Growth Champions. Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171 Q.11 How important are each of the following in your ability to meet your growth targets over the next 12 months?

Importance of Elements in Ability to Meet Growth Targets (5/9)

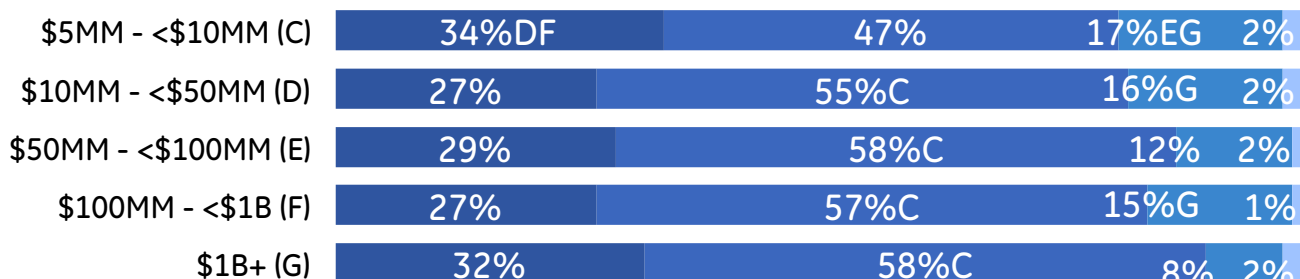
The ability to pass on a portion of rising commodity costs to customers (neg)



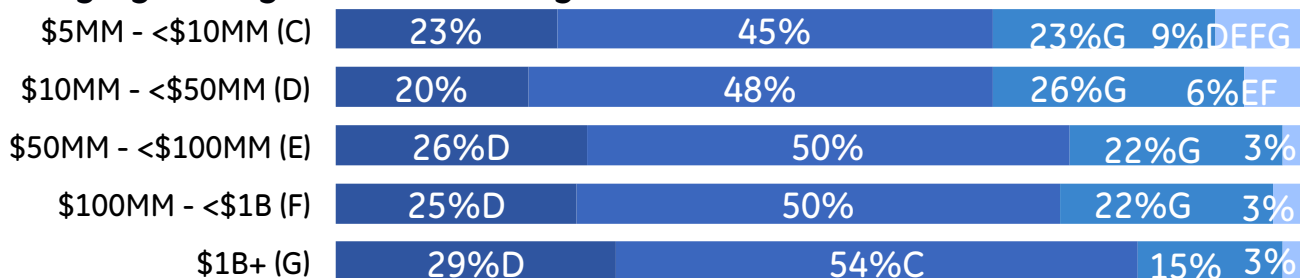
Managing health costs



Streamlining internal policies and procedures



Managing through external change

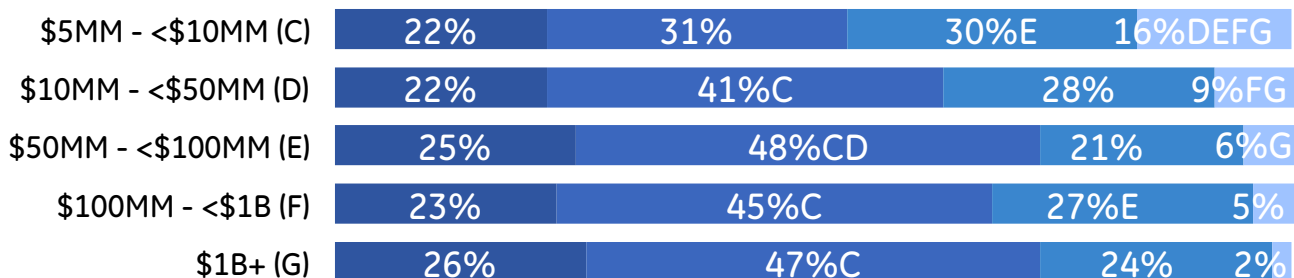


■ Absolutely Essential
 ■ Important But Not Essential
 ■ Not Important
 ■ Not Applicable

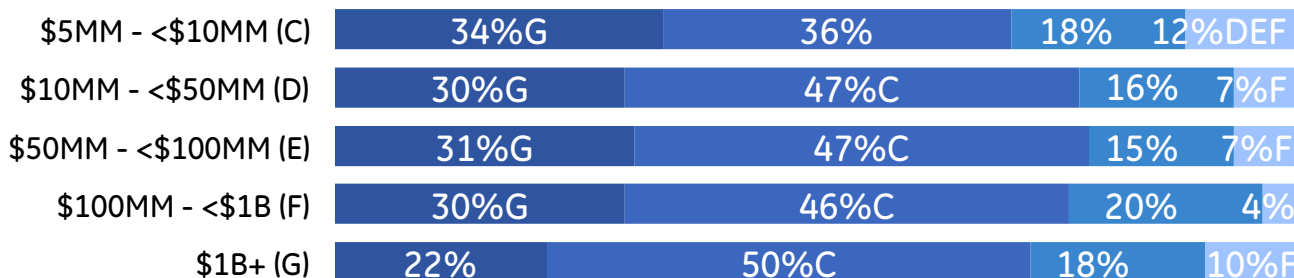
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Importance of Elements in Ability to Meet Growth Targets (6/9)

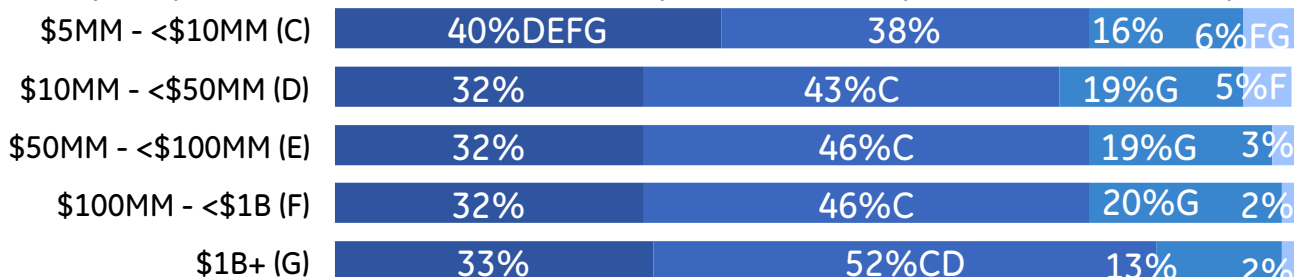
Access to new U.S. geographic markets



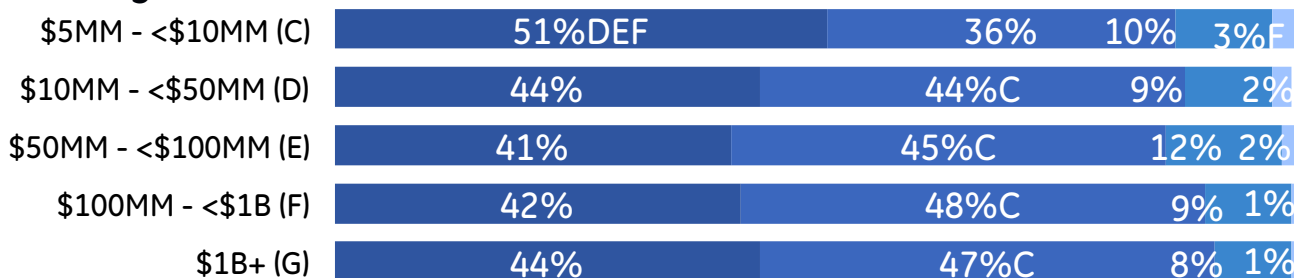
The cost of goods stabilizes



Public policymakers understand the importance of my business/industry



Better regional economic conditions

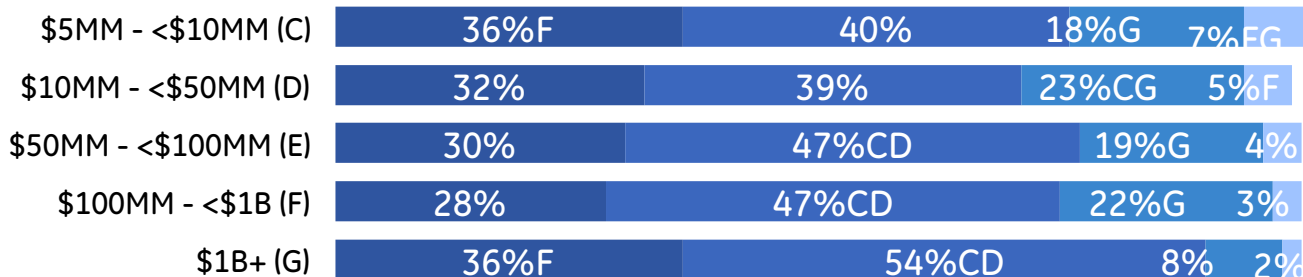


■ Absolutely Essential
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 ■ Not Important
 ■ Not Applicable

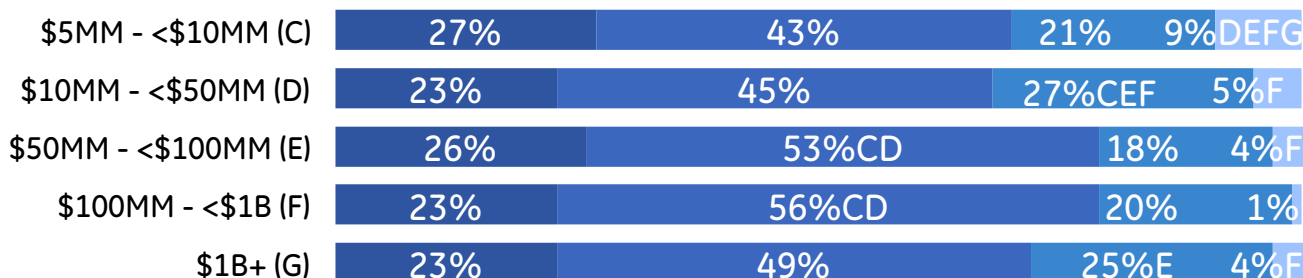
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Importance of Elements in Ability to Meet Growth Targets (7/9)

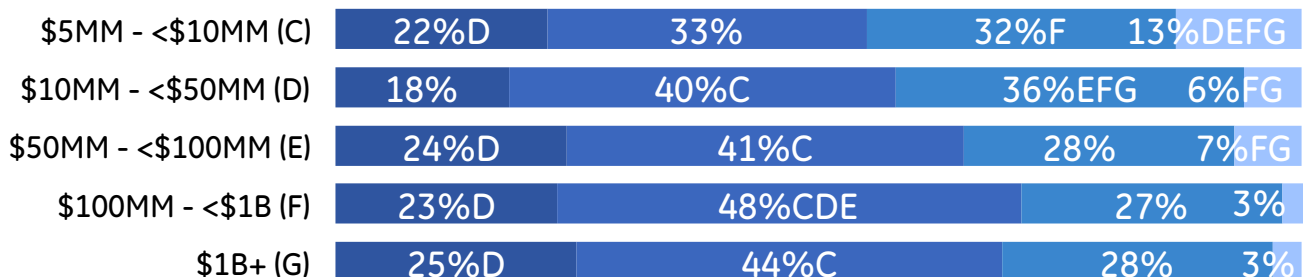
Government looks favorably on my industry



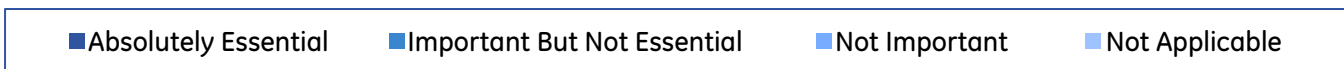
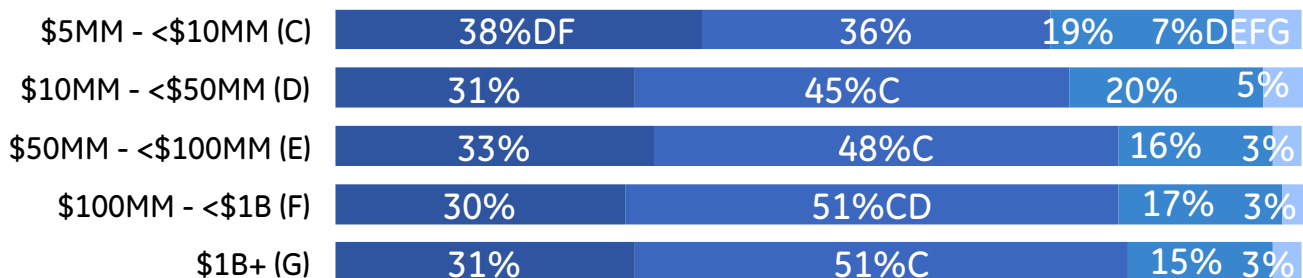
Lower cost of capital



Better access to the capital markets



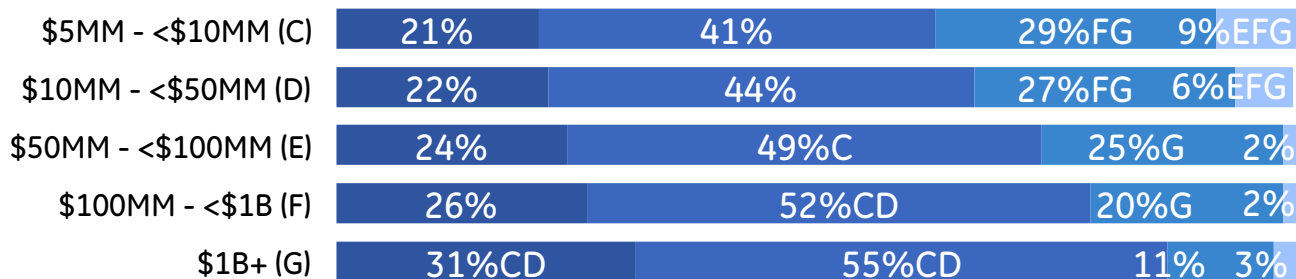
Government is pro-business



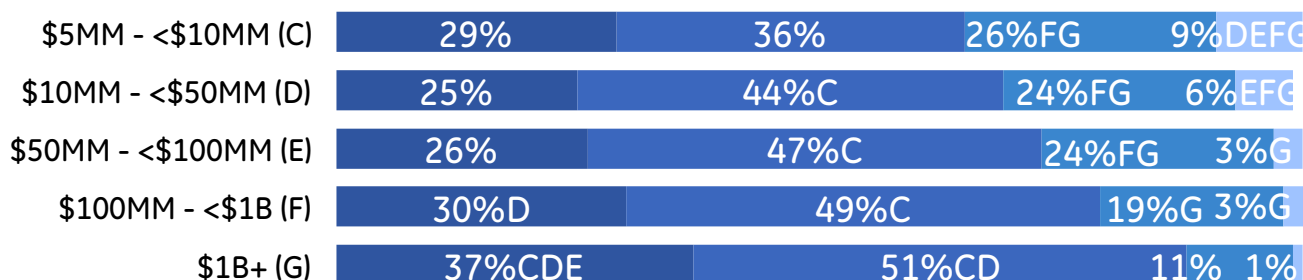
Letters indicate significant differences between groups at the 90% confidence level. Ranked based on Growth Champions. Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171 Q.11 How important are each of the following in your ability to meet your growth targets over the next 12 months?

Importance of Elements in Ability to Meet Growth Targets (8/9)

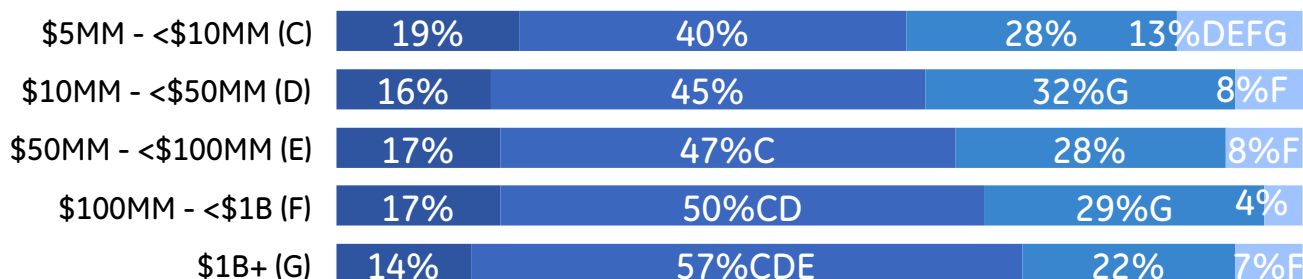
Managing through regulatory and tax changes (neg)



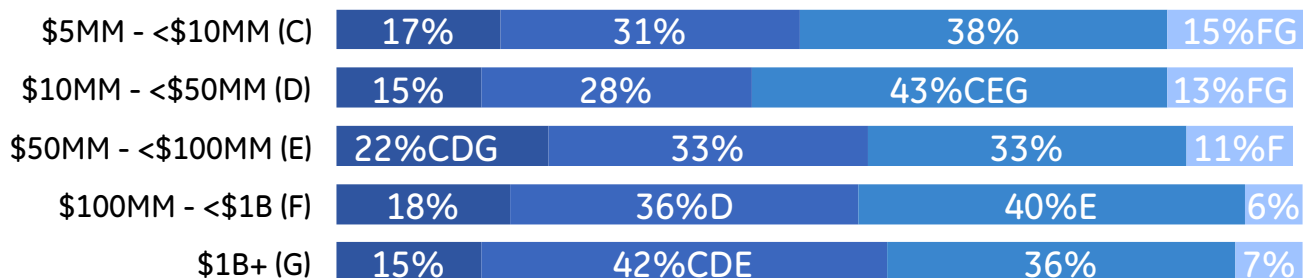
Having effective regulatory and government relations (neg)



Better relations with labor



Ability to restructure debt

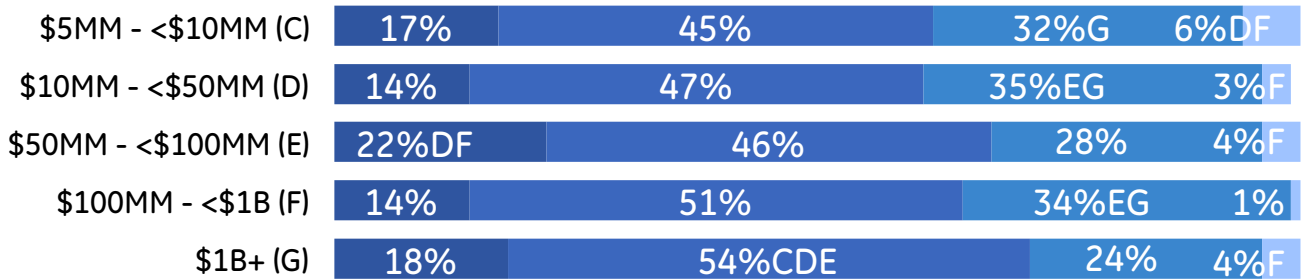


■ Absolutely Essential
 ■ Important But Not Essential
 ■ Not Important
 ■ Not Applicable

Letters indicate significant differences between groups at the 90% confidence level.. Ranked based on Growth Champions. Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171 Q.11 How important are each of the following in your ability to meet your growth targets over the next 12 months?

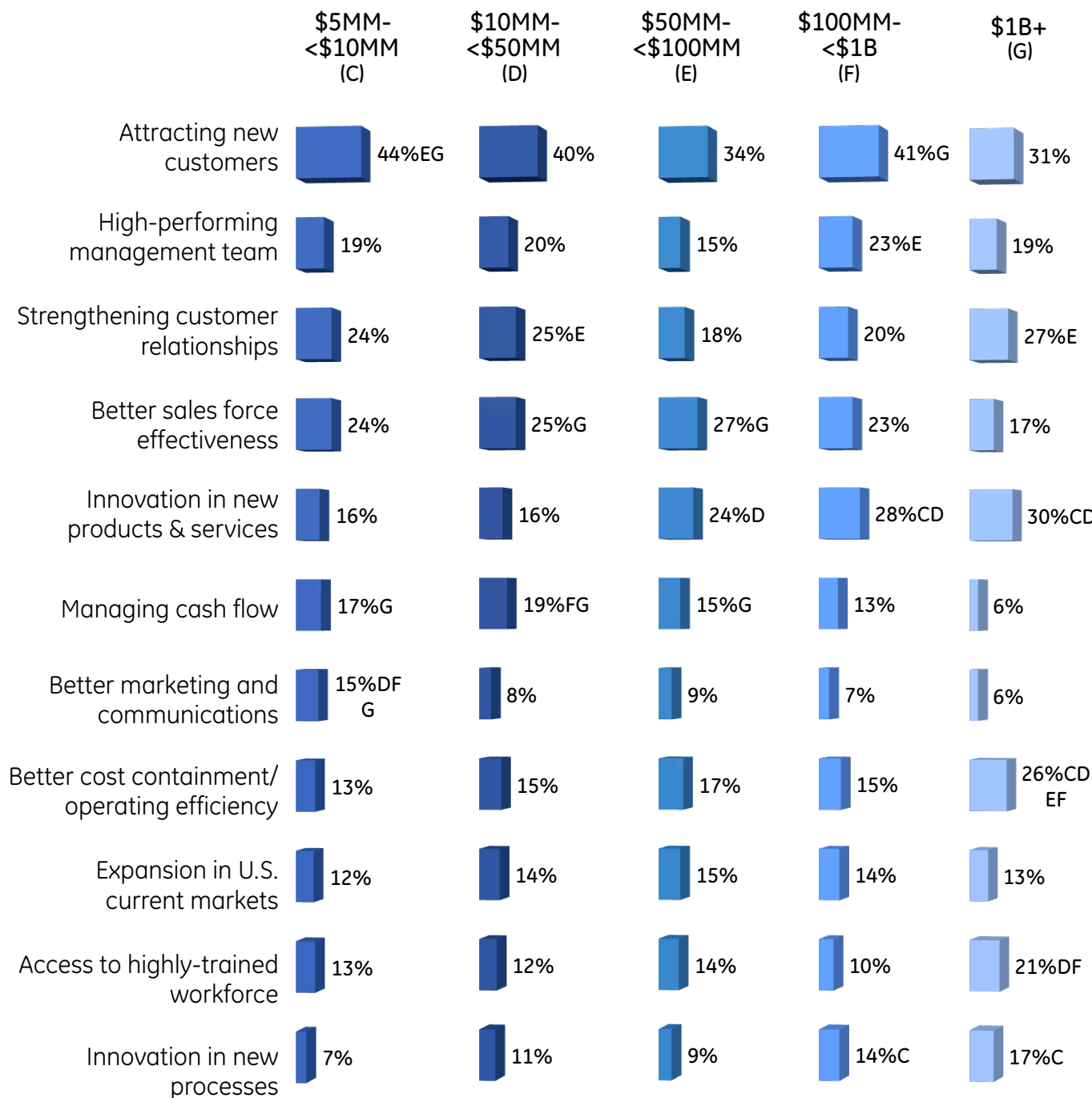
Importance of Elements in Ability to Meet Growth Targets (9/9)

Access to lower-cost work force



Letters indicate significant differences between groups at the 90% confidence level.. Ranked based on Growth Champions. Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171 Q.11 How important are each of the following in your ability to meet your growth targets over the next 12 months?

Ranking of Elements' Importance in Ability to Meet Growth Targets - % Ranked Most/Second Most Important (1/3)



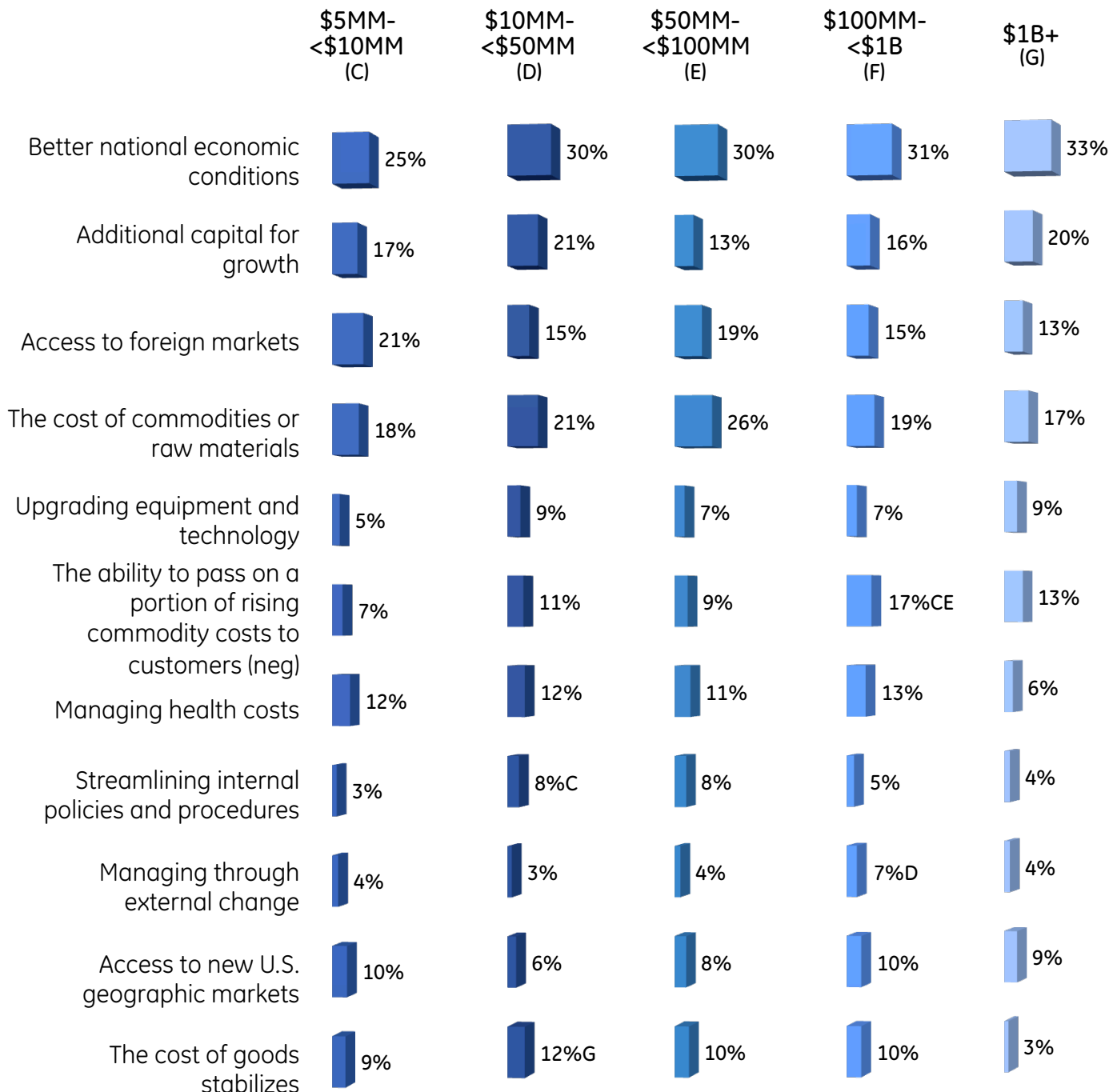
Ranked off: Rated Absolutely Essential

Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: Varies By Those Rated Absolutely Essential

Q.12a Here are those items that you indicated were absolutely essential in your ability to meet your growth targets. Please indicate your most important, second most important, and third most important items by simply clicking on an item and dragging it into the appropriate box on your screen. Place the most important item in the box labeled "most important" and so on.

Ranking of Elements' Importance in Ability to Meet Growth Targets - % Ranked Most/Second Most Important (2/3)



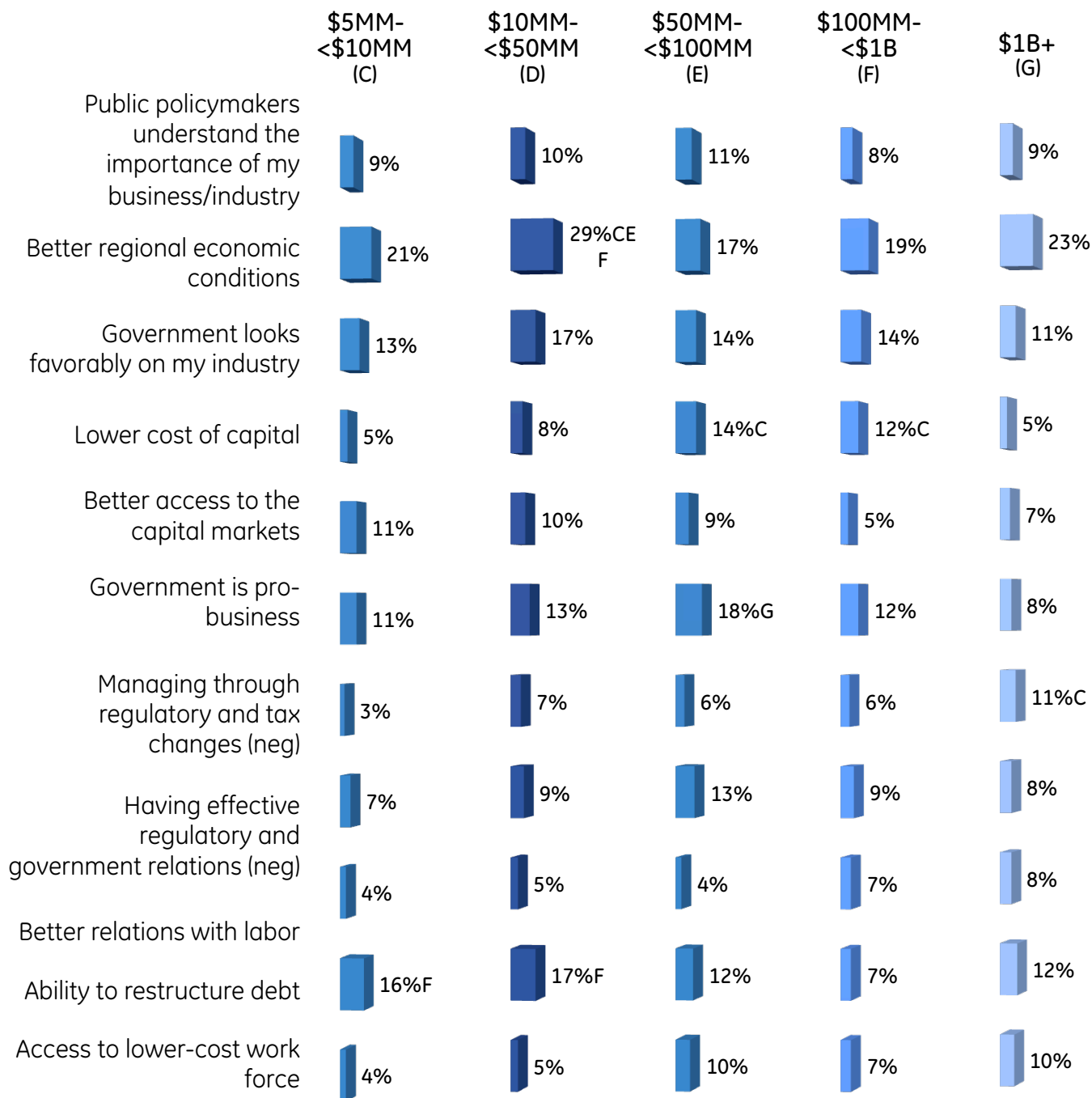
Ranked off: Rated Absolutely Essential

Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: Varies By Those Rated Absolutely Essential

Q.12a Here are those items that you indicated were absolutely essential in your ability to meet your growth targets. Please indicate your most important, second most important, and third most important items by simply clicking on an item and dragging it into the appropriate box on your screen. Place the most important item in the box labeled "most important" and so on.

Ranking of Elements' Importance in Ability to Meet Growth Targets - % Ranked Most/Second Most Important (3/3)

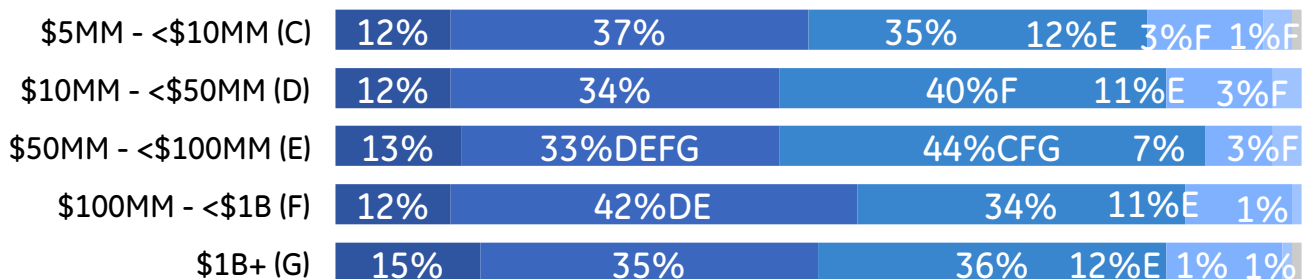


Ranked off: Rated Absolutely Essential
 Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Varies By Those Rated Absolutely Essential

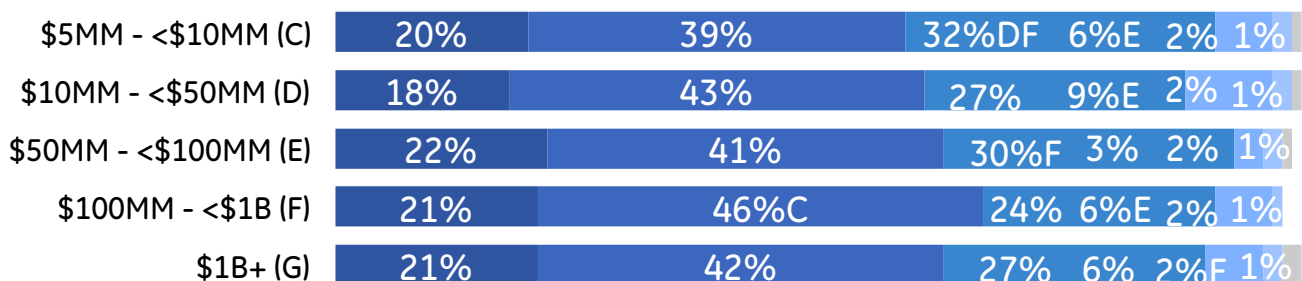
Q.12a Here are those items that you indicated were absolutely essential in your ability to meet your growth targets. Please indicate your most important, second most important, and third most important items by simply clicking on an item and dragging it into the appropriate box on your screen. Place the most important item in the box labeled "most important" and so on.

Company Delivery on Important Business Growth Elements (1/9)

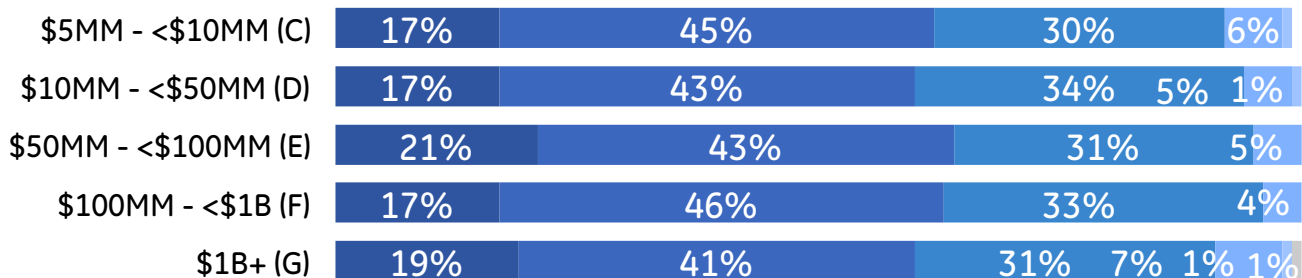
We are adept at attracting new customers



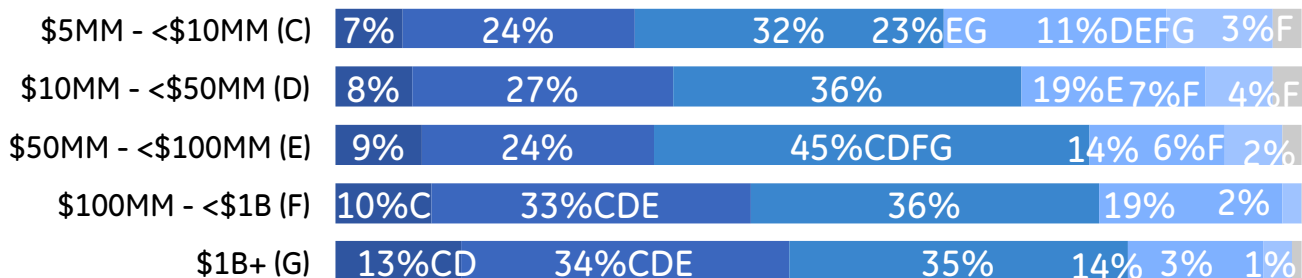
We have a high-performing management team



We are successfully strengthening customer relationships



We have an industry-leading Sales organization

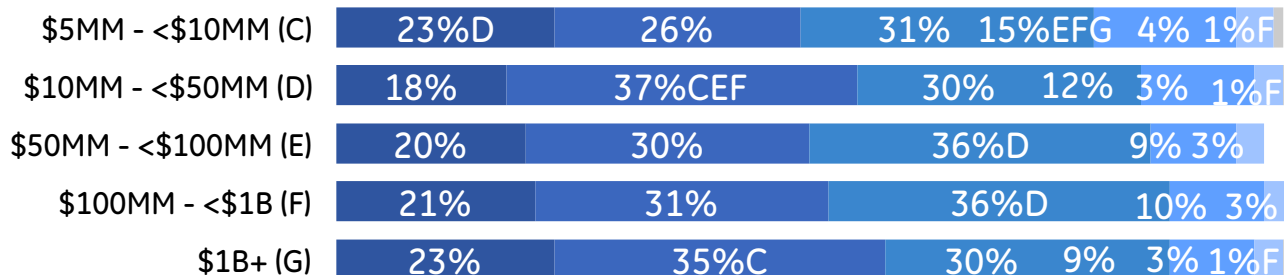


■ Agree Completely
 ■ Agree
 ■ Agree Moderately
 ■ Disagree Moderately
 ■ Disagree
 ■ Disagree Completely

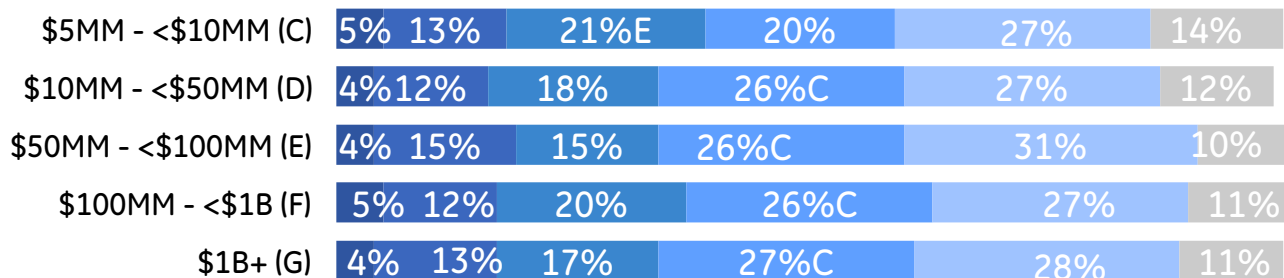
Ranked off: Rated Absolutely Essential
 Letters indicate significant differences between groups at the 90% confidence level.
 Base Varies by Those Who Consider Attribute Important or Absolutely Essential
 Q.12b Thinking about your company, please indicate the extent you agree or disagree with each one of the following statements? Please note that some will be positive and some will be negative.

Company Delivery on Important Business Growth Elements (2/9)

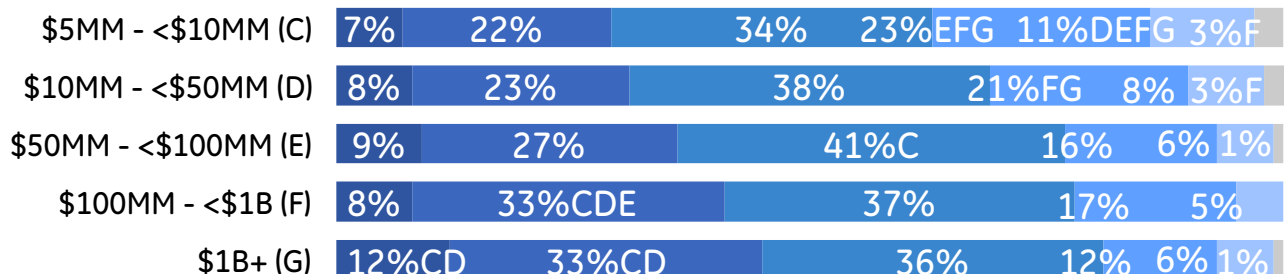
We consider ourselves to be innovators in new products and services



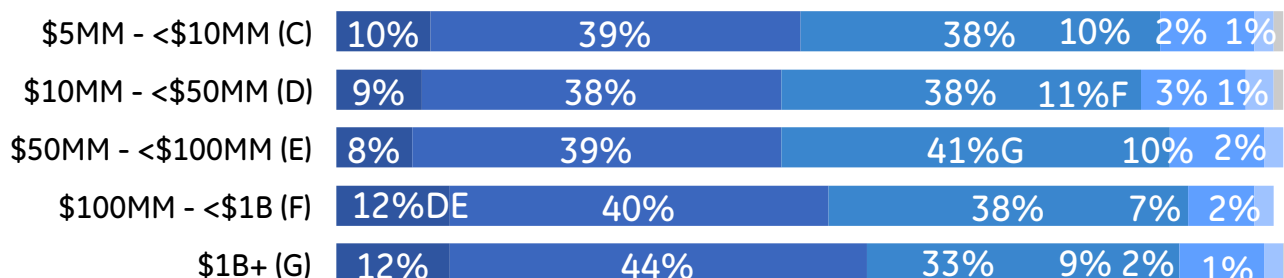
We have difficulty managing cash flow



We have an industry-leading marketing and communications capability



We are able to contain cost through operating efficiency

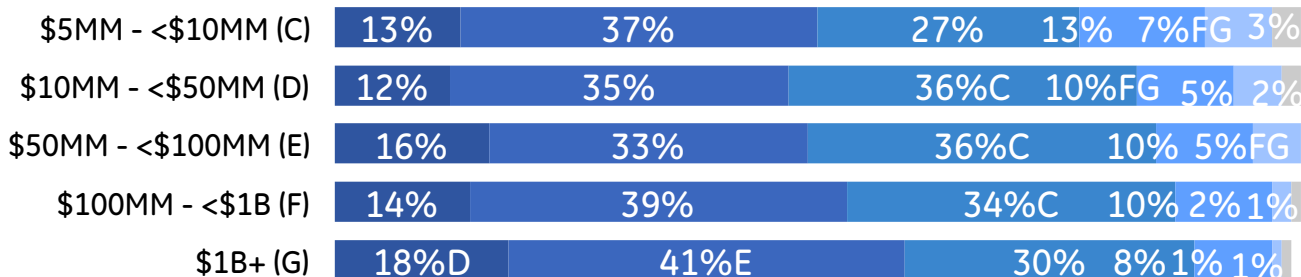


■ Agree Completely
 ■ Agree
 ■ Agree Moderately
 ■ Disagree Moderately
 ■ Disagree
 ■ Disagree Completely

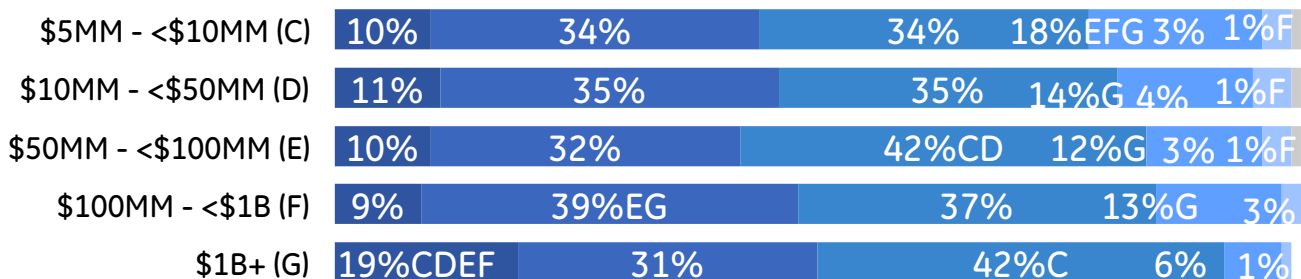
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Company Delivery on Important Business Growth Elements (3/9)

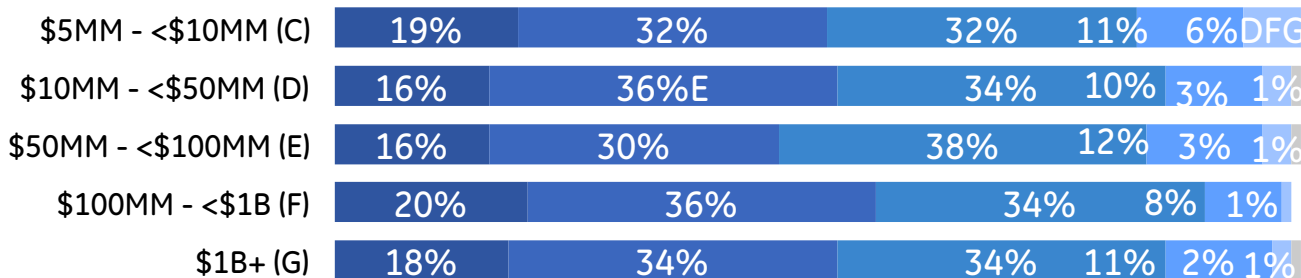
Our company is expanding in our current U.S. markets



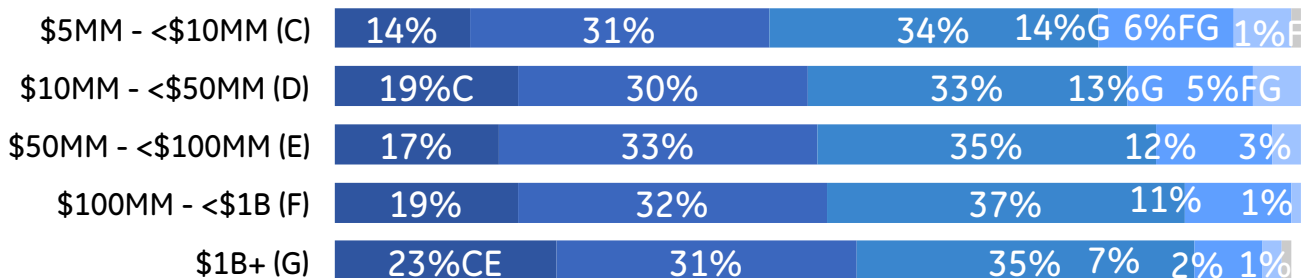
We have good recruiting power to attract the skill levels we require



We consider ourselves to be innovators in new processes & efficiencies



Our business is highly dependent on a robust national economy

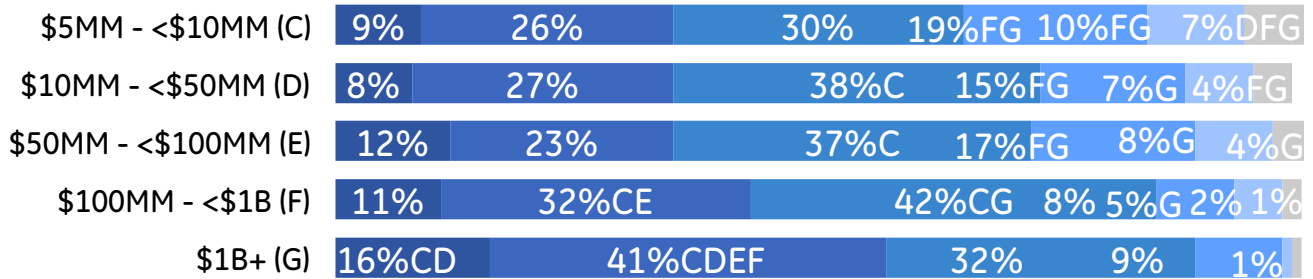


■ Agree Completely
 ■ Agree
 ■ Agree Moderately
 ■ Disagree Moderately
 ■ Disagree
 ■ Disagree Completely

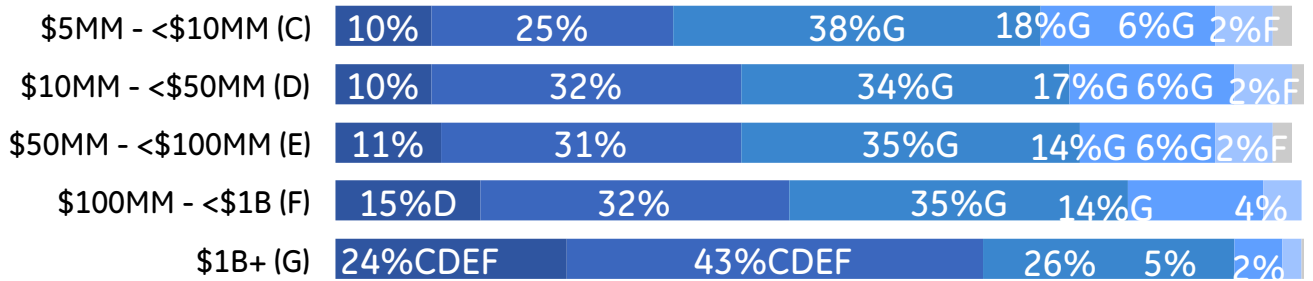
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 Q.12b Thinking about your company, please indicate the extent you agree or disagree with each one of the following statements? Please note that some will be positive and some will be negative.

Company Delivery on Important Business Growth Elements (4/9)

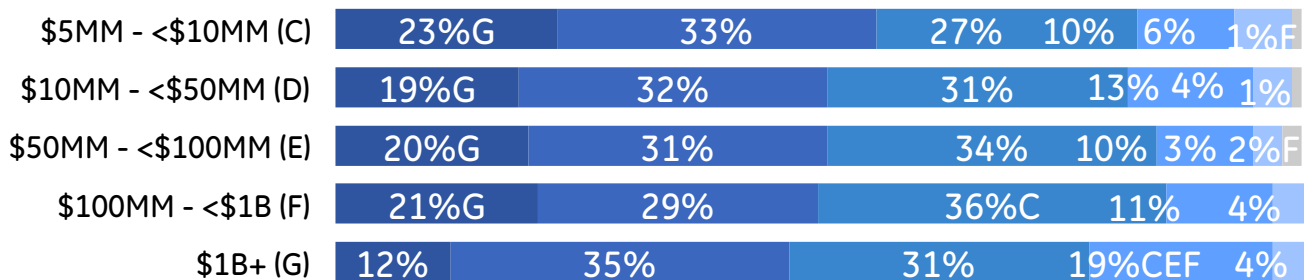
We can easily access additional capital to fund growth initiatives



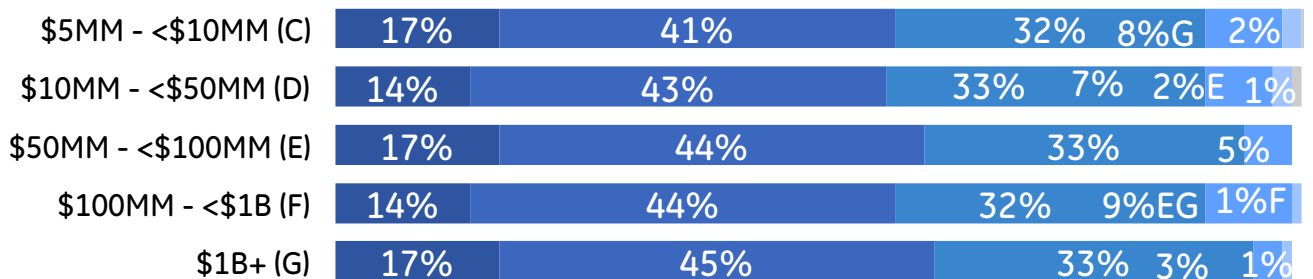
We have easy access to global markets



The cost of commodities or raw materials impacts my business' ability to win in the market



We have access to upgraded equipment and technology

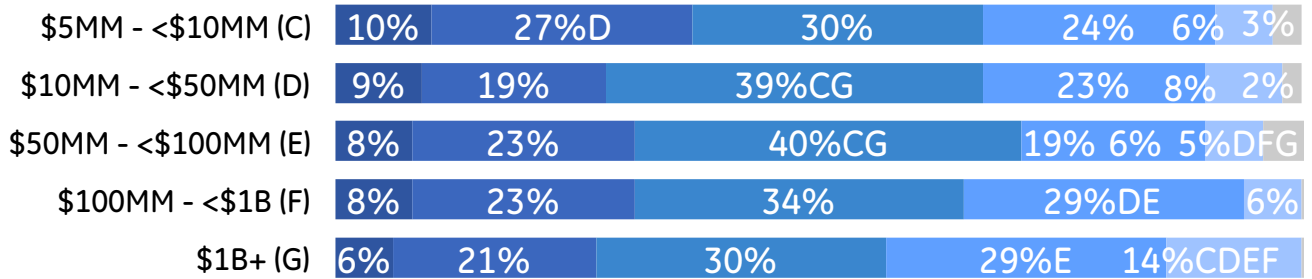


■ Agree Completely
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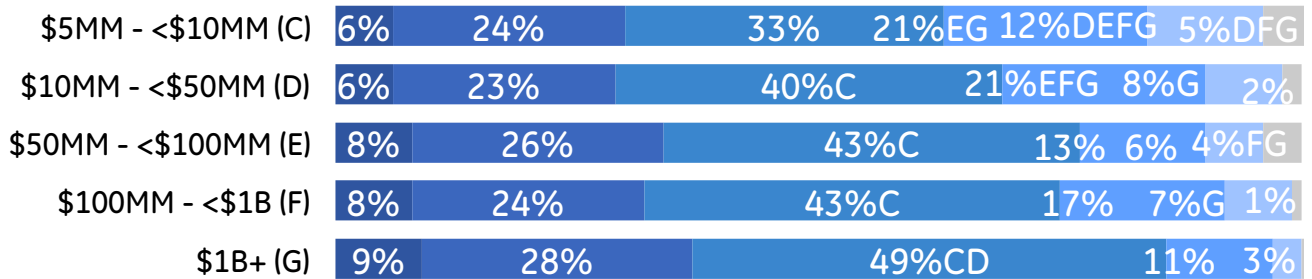
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 Q.12b Thinking about your company, please indicate the extent you agree or disagree with each one of the following statements? Please note that some will be positive and some will be negative.

Company Delivery on Important Business Growth Elements (5/9)

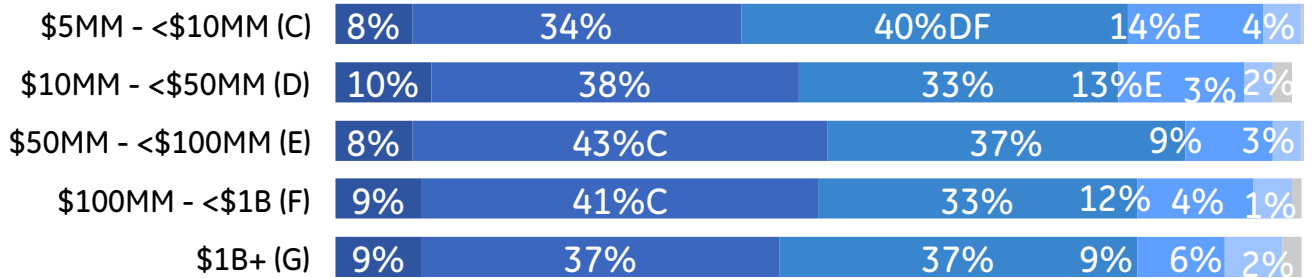
We are unable to pass on rising commodity costs to our customers (neg)



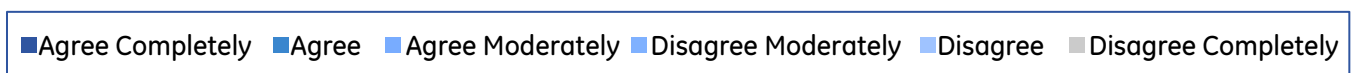
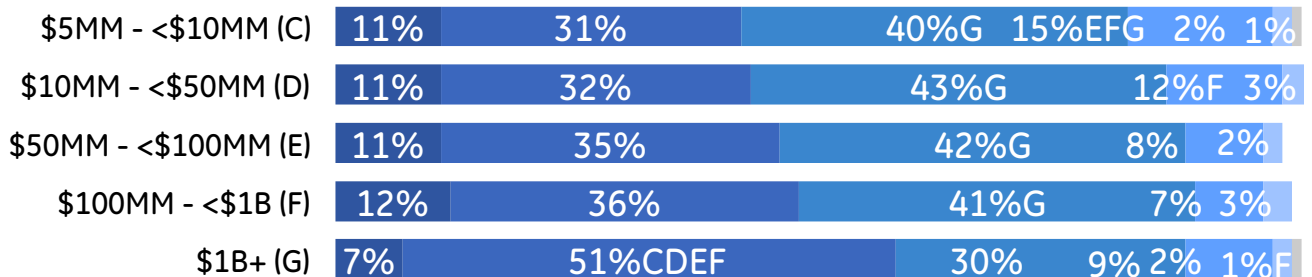
We are effectively managing health costs



Our internal policies and procedures are efficient



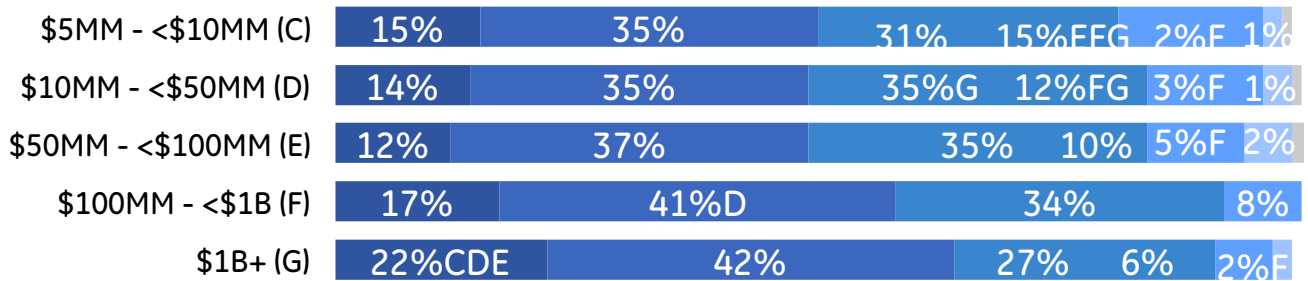
We are able to effectively manage through external change



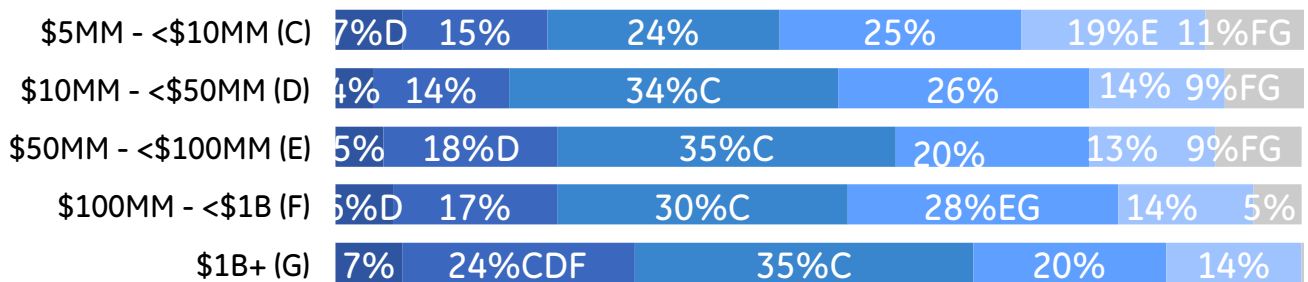
Ranked off Rated Absolutely Essential
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 Base Varies by Those Who Consider Attribute Important or Absolutely Essential
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Company Delivery on Important Business Growth Elements (6/9)

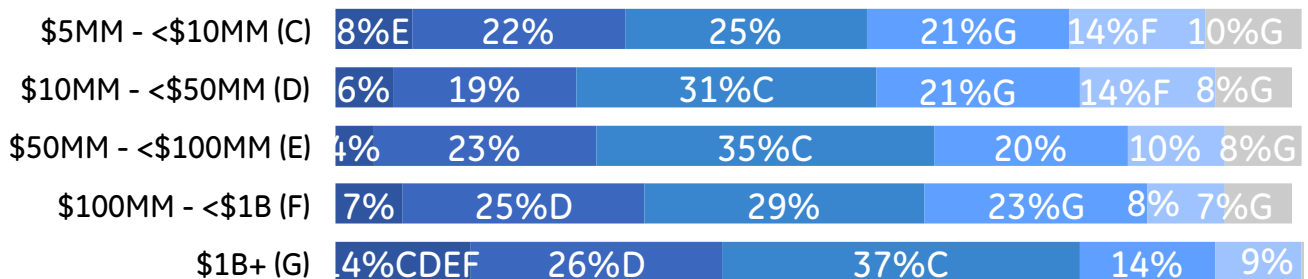
Our company has the knowhow and relationships to take advantage of new U.S. geographic markets



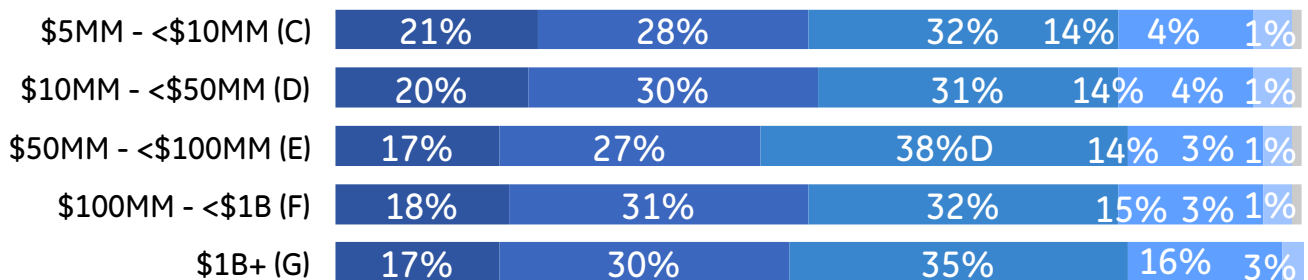
The cost of goods has stabilized for my business



Public policymakers understand the importance of my business/industry



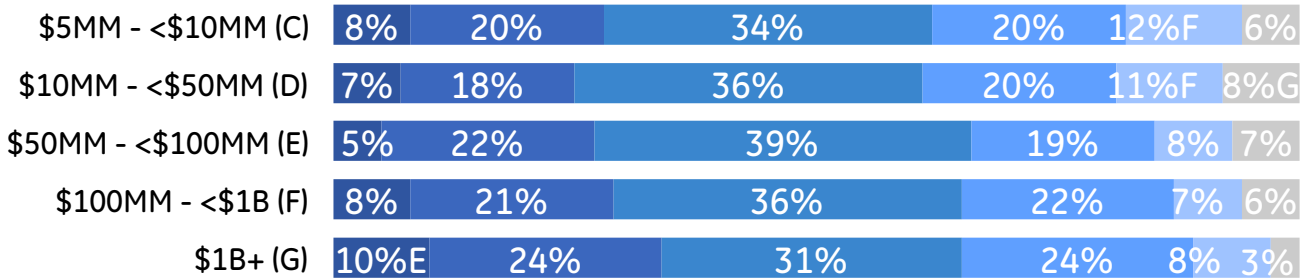
Our business is highly dependent on a robust regional economy



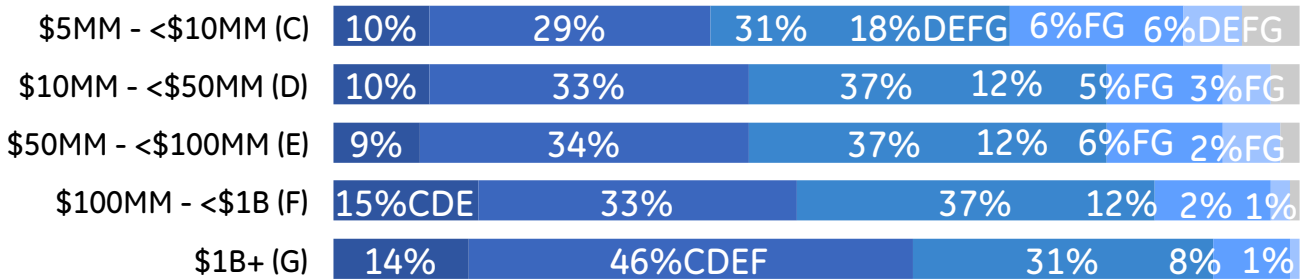
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Company Delivery on Important Business Growth Elements (7/9)

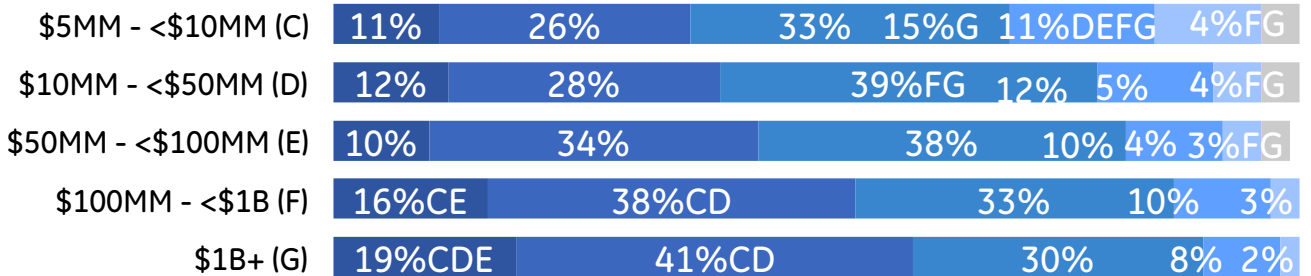
Government looks favorably on my business / industry



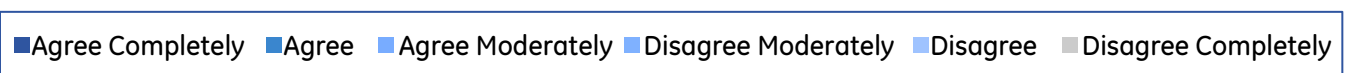
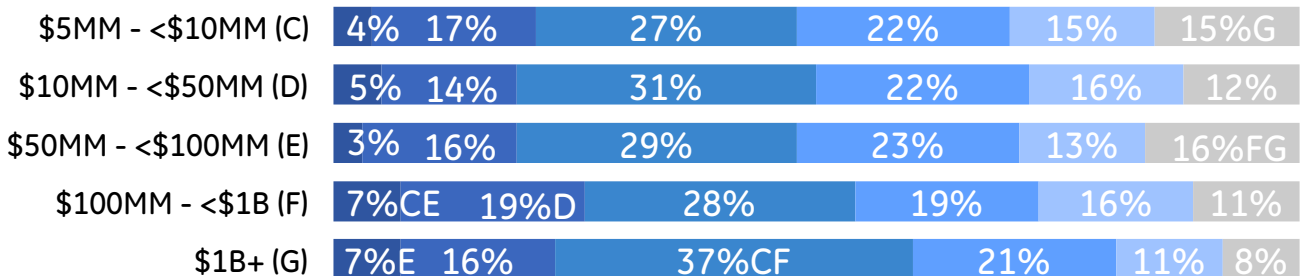
We are able to access funding at an affordable cost of capital



We have sufficient access to the capital markets for our needs



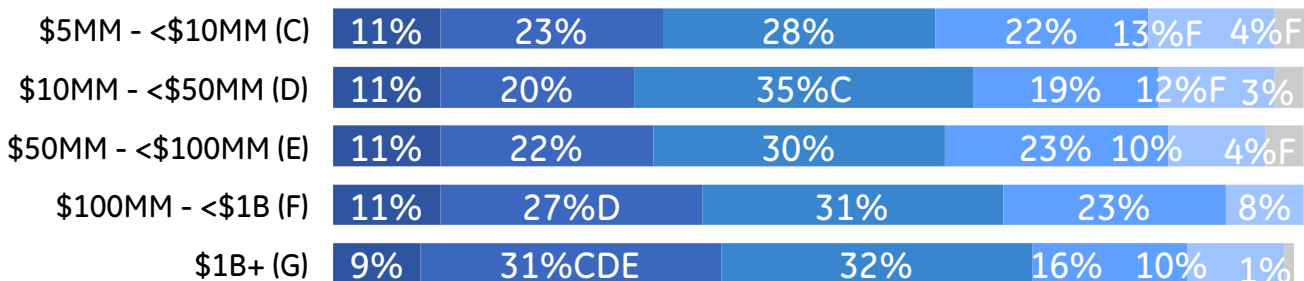
Government is pro-business



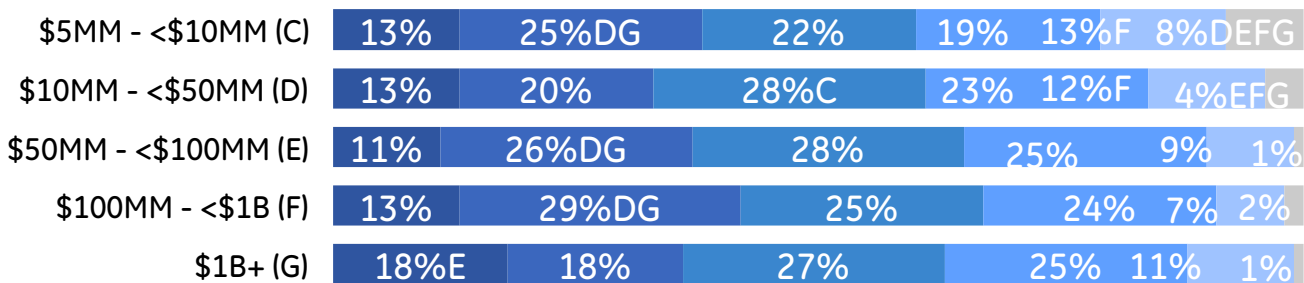
Ranked off Rated Absolutely Essential
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Company Delivery on Important Business Growth Elements (8/9)

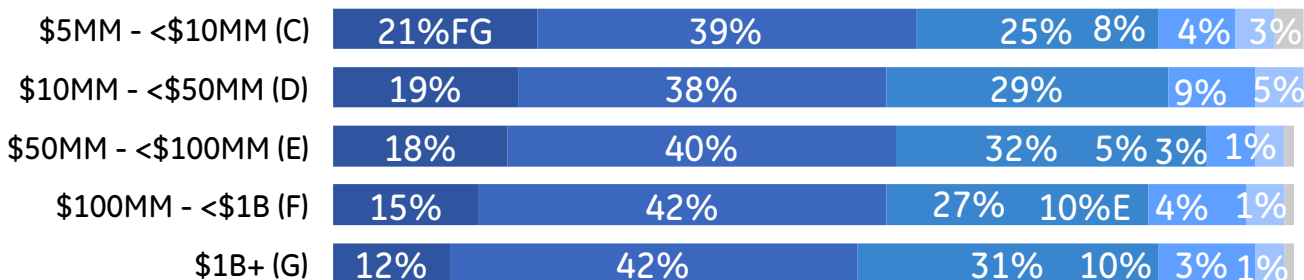
We are struggling to influence regulatory and tax policies (neg)



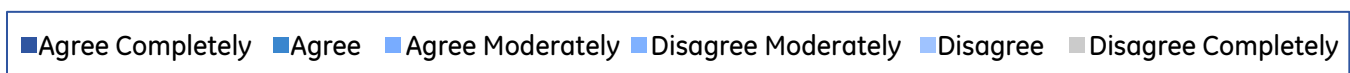
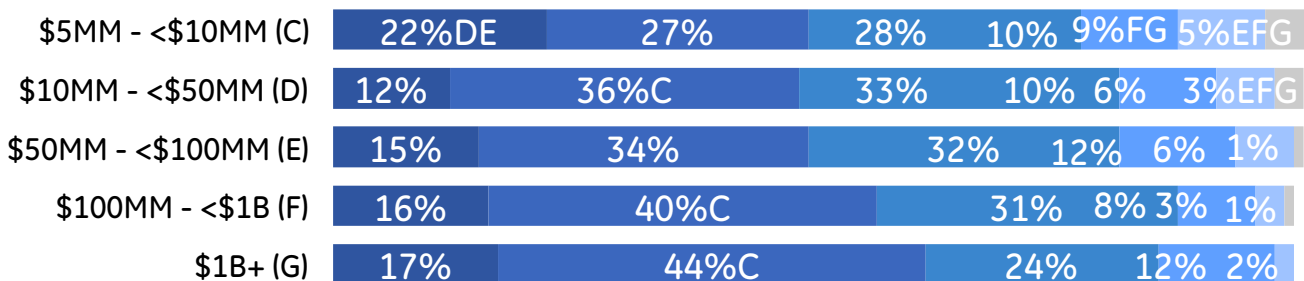
Our growth has been restrained by excess regulation (neg)



Our relations with labor are not an issue for our company



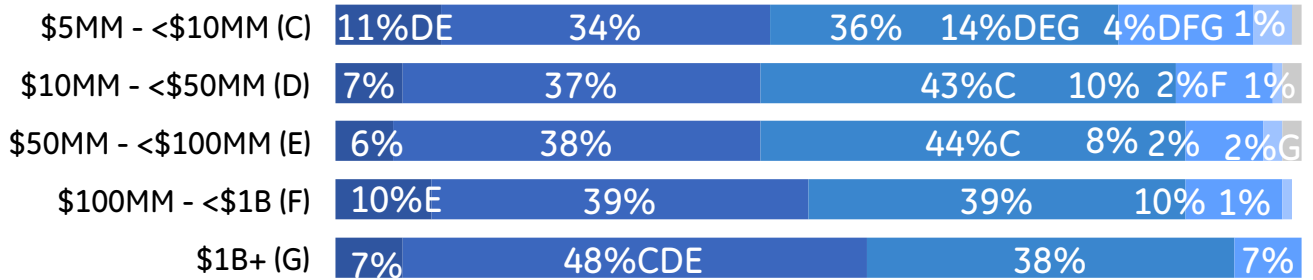
Our corporate debt level is acceptable



Ranked off Rated Absolutely Essential
 Letters indicate significant differences between groups at the 90% confidence level.
 Base Varies by Those Who Consider Attribute Important or Absolutely Essential
 Q.12b Thinking about your company, please indicate the extent you agree or disagree with each one of the following statements? Please note that some will be positive and some will be negative.

Company Delivery on Important Business Growth Elements (9/9)

We can access a work force that is affordable to our company

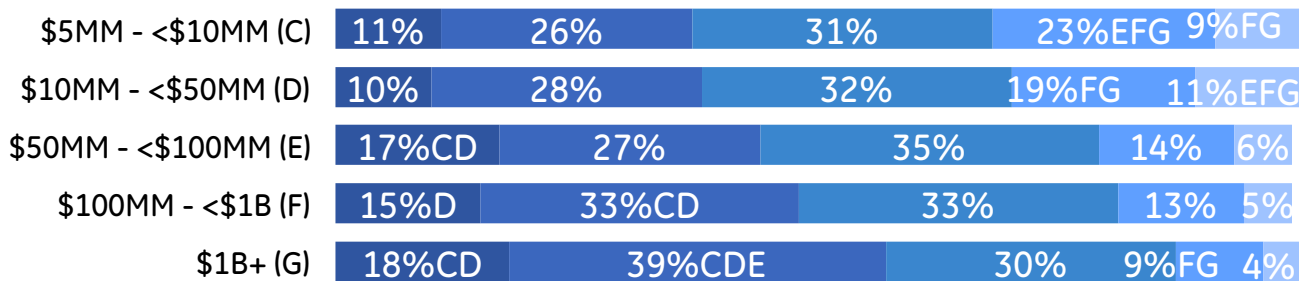


■ Agree Completely
 ■ Agree
 ■ Agree Moderately
 ■ Disagree Moderately
 ■ Disagree
 ■ Disagree Completely

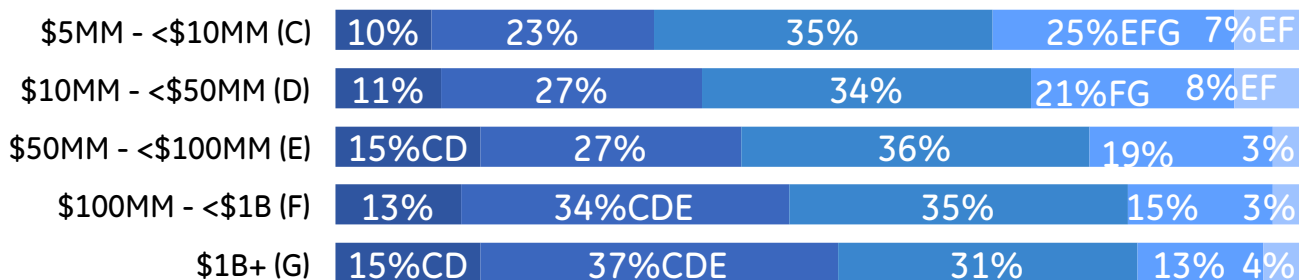
Ranked off Rated Absolutely Essential
 Letters indicate significant differences between groups at the 90% confidence level.
 Base Varies by Those Who Consider Attribute Important or Absolutely Essential
 Q.12b Thinking about your company, please indicate the extent you agree or disagree with each one of the following statements? Please note that some will be positive and some will be negative.

Company's Performance on Operational Excellence Activities (1/5)

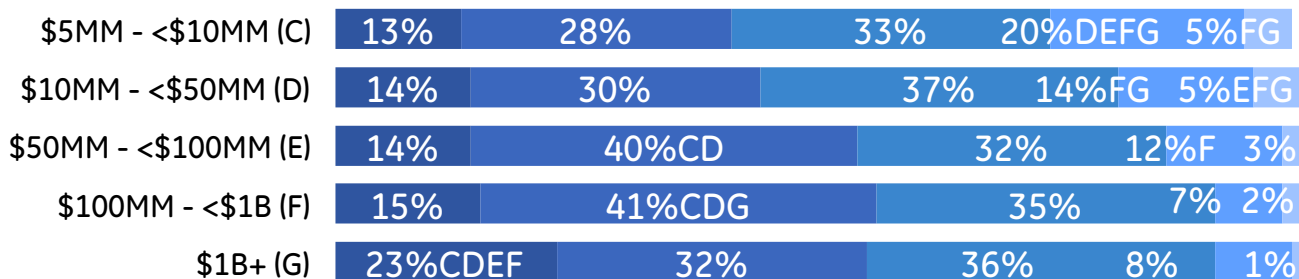
Having a long-term growth strategy in place covering the next 3 to 5 years



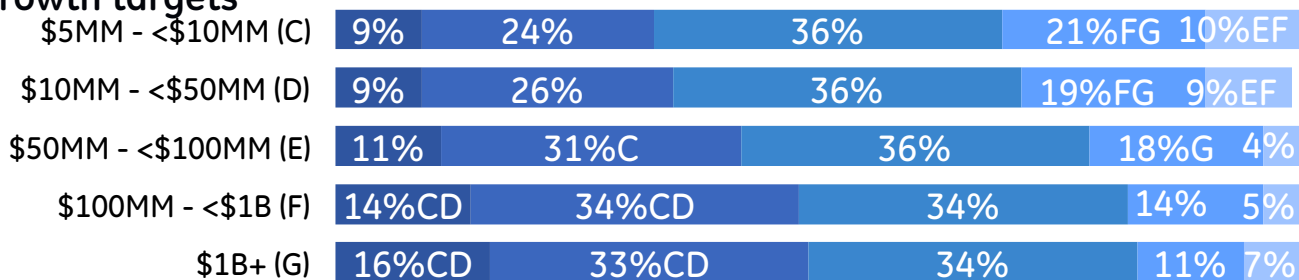
Investing in innovation & new product development



Setting formal annual growth targets for each fiscal year



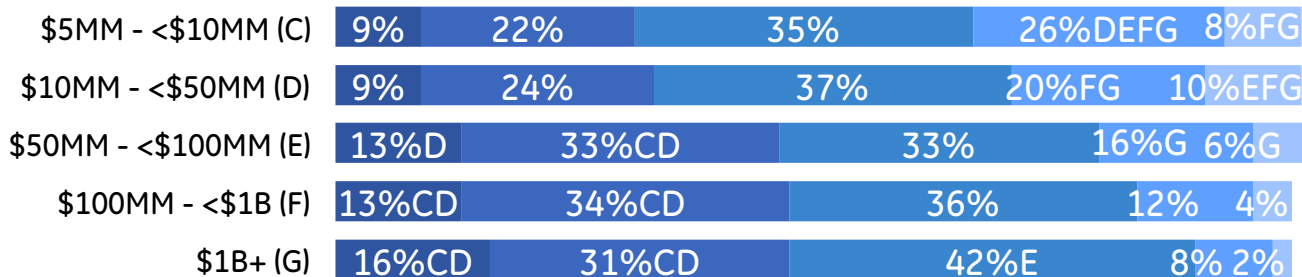
Basing variable employee compensation on the ability of the business to meet growth targets



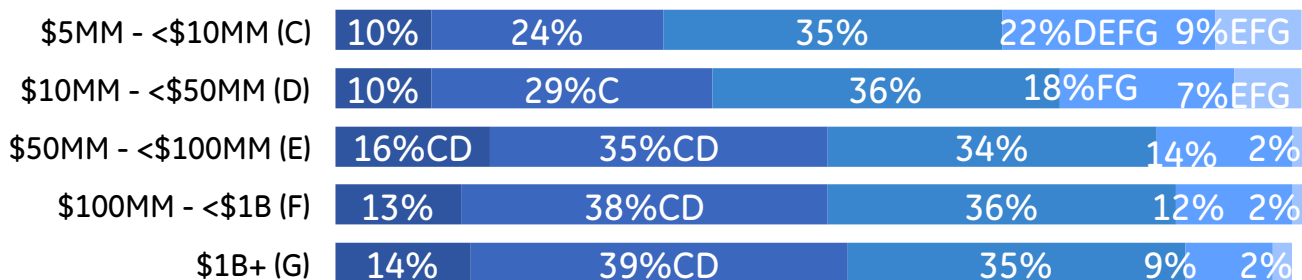
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171
 Q.13a Please rate your company's performance on each of the following.

Company's Performance on Operational Excellence Activities (2/5)

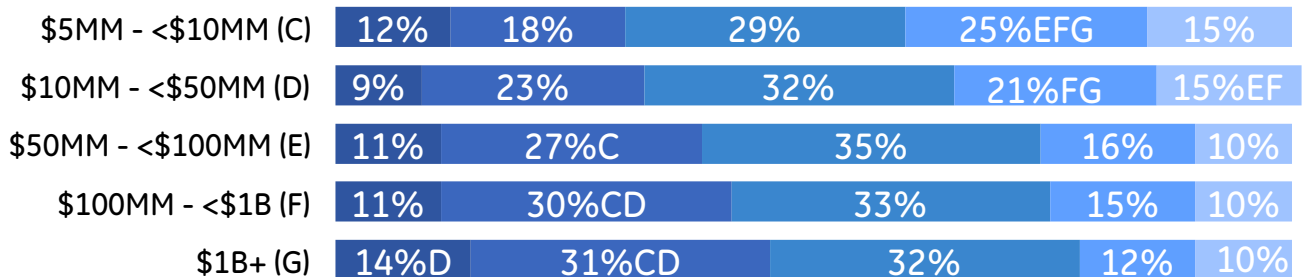
Having a formal process for communicating growth targets through the business



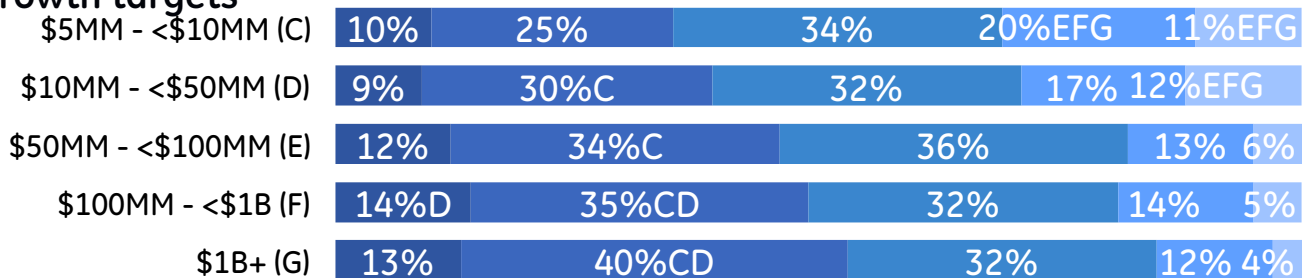
Having a formal process to track progress toward specific growth targets



Exploiting new opportunities in fast-growing foreign markets



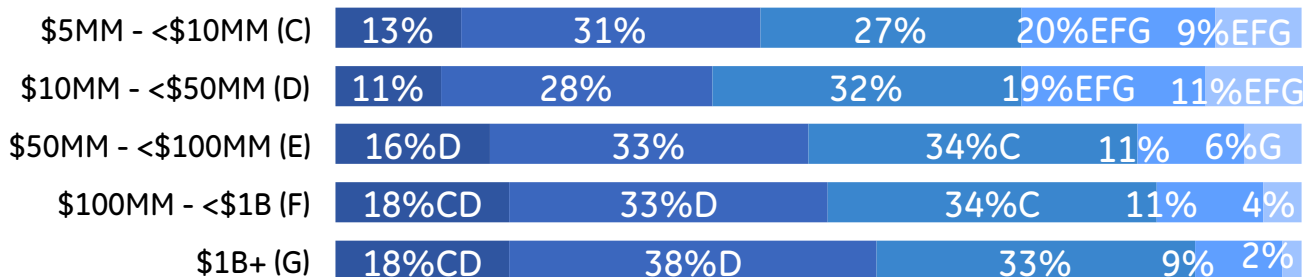
Basing variable executive compensation on the ability of the business to meet growth targets



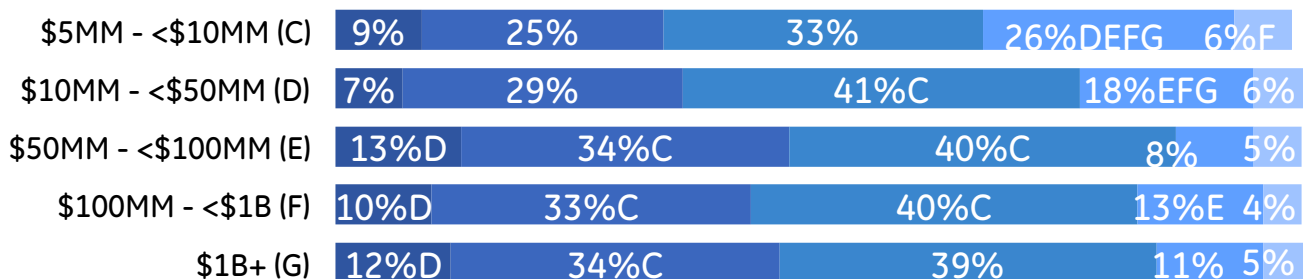
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171
 Q.13a Please rate your company's performance on each of the following.

Company's Performance on Operational Excellence Activities (3/5)

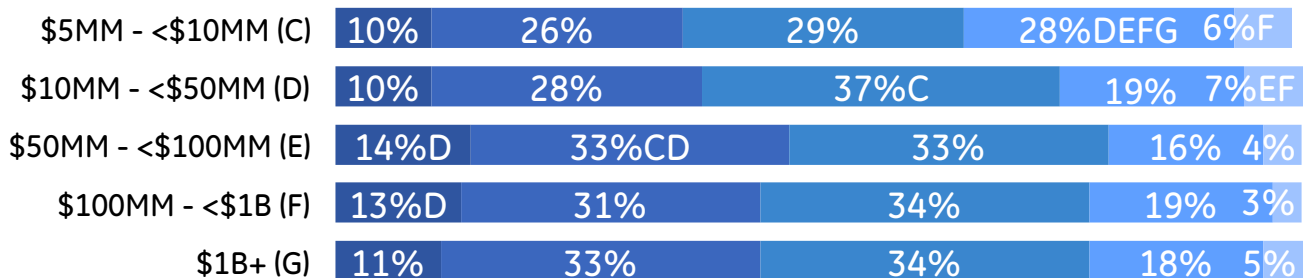
Formal employee performance reviews



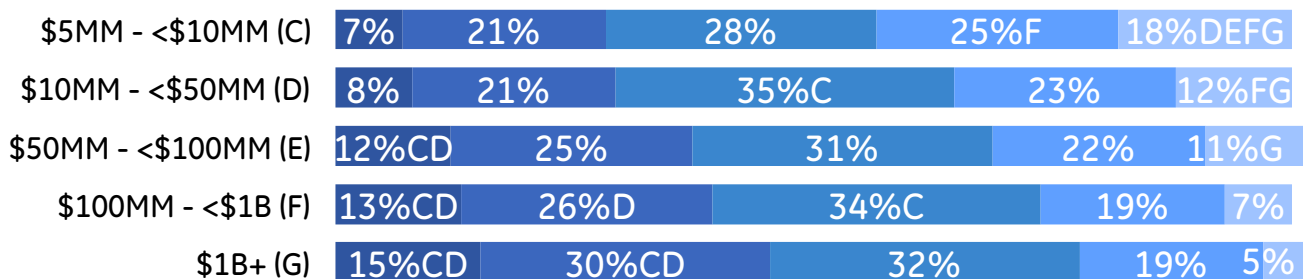
Investing in systems and business processes



Investing in sales & marketing activities (trade shows, events, sponsorships)



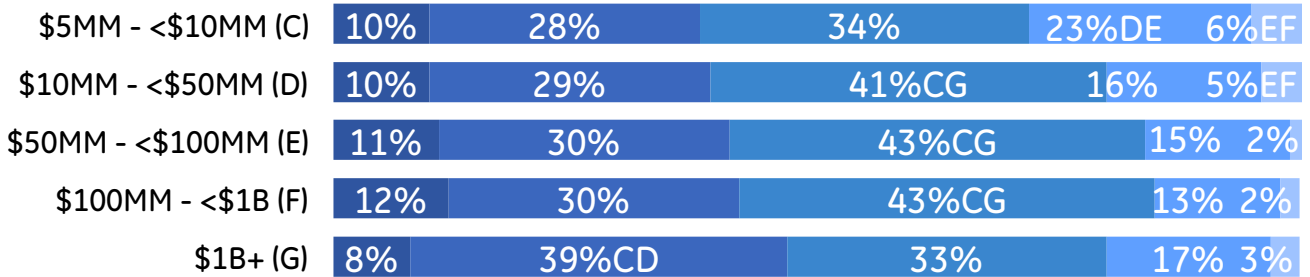
Having dedicated funding for research & development



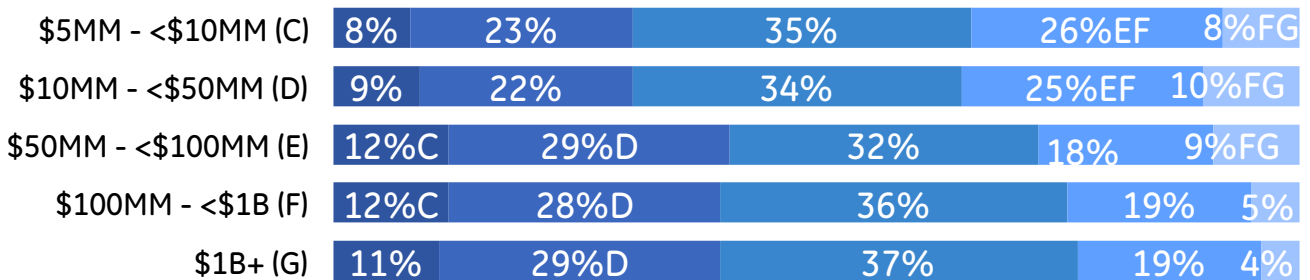
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 Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171
 Q.13a Please rate your company's performance on each of the following.

Company's Performance on Operational Excellence Activities (4/5)

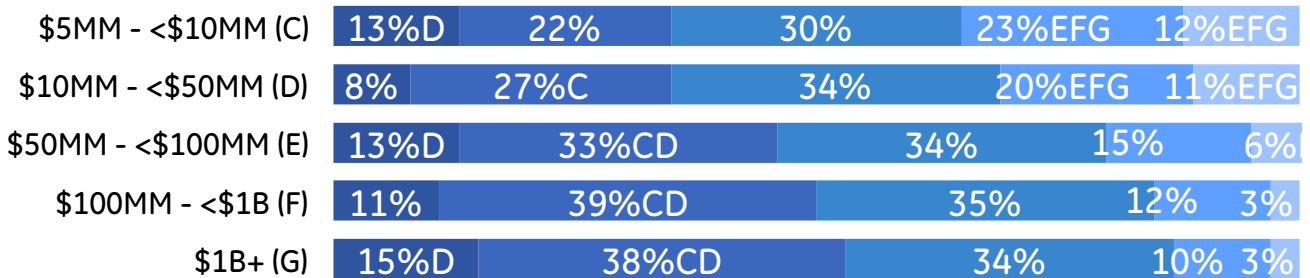
Investing in equipment & facilities



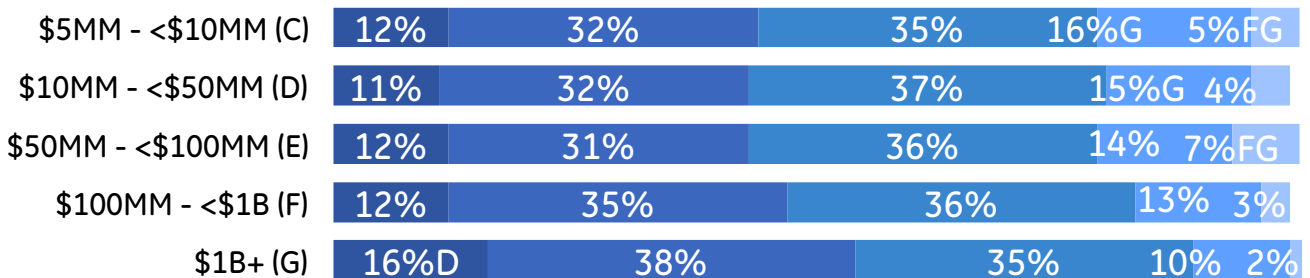
Investing in training & education



Setting formal quarterly growth objectives



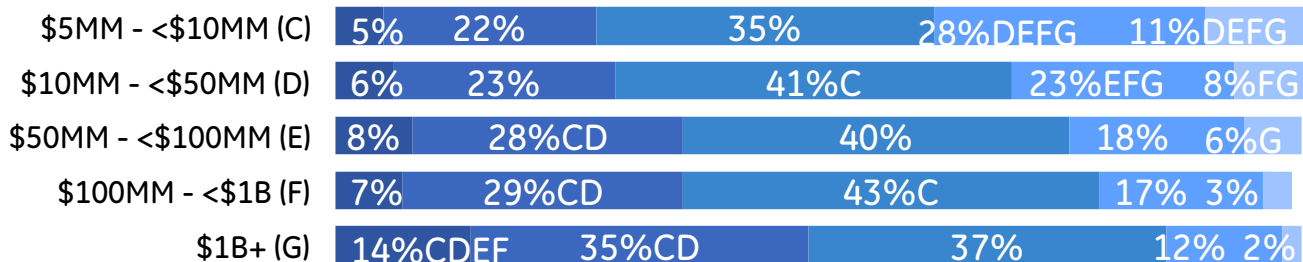
Having a formal pricing strategy



Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171
 Q.13a Please rate your company's performance on each of the following.

Company's Performance on Operational Excellence Activities (5/5)

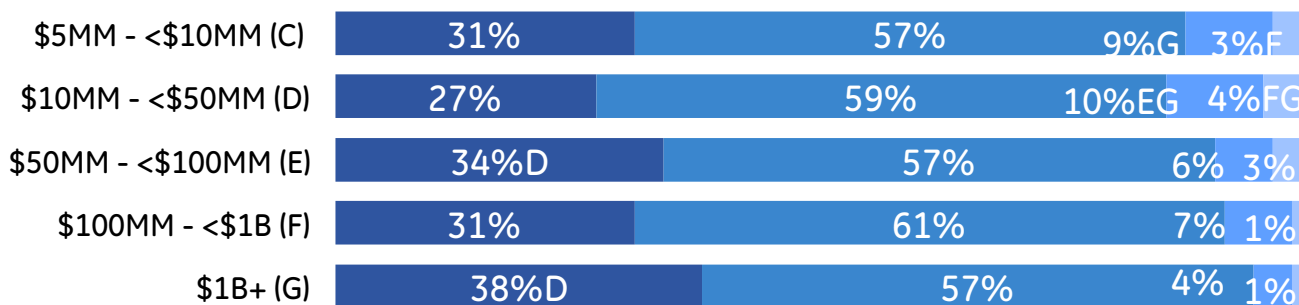
Having a diversified funding strategy



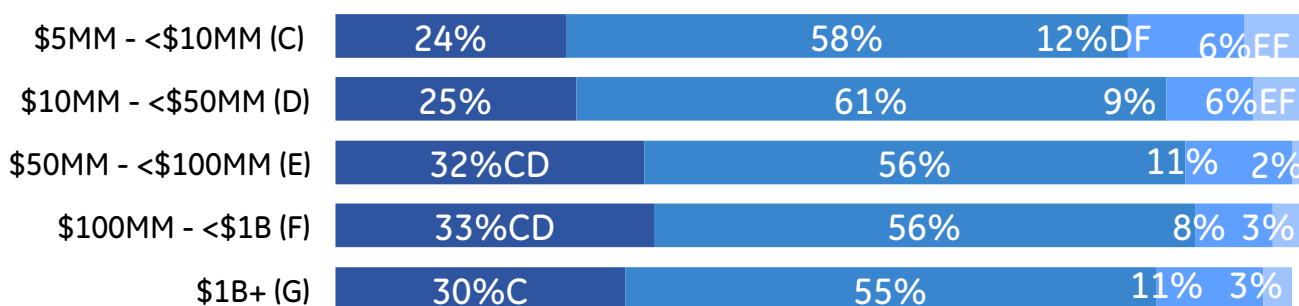
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171
 Q.13a Please rate your company's performance on each of the following.

Operational Excellence Activities Post-Financial Crisis (1/5)

Having a long-term growth strategy in place covering the next 3 to 5 years



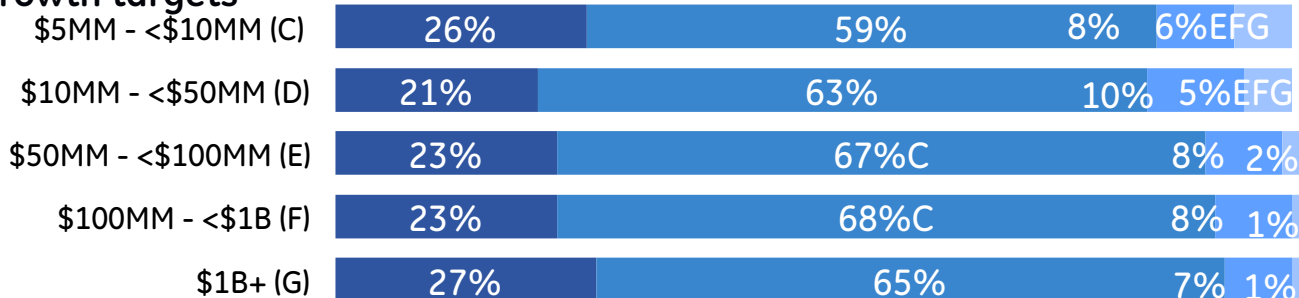
Investing in innovation & new product development



Setting formal annual growth targets for each fiscal year



Basing variable employee compensation on the ability of the business to meet growth targets



Ranked off: Rated Excellent/Very Good

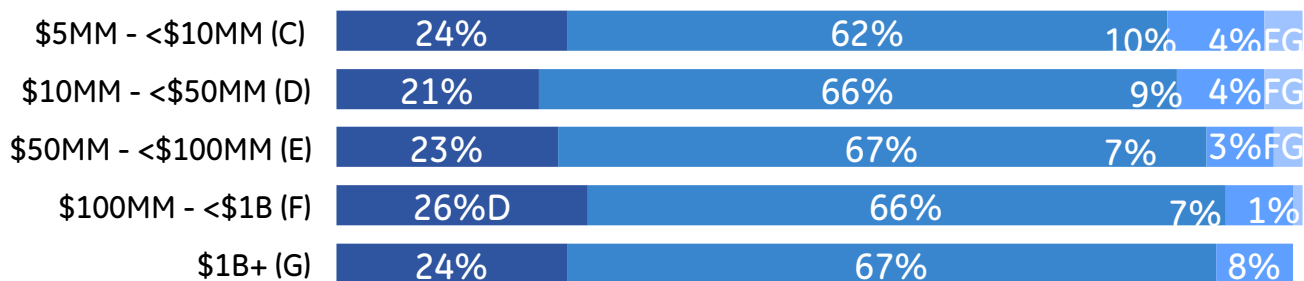
Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171

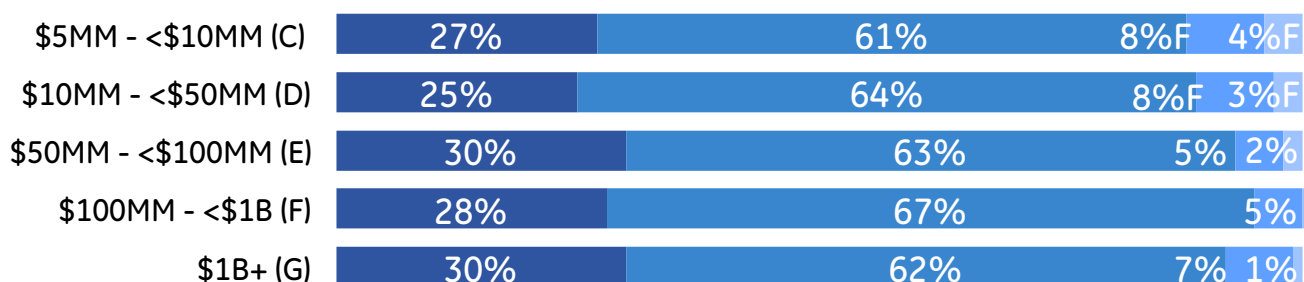
Q.13b Is your company putting greater or lesser emphasis on each of the following post financial crisis?

Operational Excellence Activities Post-Financial Crisis (2/5)

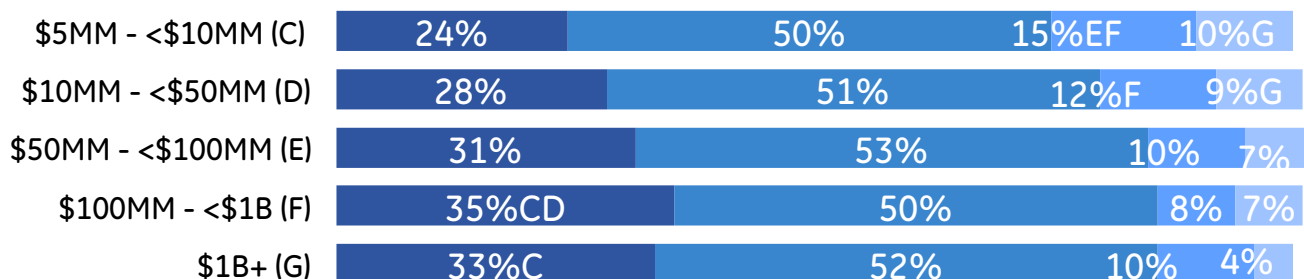
Having a formal process for communicating growth targets through the business



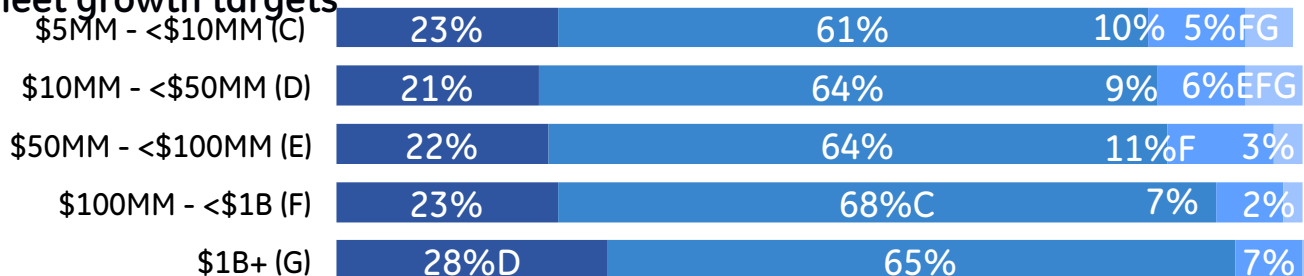
Having a formal process to track progress toward specific growth targets



Exploiting new opportunities in fast-growing foreign markets



Basing variable executive compensation on the ability of the business to meet growth targets



■ Greater Emphasis
 ■ Same Emphasis
 ■ Less Emphasis
 ■ Not Important To Company

Ranked off: Rated Excellent/Very Good

Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171

Q.13b Is your company putting greater or lesser emphasis on each of the following post financial crisis?

Operational Excellence Activities Post-Financial Crisis (3/5)

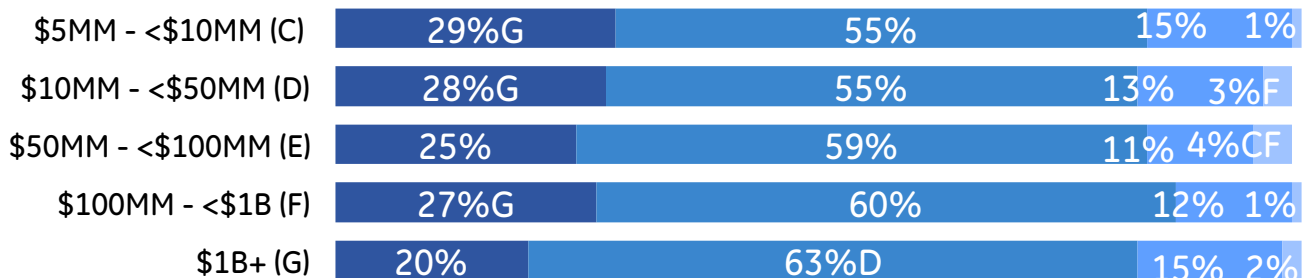
Formal employee performance reviews



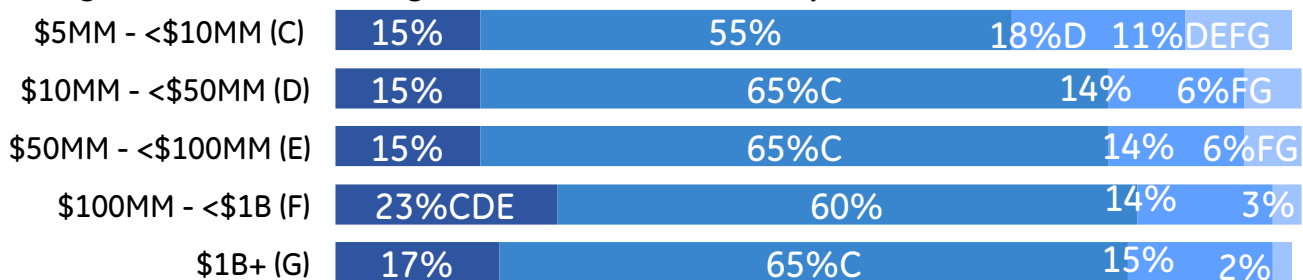
Investing in systems and business processes



Investing in sales & marketing activities (trade shows, events, sponsorships)



Having dedicated funding for research & development



■ Greater Emphasis
 ■ Same Emphasis
 ■ Less Emphasis
 ■ Not Important To Company

Ranked off: Rated Excellent/Very Good

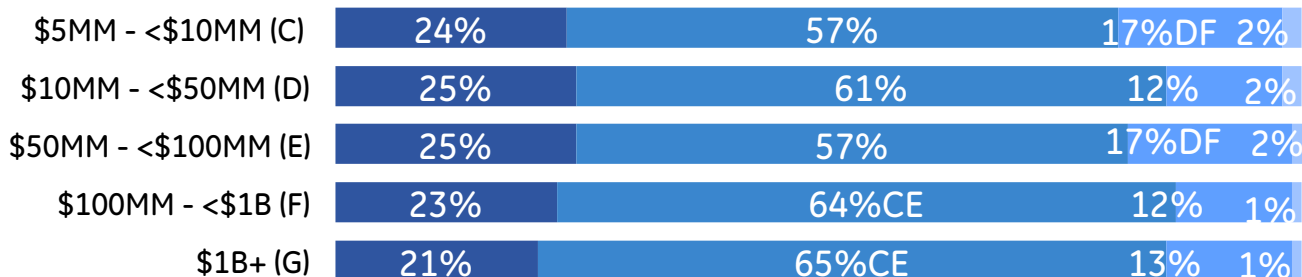
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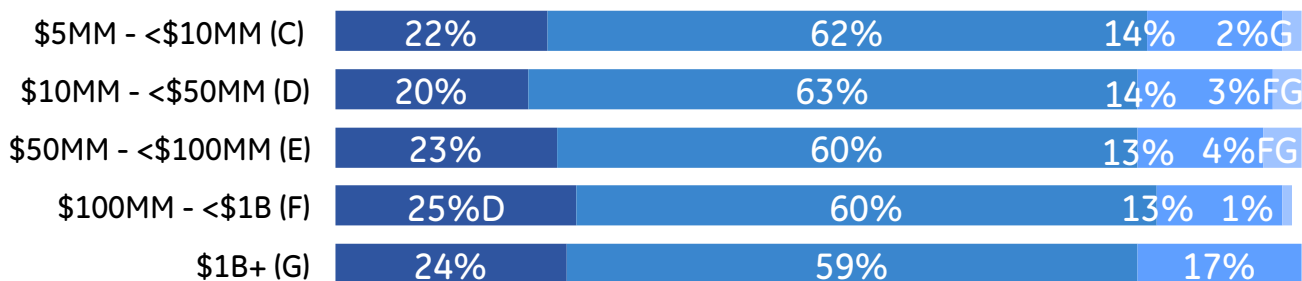
Q.13b Is your company putting greater or lesser emphasis on each of the following post financial crisis?

Operational Excellence Activities Post-Financial Crisis (4/5)

Investing in equipment & facilities



Investing in training & education



Setting formal quarterly growth objectives



Having a formal pricing strategy



■ Greater Emphasis
 ■ Same Emphasis
 ■ Less Emphasis
 ■ Not Important To Company

Ranked off: Rated Excellent/Very Good

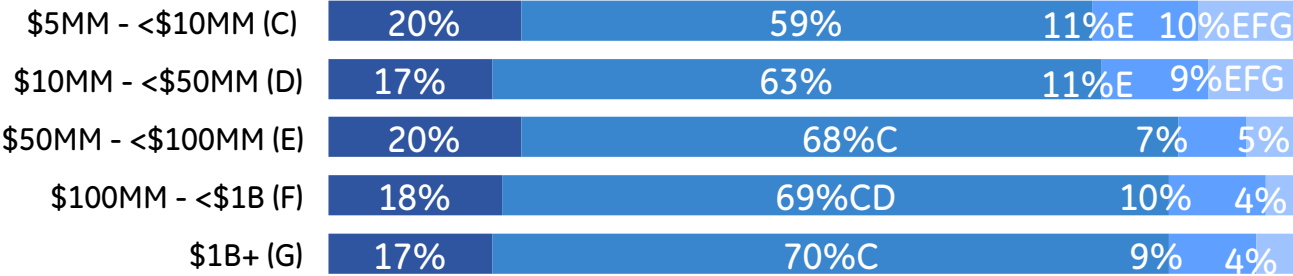
Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B; N=399: \$1B+; N=171

Q.13b Is your company putting greater or lesser emphasis on each of the following post financial crisis?

Operational Excellence Activities Post-Financial Crisis (5/5)

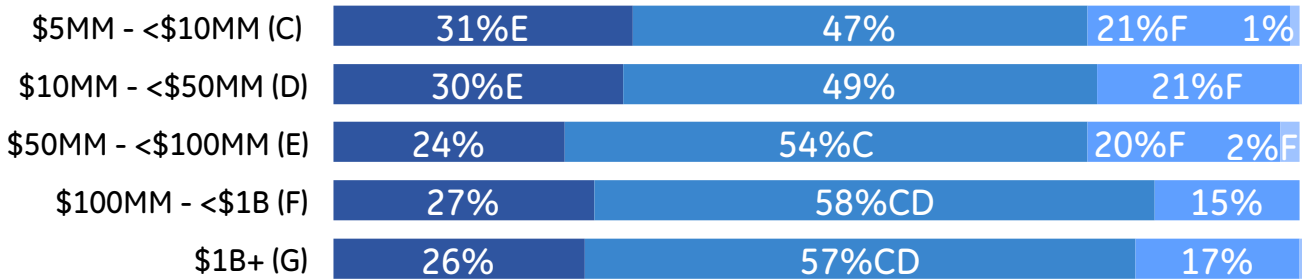
Having a diversified funding strategy



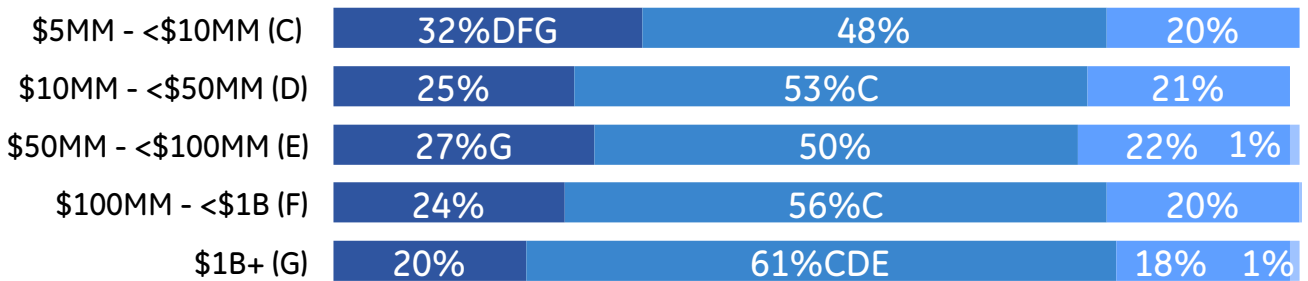
Ranked off: Rated Excellent/Very Good
 Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171
 Q.13b Is your company putting greater or lesser emphasis on each of the following post financial crisis?

Degree of Challenge for Various Employee Activities (1/4)

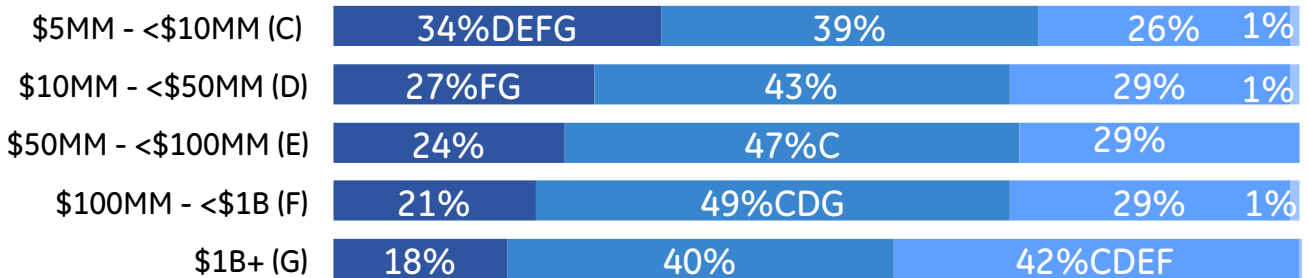
Grooming future leaders of your organization



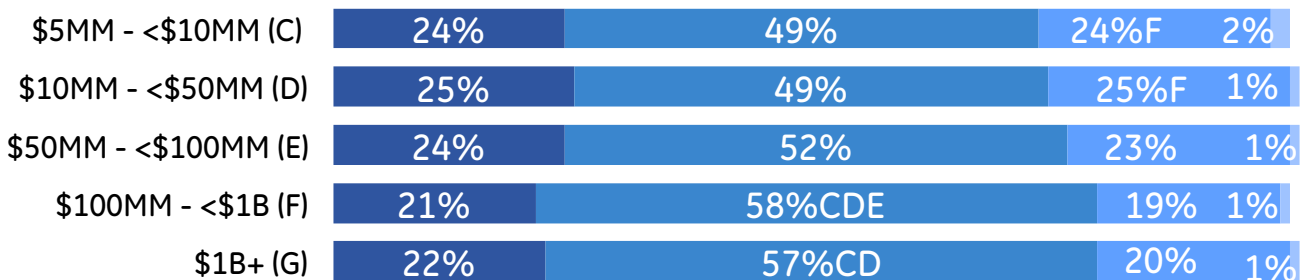
Attracting employees with the right set of skills



Being able to provide health benefits to our employees



Providing career paths for employees

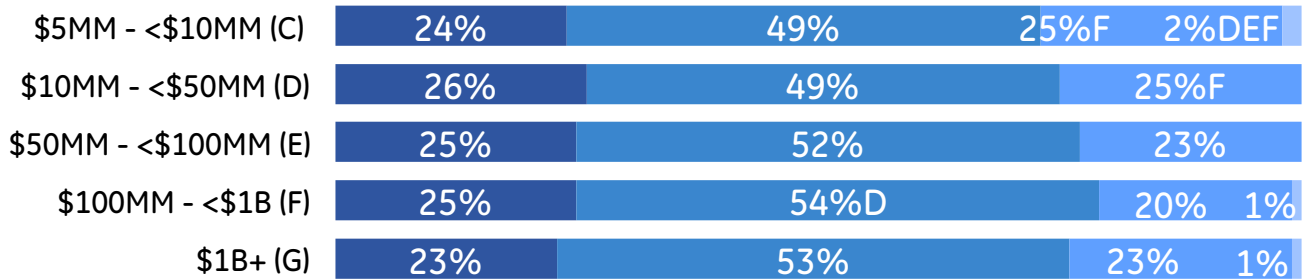


■ High Degree of Challenge ■ Moderate Degree of Challenge ■ Little or No Challenge ■ Don't Know

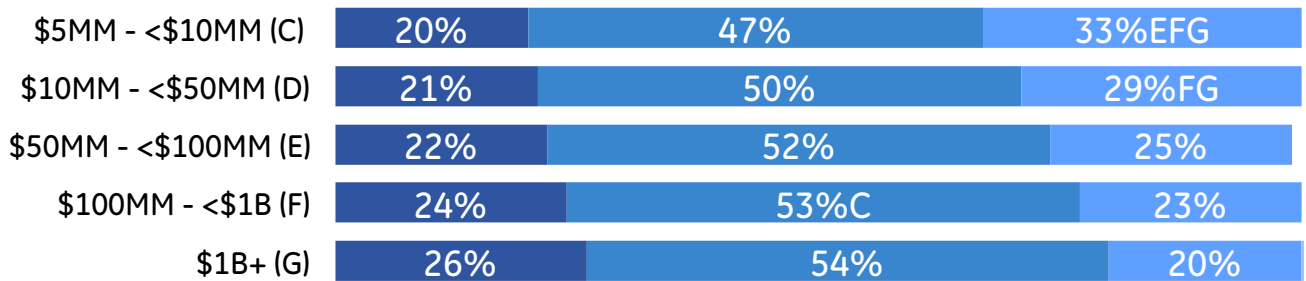
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171
 Q.14 To what degree is each one of the following a challenge to you and your organization?

Degree of Challenge for Various Employee Activities (2/4)

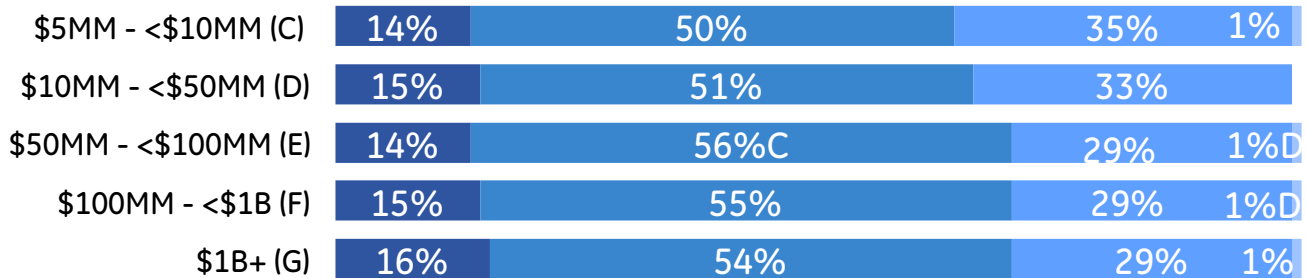
Attracting top managerial talent



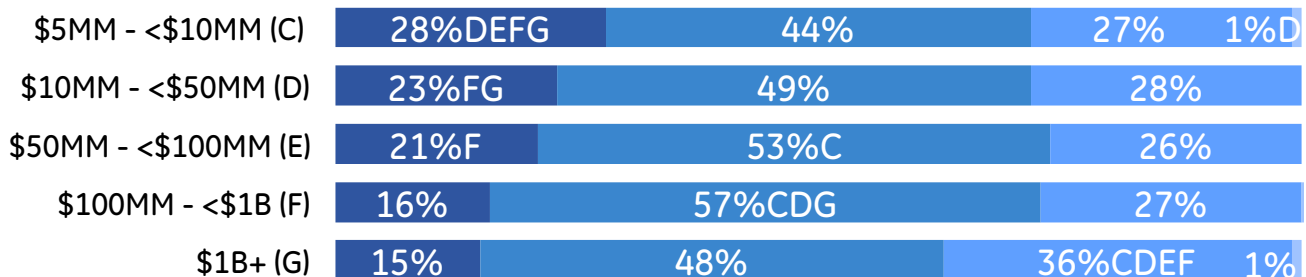
Keeping talented employees



Providing adequate training



Providing competitive benefits packages

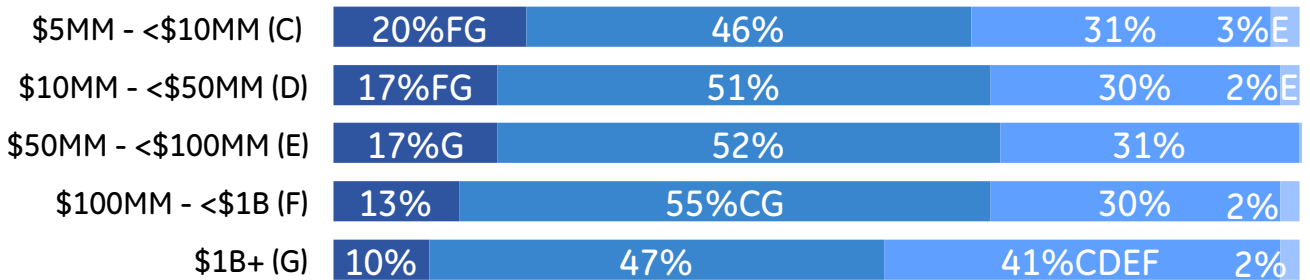


■ High Degree of Challenge
 ■ Moderate Degree of Challenge
 ■ Little or No Challenge
 ■ Don't Know

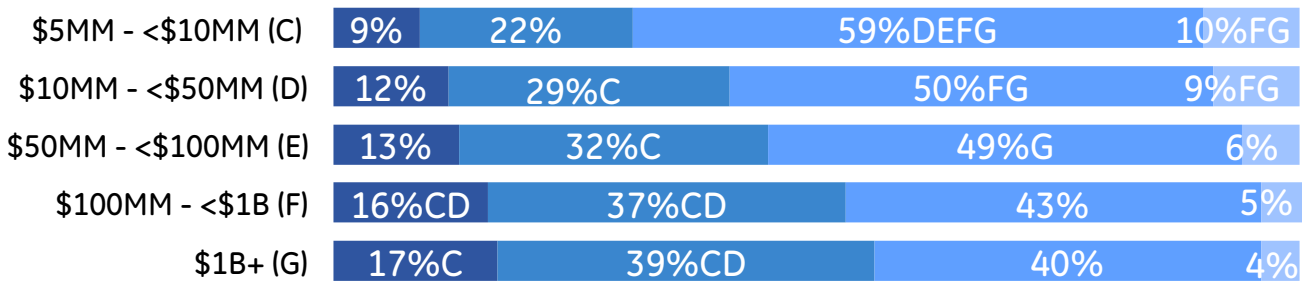
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 Q.14 To what degree is each one of the following a challenge to you and your organization?

Degree of Challenge for Various Employee Activities (3/4)

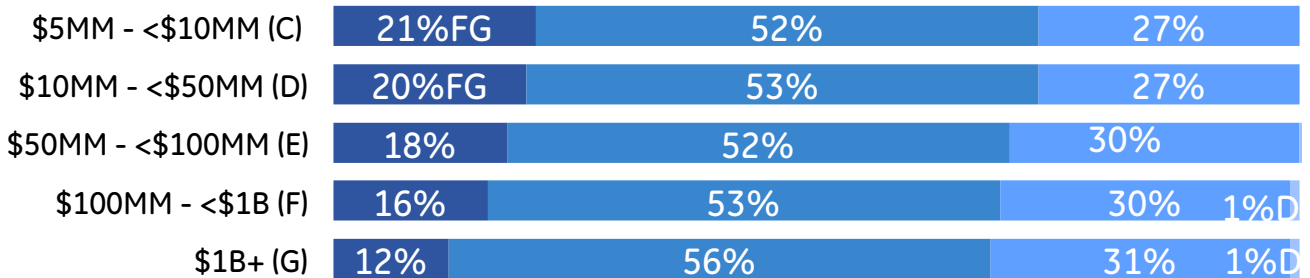
Being able to provide for variable compensation



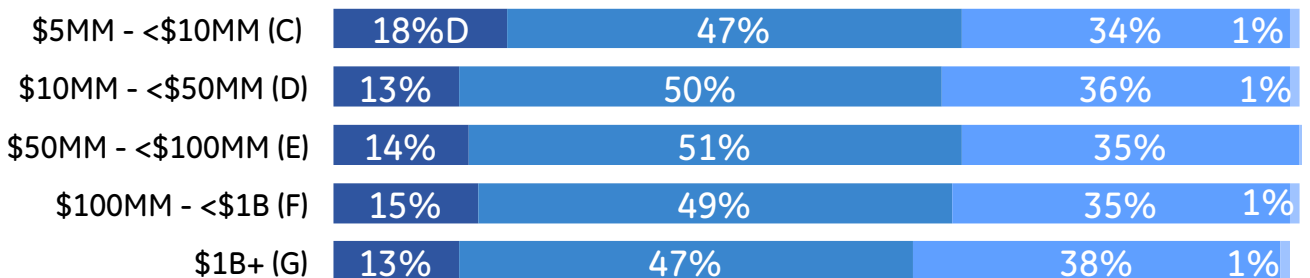
Being pressured or threatened by international competition



Providing competitive wages



Being able to attract staff or line workers to a company our size

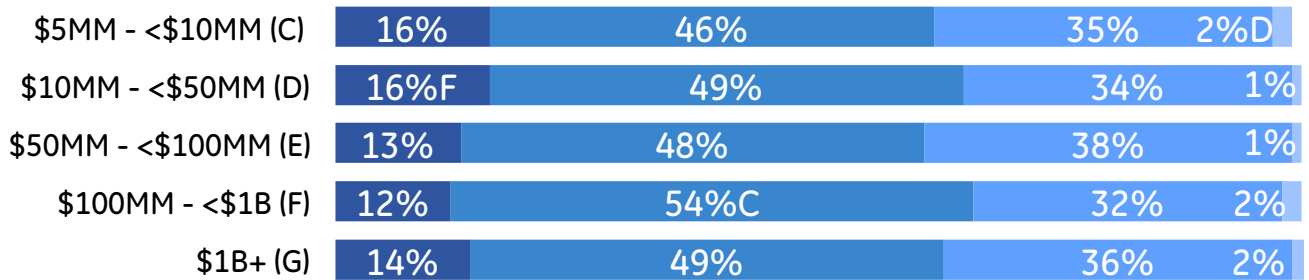


■ High Degree of Challenge ■ Moderate Degree of Challenge ■ Little or No Challenge ■ Don't Know

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 Q.14 To what degree is each one of the following a challenge to you and your organization?

Degree of Challenge for Various Employee Activities (4/4)

Keeping up to date with the latest management techniques



■ High Degree of Challenge
 ■ Moderate Degree of Challenge
 ■ Little or No Challenge
 ■ Don't Know

Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171
 Q.14 To what degree is each one of the following a challenge to you and your organization?

Most Important Challenges Related to Government Policy

% Total Unaided Mentions (1/2)

	Revenue				
	\$5MM - <\$10MM	\$10MM - <\$50MM	\$50MM - <\$100MM	\$100MM - <\$1B	\$1B+
Base: Total Respondents	(410)	(782)	(266)	(399)	(171)
	%	%	%	%	%
	(C)	(D)	(E)	(F)	(G)
Most Important Business Challenge (Net)	86	87	84	87	85
Economy (Subnet)	64^G	63^G	62^G	62^G	51
Taxes (Sub-Subnet)	37^G	40^G	38^G	41^G	29
General Business Taxes (Sub-Sub-Subnet)	5^G	6^G	5^G	5^G	1
Business taxes/they have increased/are too high (unsp)	2	3 ^G	2	2	1
Corporate taxes/lower corporate taxes/they are too high	2	2	2	3 ^G	1
Payroll/Employment Taxes (Sub-Sub-Subnet)	3	4	3	5	2
Tax rates/taxes/lower taxes/they have increased/are too high (unsp)	21	25 ^C	23	23	23
Tax law changes/complexity of tax laws	3	3	3	3	4
Healthcare (Sub-Subnet)	28^{EF}	26^{EF}	20	21	16
Healthcare (unsp)	10	13 ^{FG}	10	8	7
Healthcare reform/Obamacare	8 ^{DE}	5	5	7	6
Healthcare costs	6 ^{EG}	5 ^G	3	4 ^G	1
Healthcare regulations	4	3	3	3	3
General Economy (Sub-Subnet)	16	13	17	17^D	13
Funding	6 ^F	5	4	3	4
Interest rates	2	2	2	3 ^{DG}	1
Government debt	1	1	2 ^D	1	3 ^{CD}
Economy	4	3	3	4	2
Cost (Sub-Subnet)	7	6	9^{DG}	6	4
Cost (unsp)	1	2 ^G	6 ^{CDG}	3 ^{CG}	--
High cost of government permits/fees	2	2	3	1	1
Budget	8 ^{EF}	6 ^E	3	5	5

Table continues

Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

Q.15 Thinking about the government policies that most impact your business, please list the most important challenges as they relate to government policy.

Most Important Challenges Related to Government Policy

% Total Unaided Mentions (2/2)

	Revenue				
	\$5MM - <\$10MM	\$10MM - <\$50MM	\$50MM - <\$100MM	\$100MM - <\$1B	\$1B+
Base: Total Respondents	(410)	(782)	(266)	(399)	(171)
	%	%	%	%	%
	(C)	(D)	(E)	(F)	(G)
Regulations (Subnet)	29	33	31	38^{CDE}	42^{CDE}
Regulations	9	10	9	12	13
Excessive/increased regulations	5	6	5	5	3
Changes/reforms in regulations	5 ^D	3	4	5 ^D	4
Compliance issues	1	1	2	3 ^{CD}	4 ^{CD}
Reporting regulations	1	1	2	2	3 ^C
Policies (Subnet)	11	19^C	17^C	22^C	19^C
Trade Policies (Sub-Subnet)	7	12^C	9	13^{CE}	11
Restrictive foreign/free trade policy	1	4 ^C	2	5 ^C	4 ^C
Anti business policies	2	3	2	4	2
Tax policy	2	2	3	3	2
General Policies	5	9 ^C	9 ^C	9 ^C	10 ^C
Labor Issues/Laws (Subnet)	11^G	10^G	13^G	10	6
Labor laws	3	2	3	3	2
Political Environment (Subnet)	12	11	10	11	9
Bureaucracy/Red tape	4 ^G	3 ^G	3 ^G	2	1
Government intervention	3 ^E	3 ^E	1	3 ^E	2
Inability of government to understand business process	1	1	1	1	3 ^F
Environmental (Subnet)	4	9^C	7^C	11^{CE}	7
Environmental regulations	2	5 ^C	4 ^C	5 ^C	4
EPA (Environmental Protection Agency)	1	2	2	3 ^C	2

Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

Q.15 Thinking about the government policies that most impact your business, please list the most important challenges as they relate to government policy.

Most Important Challenges Related to Industry Regulation

% Total Unaided Mentions (1/2)

	Revenue				
	\$5MM - <\$10MM (410) %	\$10MM - <\$50MM (782) %	\$50MM - <\$100MM (266) %	\$100MM - <\$1B (399) %	\$1B+ (171) %
Base: Total Respondents	(C)	(D)	(E)	(F)	(G)
Most Impact Industry Regulation (Net)	73	76	75	76	80
Economy (Subnet)	33	35	39^{FG}	32	29
Taxes (Sub-Subnet)	11	14^G	17^{CG}	14^G	9
Tax law changes/complexity of tax laws	8	8	12 ^{CDG}	9	5
Healthcare (Sub-Subnet)	12^F	10^F	12^F	6	11^F
Health care (unspecified)	4 ^F	4 ^F	5 ^F	2	3
Health care reform/Obama care	3 ^{DG}	1	3 ^D	2	1
Safety regulations	2 ^F	2 ^F	2 ^F	*	4 ^F
General Economy	9	11	9	11	9
Cost (Sub-Subnet)	9	8	9	9	7
Price/cost (unspecified)	1	1	4 ^{CDG}	3 ^{CD}	1
Labor Issues/Laws (Subnet)	12	14	15	15	14
OSHA	3	4 ^G	3	4 ^G	1
Increased in labor laws/regulations	1	3 ^C	3 ^C	3 ^C	2
Environmental (Subnet)	7	9	9	10	9
EPA (Environmental Protection Agency)	3	2	3	3	2
Environmental regulations/policies	3	4	3	5	4

Table continues

* Less than 0.5%.

Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

Q.16 Thinking about the specific industry regulations that most impact your business, please list the most important challenges as they relate to industry regulation.

Most Important Challenges Related to Industry Regulation

% Total Unaided Mentions (2/2)

	Revenue				
	\$5MM - <\$10MM (410) %	\$10MM - <\$50MM (782) %	\$50MM - <\$100MM (266) %	\$100MM - <\$1B (399) %	\$1B+ (171) %
Base: Total Respondents	(C)	(D)	(E)	(F)	(G)
Competition	4	3	2	4	3
Transportation	4	2	2	2	3
Insurance	3 ^G	2	4 ^G	2	1
Energy/Fuel	2	2	2	4 ^{DG}	1
Policies (Subnet)	4	4	6	6	3
Trade Policies	2	3	2	3	2
General Policies (Sub-Subnet)	2	2	4^D	3	1
Compliance issues	1	1	2	3 ^D	1
Finance/Banks (Subnet)	4	4	5^F	3	6^F
Banking regulations	2	1	2	1	4 ^{DF}
Political Environment (Subnet)	8^F	7	7	5	7
Government regulations	2	2	3 ^F	1	1
Miscellaneous Regulations					
Change in regulations (unspecified)	4	4	5	5	5
SEC/Securities and Exchange Commission	*	1	1	3 ^{CDG}	1
Licensing	1	3 ^{CEF}	*	1	1

* Less than 0.5%.

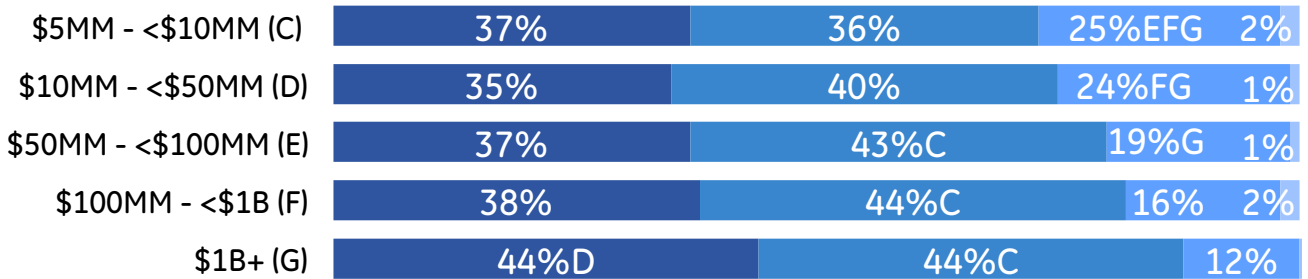
Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

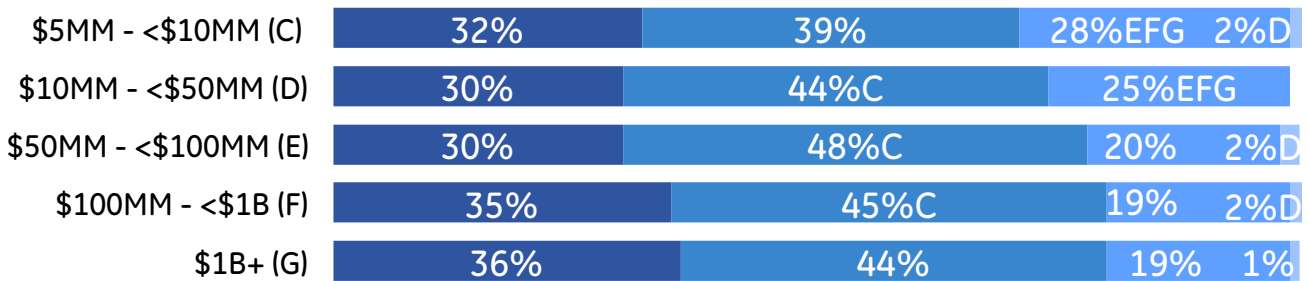
Q.16 Thinking about the specific industry regulations that most impact your business, please list the most important challenges as they relate to industry regulation.

Degree of Challenge for Various Regulations (1/3)

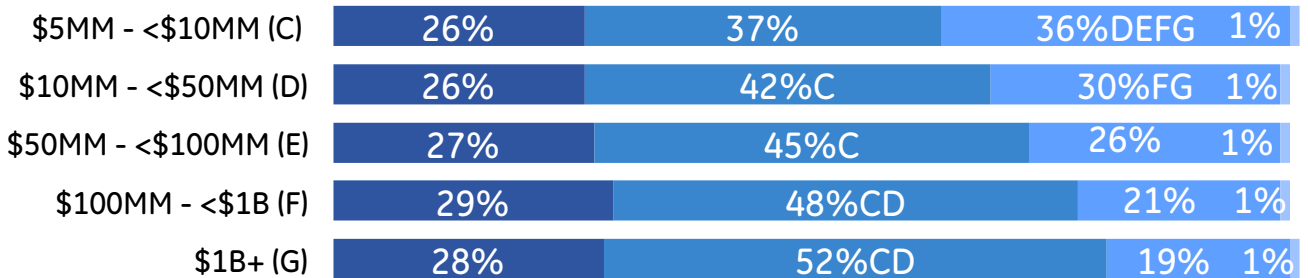
The complexity of government regulations



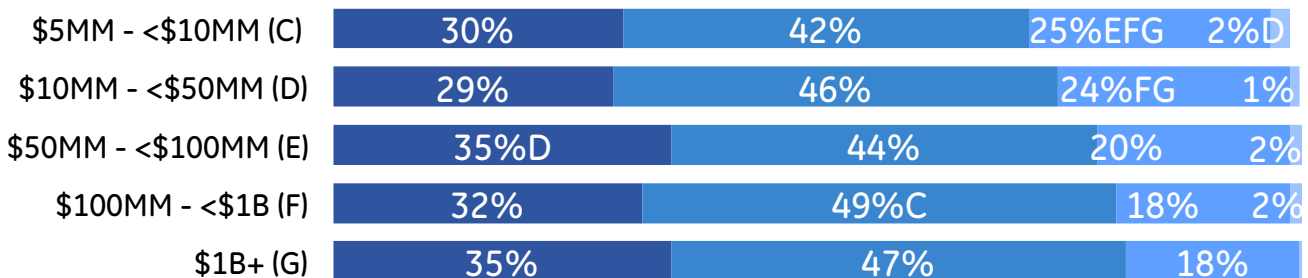
The cost of compliance



Maintaining regulatory compliance



Keeping up with changing regulation

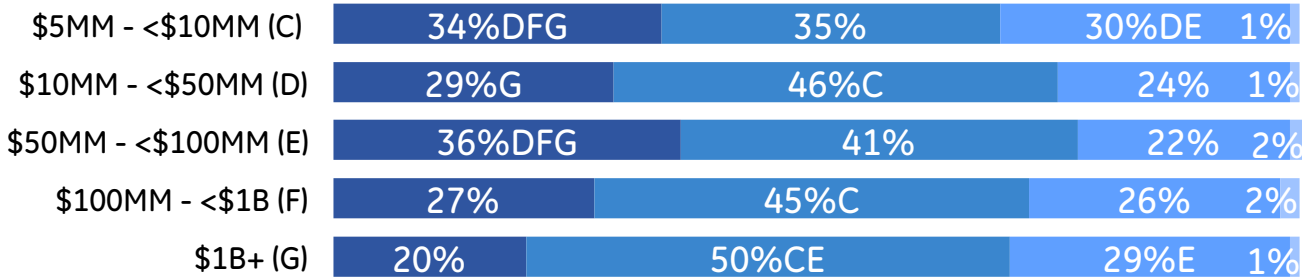


■ High Degree of Challenge ■ Moderate Degree of Challenge ■ Little or No Challenge ■ Don't Know

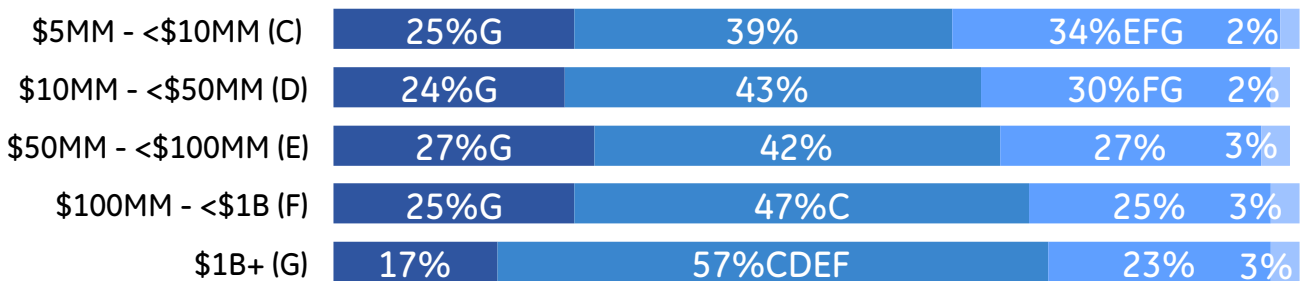
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171
 Q.17 To what degree is each one of the following a challenge to you and your organization?

Degree of Challenge for Various Regulations (2/3)

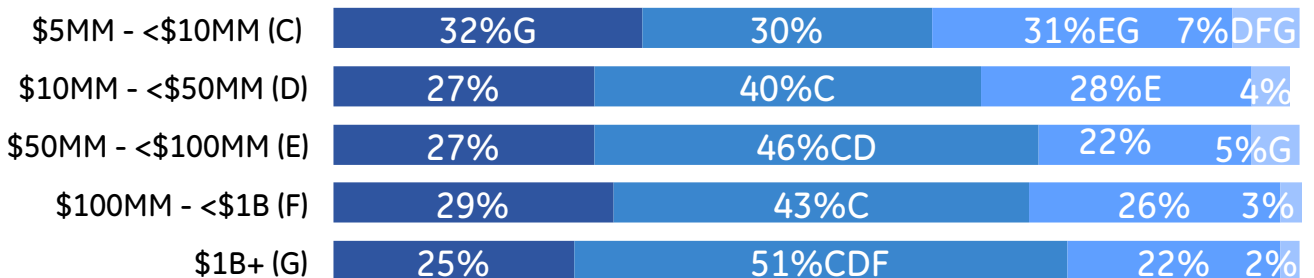
Complying with new health insurance requirements



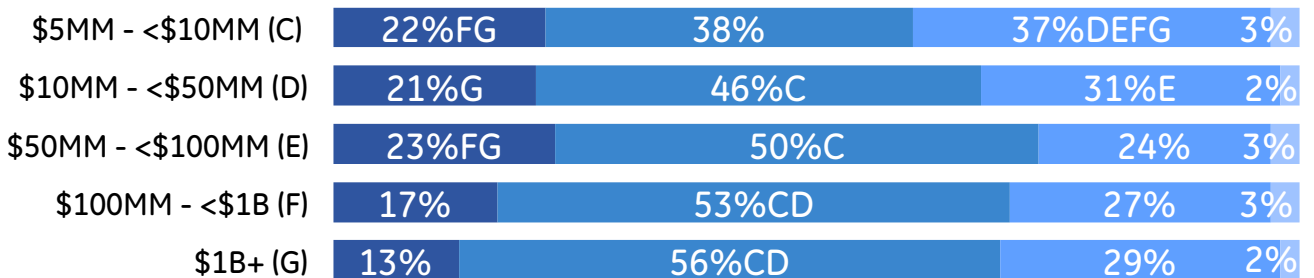
The cost of navigating the tax structure



Having access to regulators and hearing that your voice is heard



Being able to take advantage of tax breaks

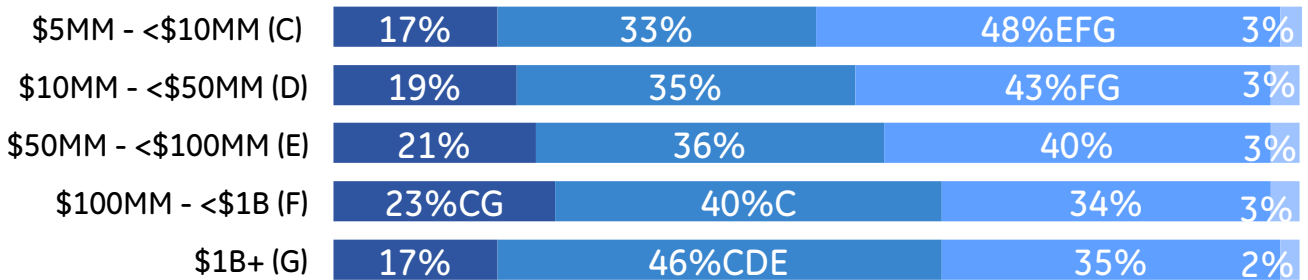


■ High Degree of Challenge ■ Moderate Degree of Challenge ■ Little or No Challenge ■ Don't Know

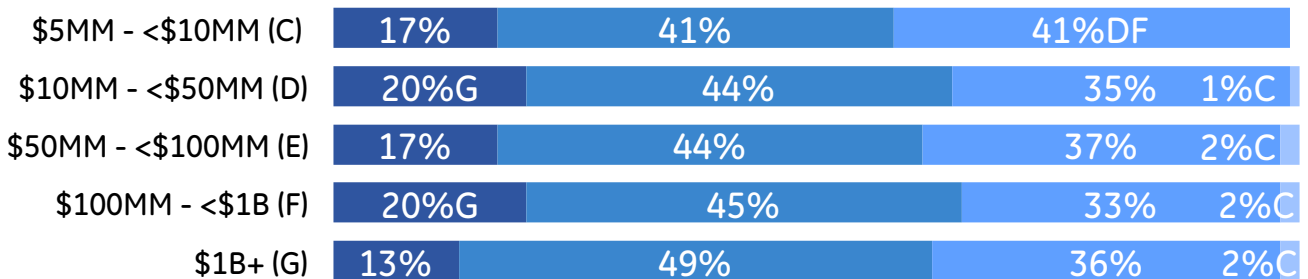
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B; N=399: \$1B+; N=171
 Q.17 To what degree is each one of the following a challenge to you and your organization?

Degree of Challenge for Various Regulations (3/3)

Ensuring we are in compliance with environmental regulation



Ensuring that we are in compliance with health and safety requirements

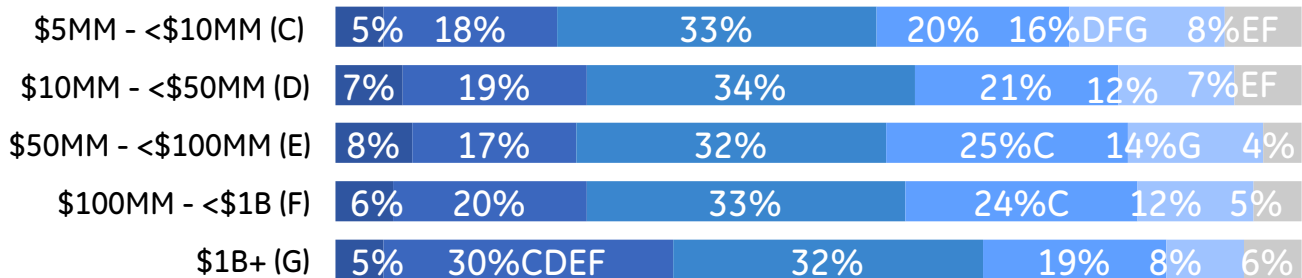


■ High Degree of Challenge
 ■ Moderate Degree of Challenge
 ■ Little or No Challenge
 ■ Don't Know

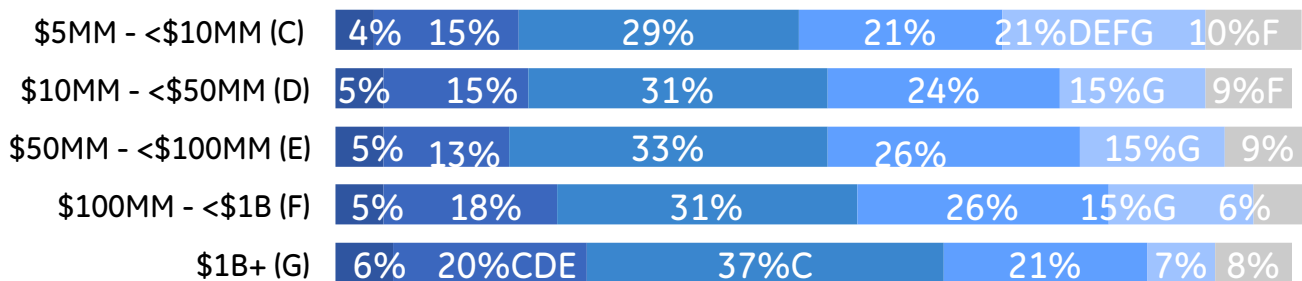
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171
 Q.17 To what degree is each one of the following a challenge to you and your organization?

Regulatory Parties Have Company's Best Interest in Mind (1/2)

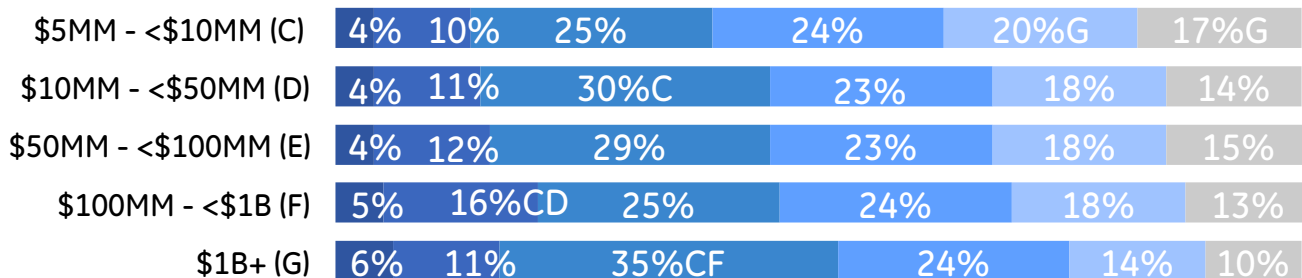
Local government officials



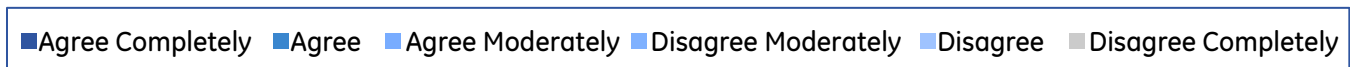
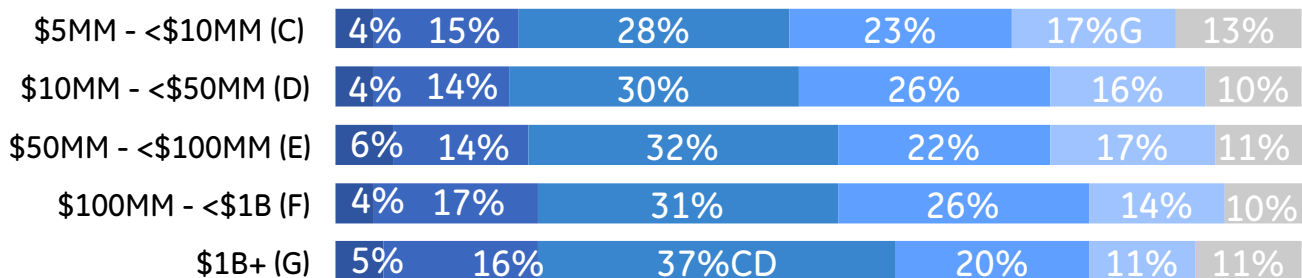
State government officials



Federal elected officials



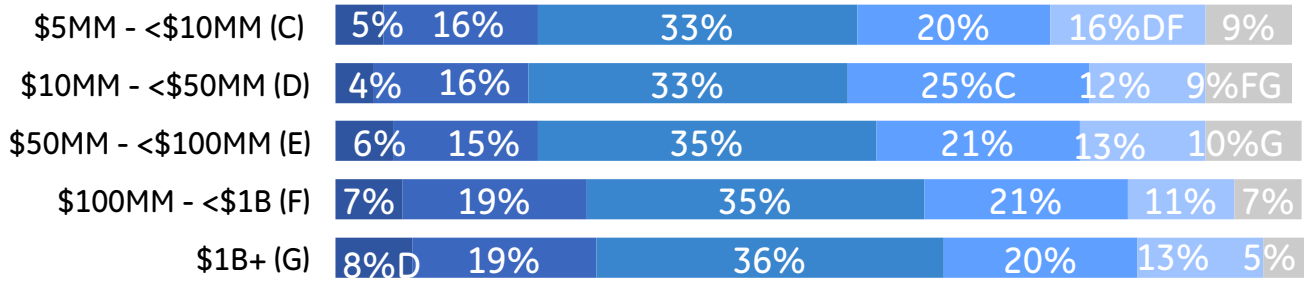
Federal agencies with whom you deal



Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171
 Q.18 To what extent do you agree or disagree that each of the following has your company's or your industries best interest in mind?

Regulatory Parties Have Company's Best Interest in Mind (2/2)

Regulators specific to your industry



■ Agree Completely
 ■ Agree
 ■ Agree Moderately
 ■ Disagree Moderately
 ■ Disagree
 ■ Disagree Completely

Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171

Q.18 To what extent do you agree or disagree that each of the following has your company's or your industries best interest in mind?

Most Important Issues Anticipated in Coming Year

% Total Unaided Mentions (1/2)

	Revenue				
	\$5MM - <\$10MM	\$10MM - <\$50MM	\$50MM - <\$100MM	\$100MM - <\$1B	\$1B+
Base: Total Respondents	(410)	(782)	(266)	(399)	(171)
	% (C)	% (D)	% (E)	% (F)	% (G)
Finances (Net)	50^{EFG}	45^{EFG}	38	35	31
Cash flow/cash flow management issues	24 ^{EFG}	21 ^{EFG}	15	15	12
Availability of/access to capital/funds	16 ^{EG}	13 ^G	9	14 ^{EG}	8
Capital for growth/expansion	4 ^F	3	3	2	2
Availability of/access to credit	7 ^{DEFG}	3 ^F	3	2	1
Accounts receivable/AR collections	6 ^{EFG}	7 ^{EFG}	2	3 ^G	1
Foreign exchange value	*	2	2	2 ^C	4 ^{CD}
Cost/Price (Net)	27	28	33^D	32	28
Cost of capital/funds	4	4	5	5	4
Cost/rising cost of raw materials	4	4	3	4	4
Cost control/containment	2	2	4	5 ^{CD}	5
Costs/rising costs (unsp)	3	4	7 ^{CD}	5	5
Cost of operation	2	2	3 ^F	1	2
Cost/rising cost of fuel/gas	2	3	3	2	3
Cost/rising cost of goods/commodities	4 ^D	2	3	4	4
Growth/Expansion (Net)	14	17^E	11	15^E	22^{CEF}
Revenue growth/profitability issues	8	12 ^{CE}	6	9	12 ^{CE}
Lack of growth/expansion	6	5	4	5	6
Healthcare (Net)	17^G	15^G	14^G	14^G	7
Cost of healthcare	9 ^E	7	6	8	5
Health insurance/cost of health insurance	3 ^G	4 ^G	5 ^G	3	1
Healthcare (unsp)	3	3	3	3	1
Economy (Net)	8	9	12^{CD}	12^{CD}	13^{CD}
Economy (unsp)	2	3	4	3	2
Inflation	1	1	2	1	3 ^{CD}
Economic challenges/conditions	2	2	3	4 ^{CD}	3
Market/Stock issues	1	1	2	2	4 ^{CD}

Table continues

Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

Q.19a Thinking specifically about your company's finances, please list the 3 most important issues facing your company in the coming year.

Most Important Issues Anticipated in Coming Year – % Total Unaided Mentions (2/2)

	Revenue				
	\$5MM - <\$10MM (410) %	\$10MM - <\$50MM (782) %	\$50MM - <\$100MM (266) %	\$100MM - <\$1B (399) %	\$1B+ (171) %
Base: Total Respondents	(C)	(D)	(E)	(F)	(G)
Taxes (Net)	8	7	10	10	8
Taxes/taxation	6	6	8	6	8
Interest Rates (Net)	3	6^C	7^C	8^C	9^C
Interest rates (unsp)	2	3	5 ^A	6 ^{CD}	4 ^C
High/rising interest rates	1	2	2	2	4 ^{CF}
Labor/Employee Issues (Net)	14	12	13	12	11
Attracting talented/quality employees	3	2	3	2	2
Employee/staff retention	3 ^G	2	3 ^G	2	1
Wages/increase in wages/salary	3	2	3	2	1
Other labor/employee issue mentions	*	2 ^C	1	3 ^{CE}	1
Sales (Net)	12^G	11^G	12^G	10^G	5
Sales/New sales (unsp)	6 ^G	7 ^G	7 ^G	6	3
Reduction in sales	2	3 ^F	2	1	1
Debt (Net)	6	7	6	8^G	4
Debt/bad debts	5	5	3	4	3
Regulations (Net)	5	5	8	7	9^D
Regulations (unsp)	1	2	2	2	4 ^C
Investments	4	3	4	3	4
Innovation/Product Innovation	3	3	2	4	5
Infrastructure	3	2	2	2	4 ^F
Performance	1	2 ^C	2	2	3 ^C
Competition (Net)	3	3	3	4	4
Competition/increased competition	2	2	2	3	3
Company/Business	1	2	2	2	4 ^C
Government/Political Issues	1	1	2	3 ^{CD}	1

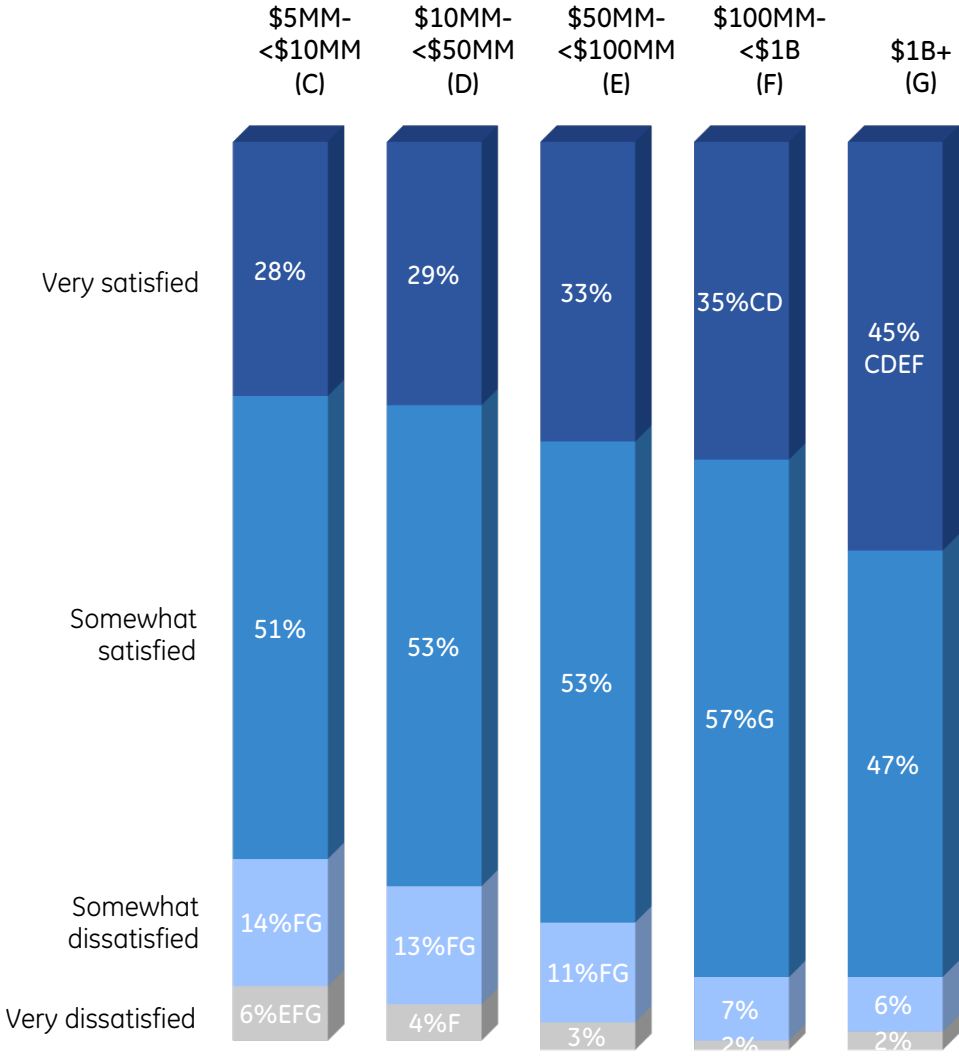
* Less than 0.5%.

Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

Q.19a Thinking specifically about your company's finances, please list the 3 most important issues facing your company in the coming year.

Satisfaction with Company's Balance Sheet



Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171
 Q.20 Overall, how satisfied are you with your company's balance sheet?

Reasons for Satisfaction with Company's Balance Sheet

	Revenue				
	\$5MM - <\$10MM (410) % (C)	\$10MM - <\$50MM (782) % (D)	\$50MM - <\$100MM (266) % (E)	\$100MM - <\$1B (399) % (F)	\$1B+ (171) % (G)
Base: Total Respondents					
Positive (Net)	53	53	60^{CD}	63^{CD}	62^{CD}
Performance (Subnet)	29	26	36^{CD}	35^{CD}	32
Good/strong/balanced balance sheet	14	15	23 ^{CDG}	21 ^{CDG}	14
Good/high profitability	7	7	8	10	12 ^{CDE}
Growth/increase in sales	5 ^D	3	4	3	5 ^D
Finances (Subnet)	22	24	26	26	31^{CD}
No/less debts	11	11	11	12	12
Good cash reserves/cash flow	11	11	11	13	11
Good/adequate capital	1	1	2	2	4 ^{CD}
Liabilities/Assets	5	6 ^F	3	3	4
Company	3	3	2	3	5
Negative (Net)	48^{EFG}	45^{EFG}	39^G	35^G	27
Finances (Subnet)	20^{FG}	22^{EFG}	16	13	11
High/too much debt	6	7	6	6	4
Poor capital	1	2	3	1	1
Low cash reserves/cash flow	6 ^G	4	5	4	2
High cost control/expenses	3 ^{EF}	2	1	1	1
Performance (Subnet)	8^{FG}	10^{EFG}	5^G	5^G	2
Insufficient/low profits	8 ^G	9 ^{EFG}	5 ^G	5 ^G	2
Liabilities/Assets	5 ^{FG}	4 ^F	3	2	2
Miscellaneous Negative					
Could be better/room for improvement	10 ^G	8 ^G	8 ^G	10 ^G	4
Poor economic conditions	1	1	2 ^D	2 ^D	3 ^D

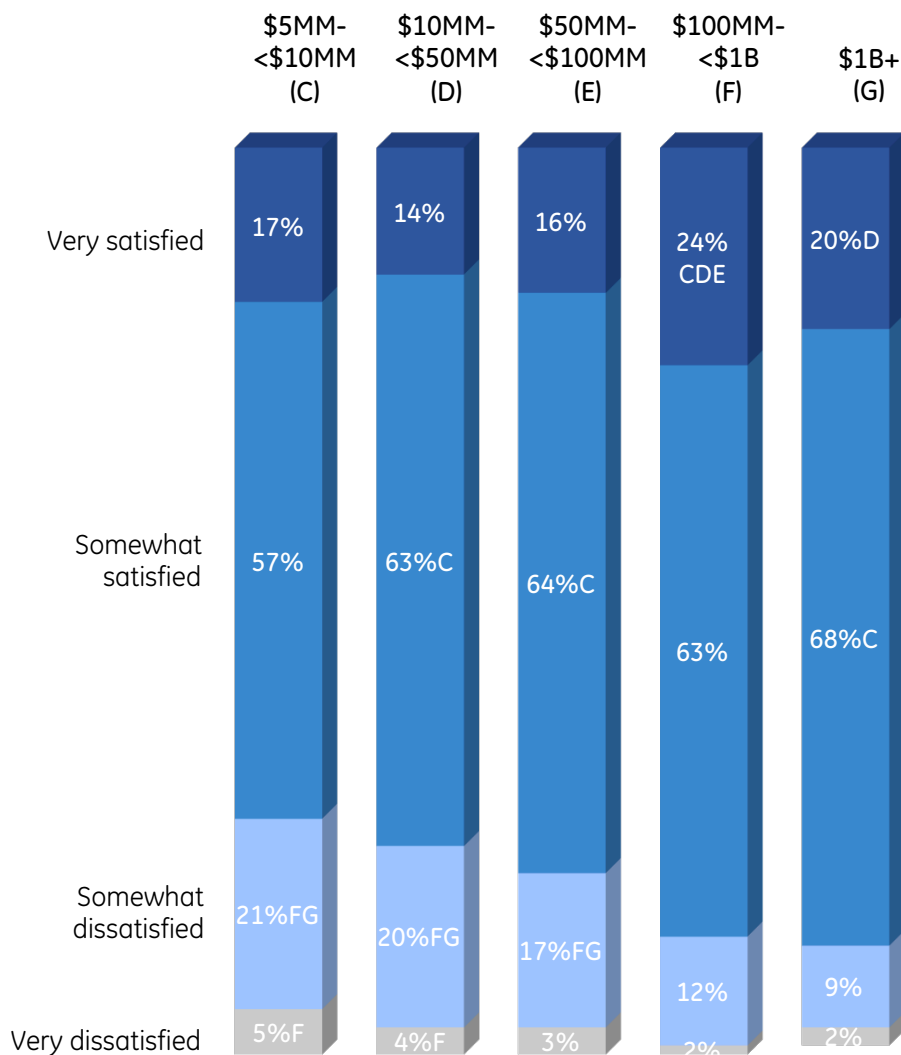
Top Mentions (3%+) are shown.

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Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171

Q.20a Why do you say that?

Satisfaction with Company's Ability to Meet Outside Pressures



Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171

Q.23 Overall, how satisfied are you with your company's ability to meet these outside pressures?

Reasons for Satisfaction with Company's Ability to Meet Outside Pressures

	Revenue				
	\$5MM - <\$10MM (410) % (C)	\$10MM - <\$50MM (782) % (D)	\$50MM - <\$100MM (266) % (E)	\$100MM - <\$1B (399) % (F)	\$1B+ (171) % (G)
Base: Total Respondents					
Positive (Net)	40	44	39	50^{CDEG}	40
Company (Subnet)	10	10	11	12	13
Has been around for a long period of time	2	3	3	3	2
Good/strong management	2	3	3	4	5
Economy (Subnet)	5	4	4	6^D	4
Growth/increase in sales	1	1	1	2	3 ^{CDE}
Staff (Subnet)	3	4^G	2	4^G	1
Good staff	1	2	1	2	1
Finance (Subnet)	3	4	3	3	7^{CDEF}
Good/strong/balanced balance sheet	1	2	2	3 ^C	5 ^{CDE}
Miscellaneous Positive					
Good performance	10	12	10	13	11
Competitive/beat competitors	2	2	3	3	2
Ability to meet pressures	4	4	5	5	3
Negative (Net)	51^{FG}	47^F	50^{FG}	37	40
Government (Subnet)	4	6	6	5	4
No control over government/government unpredictable	1	2	3 ^C	2	1
Government regulations	2	3	2	3	2
Company (Subnet)	6	7^F	6	4	5
Small company size	1 ^E	2 ^{EFG}	--	1	--
Cost (Subnet)	3	5^F	4	3	5
High cost/price	2	2	2	1	3
Competition (Subnet)	6^G	4^G	6^G	4^G	1
Competition/increased competition (unsp)	6 ^{FG}	4	5 ^{FG}	2	1
Finances (Subnet)	2	4^G	5^{CFG}	3^G	1
Cash flow/cash flow management	1	2 ^{FG}	3 ^{FG}	1	--
Miscellaneous Negative					
Inability to control	9 ^{DEG}	6 ^G	5	7 ^G	3
Could be better/room for improvement	8 ^D	5	8 ^D	6	7

Top Mentions (3%+) are shown.

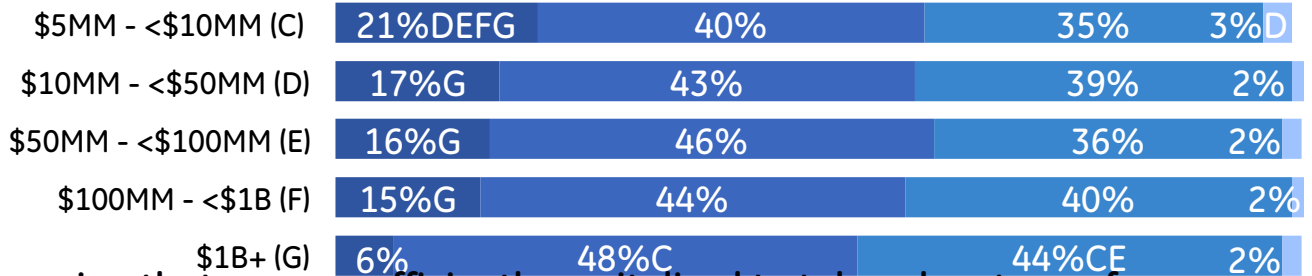
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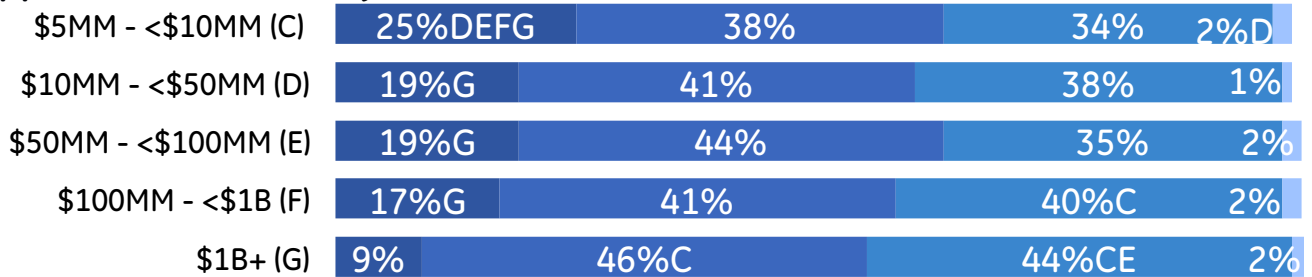
Q.23a Why do you say that?

Degree of Challenge for Effective Financial Management (1/5)

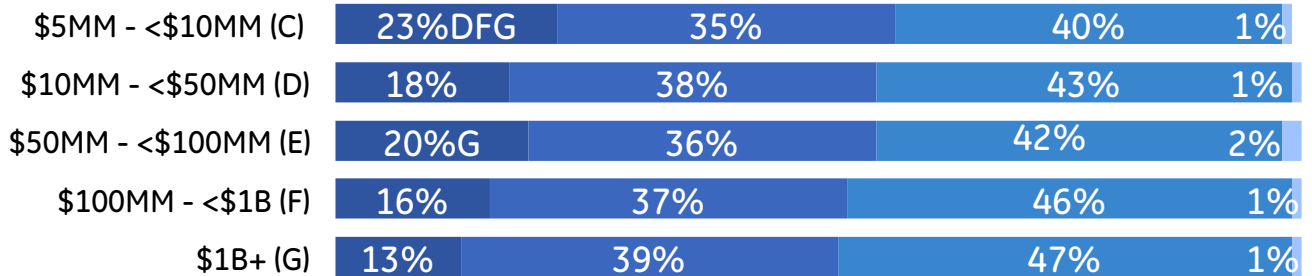
Having access to providers who know our business



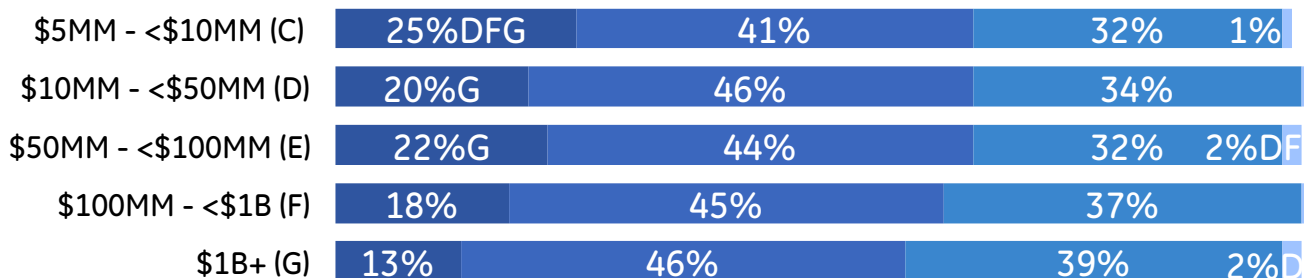
Ensuring that we are sufficiently capitalized to take advantage of opportunities that may arise



Having sufficient working capital



Having predictable cash flow

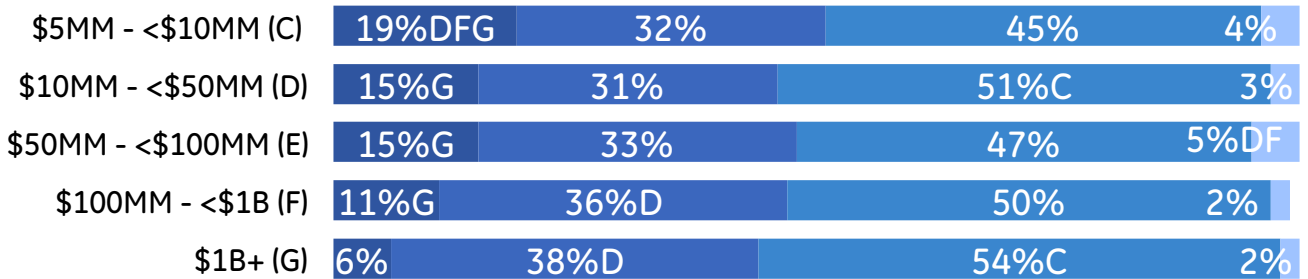


■ High Degree of Challenge
 ■ Moderate Degree of Challenge
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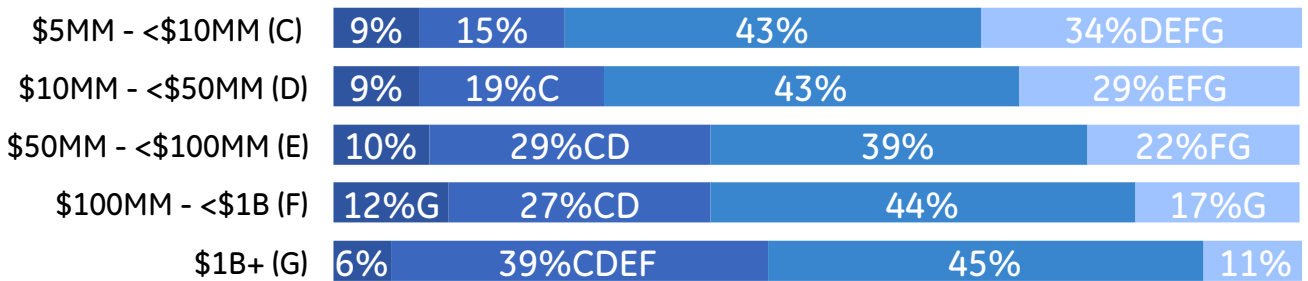
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171
 Q.21 To what degree is each one of the following a challenge to you and your organization?

Degree of Challenge for Effective Financial Management (2/5)

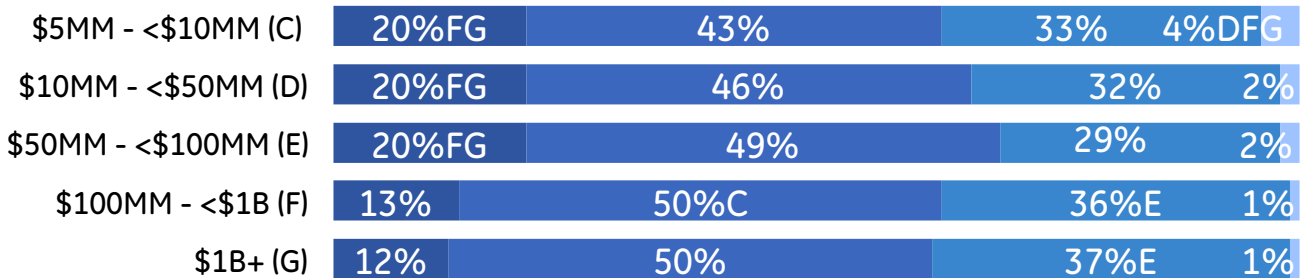
Getting the attention of lenders



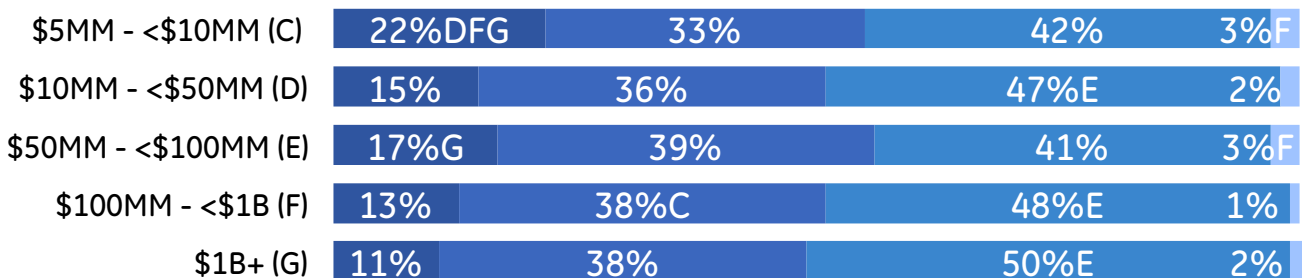
Being able to secure capital in foreign markets



Ensuring we get the most advantageous terms



Qualifying for the funding we require

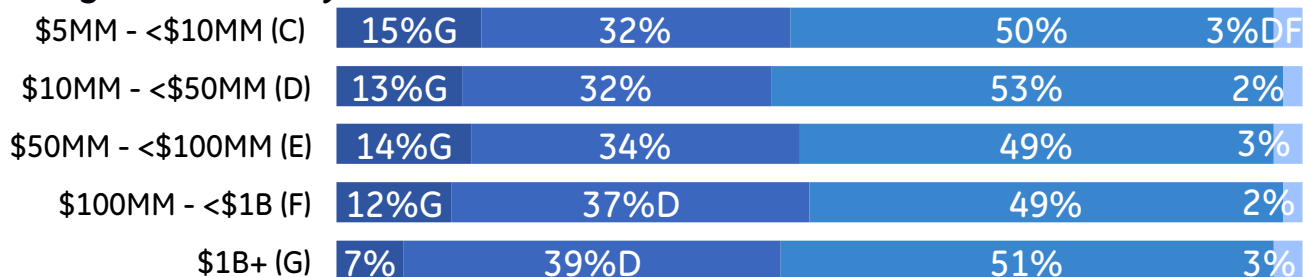


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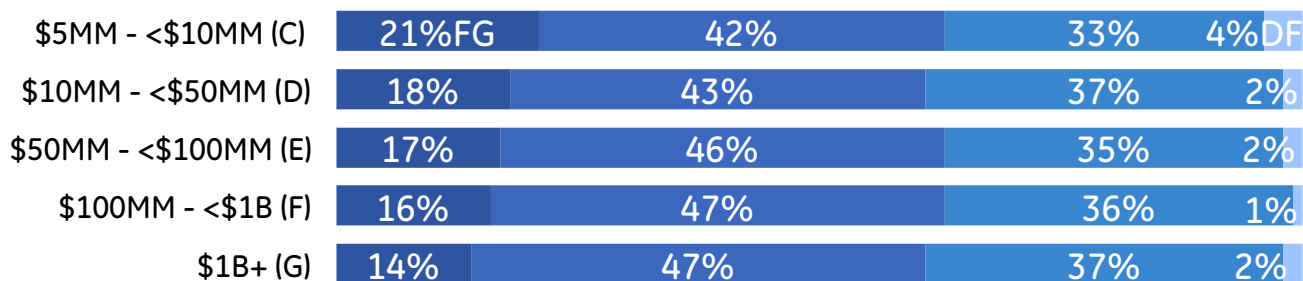
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 Q.21 To what degree is each one of the following a challenge to you and your organization?

Degree of Challenge for Effective Financial Management (3/5)

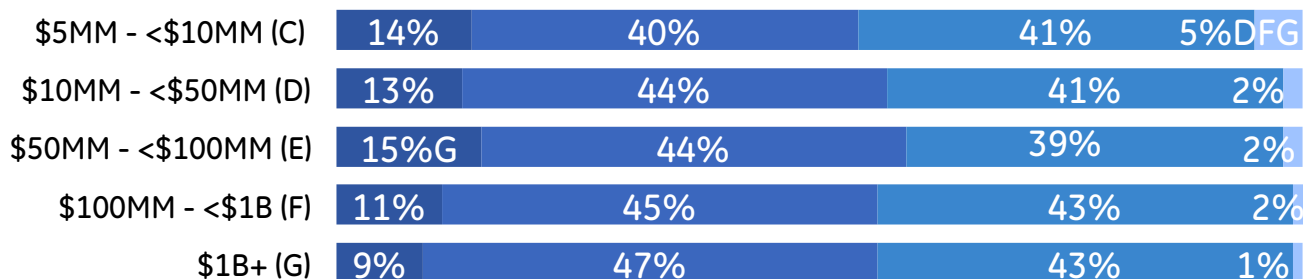
Having access to key decision makers at the banks with whom we work



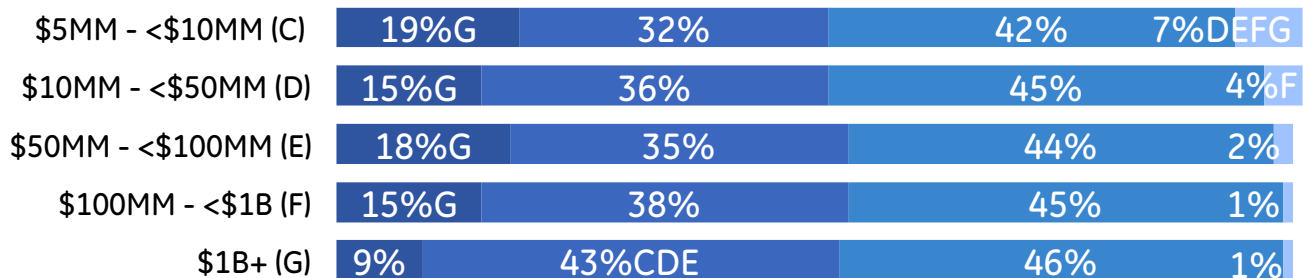
Ensuring that we get lowest cost of funds



Having access to vendors and suppliers who act as business partners



Having proper access to the capital markets

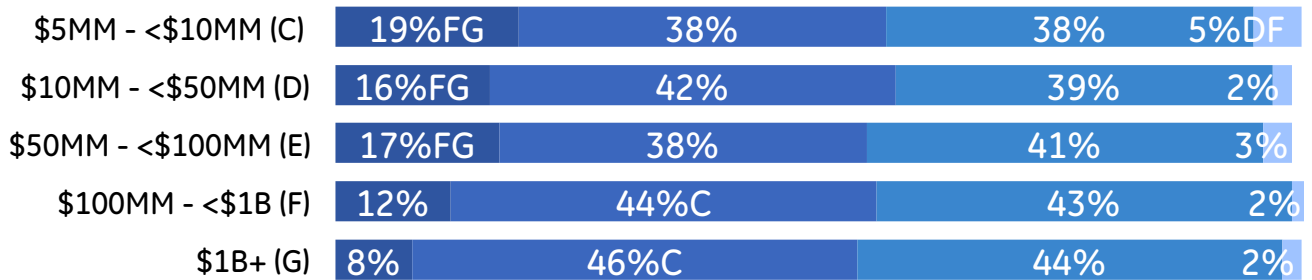


■ High Degree of Challenge
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 ■ Little or No Challenge
 ■ Don't Know

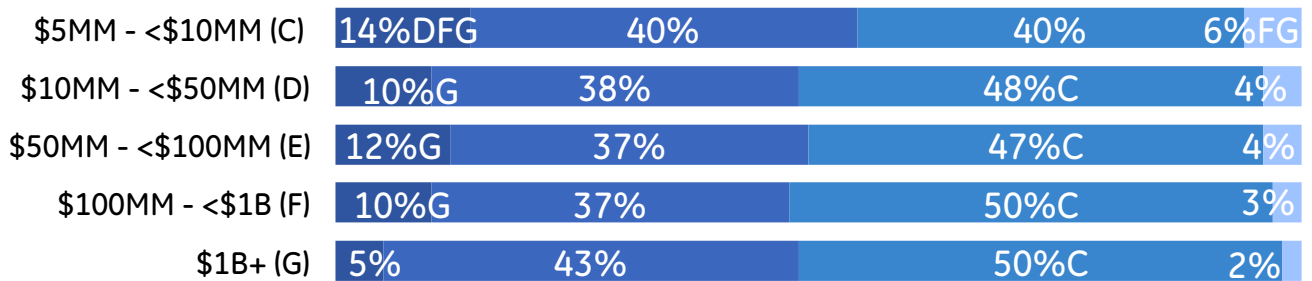
Letters indicate significant differences between groups at the 90% confidence level.
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 Q.21 To what degree is each one of the following a challenge to you and your organization?

Degree of Challenge for Effective Financial Management (4/5)

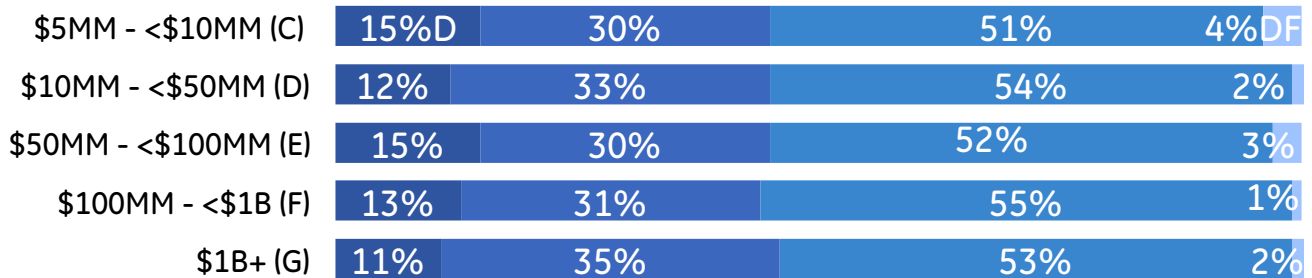
Having access to providers who are focused on companies like us



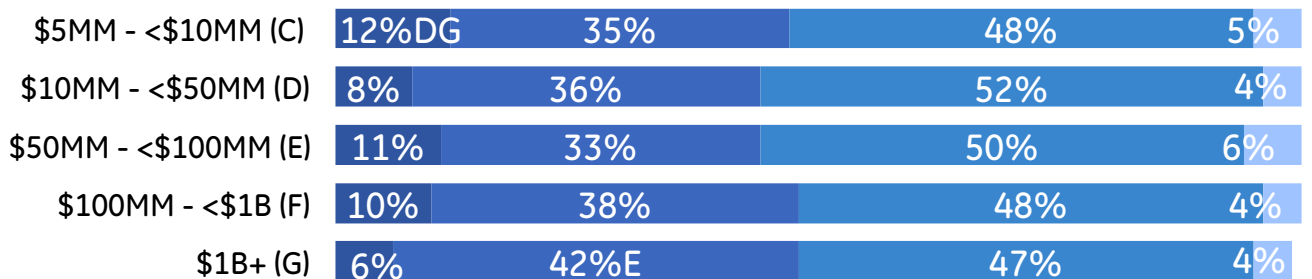
Having access to providers who can act as advisors



Being able to service our debt levels



Navigating the application process

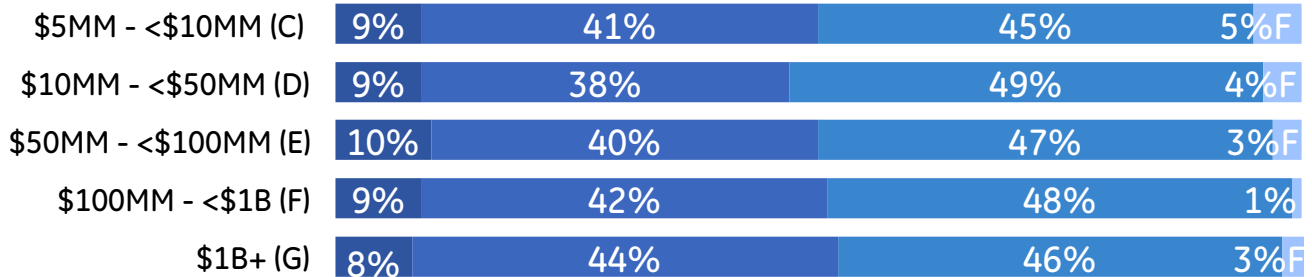


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 ■ Don't Know

Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B; N=399: \$1B+; N=171
 Q.21 To what degree is each one of the following a challenge to you and your organization?

Degree of Challenge for Effective Financial Management (5/5)

Having access to sophisticated cash management tools



■ High Degree of Challenge
 ■ Moderate Degree of Challenge
 ■ Little or No Challenge
 ■ Don't Know

Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171
 Q.21 To what degree is each one of the following a challenge to you and your organization?

Most Important Challenges Related to Outside Pressures

% Total Unaided Mentions (1/2)

	Revenue				
	\$5MM - <\$10MM (410) % (C)	\$10MM - <\$50MM (782) % (D)	\$50MM - <\$100MM (266) % (E)	\$100MM - <\$1B (399) % (F)	\$1B+ (171) % (G)
Base: Total Respondents					
Competition (Net)	27	29	32	31	29
Competition/increased competition (unsp)	18	20	23	20	22
Foreign competition	1	2	3C	5CD	2
Competitive pricing	4	4	3	5	3
Cost (Net)	19G	18G	18G	19G	11
Cost of commodities/goods	3	3	4	4	3
Cost/rising costs (unsp)	2	3	4	4	4
Cost/rising cost of raw materials	3	3	3	4	1
Cost/rising cost of fuel/gas	3G	3G	2G	2G	-
Regulations (Net)	14	19C	15	18	23CE
Government regulations/policy	6	8E	5	7	6
Regulations/compliance (unsp)	4	7C	7C	7C	11CDF
Labor/Employee Issues (Net)	14	11	13	12	12
Attracting talented/quality employees	5	4	6F	3	4
Employee retention	1	1	4CD	3CD	3

Table continues

* Less than 0.5%.

Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

Q.22 Thinking about your company, please list the most important challenges you have as they relate to the outside pressures your company faces.

Please list up to five challenges.

Most Important Challenges Related to Outside Pressures

% Total Unaided Mentions (2/2)

	Revenue				
	\$5MM - <\$10MM (410) % (C)	\$10MM - <\$50MM (782) % (D)	\$50MM - <\$100MM (266) % (E)	\$100MM - <\$1B (399) % (F)	\$1B+ (171) % (G)
Base: Total Respondents					
Consumers/Customers (Net)	9	10F	10	7	8
Customer satisfaction	*	2C	3C	2C	2C
Inability to attract new customers/clients	4F	3	2	2	2
Economy (Net)	14	16	17	20CD	19
Economic challenges/conditions	3	4	4	6	5
Economy (unsp)	4	5	5	5	4
Market/market conditions	2	3	4	4C	6CD
Finances (Net)	14FG	14FG	13F	8	8
Availability of/access to capital/funds	6F	6F	9FG	4	4
Growth/Expansion (Net)	6	6	4	8E	6
Lack of growth/expansion	2	2	2	3	2
Healthcare (Net)	8FG	8FG	6	5	3
Health insurance/cost of health insurance	6G	5G	5G	4G	1
Government/Political Issues (Net)	4	4	4	4	3
Government intervention/Lack of government support	2F	2	2	1	1
Taxes (Net)	5	7G	5	5	3
Taxes/High taxes	4	4	2	3	2
Technology	2	2	3F	1	3F
Interest Rates	1	1	3	4CD	1
Advertising/marketing challenges	1	1	1	1	4CDEF
Environmental	2	3	2	3	2

* Less than 0.5%.

Top Mentions (3%+) are shown.

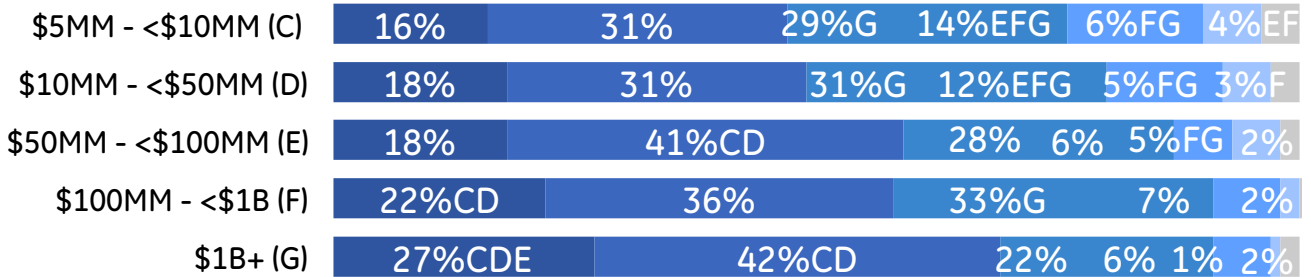
Letters indicate significant differences between groups at the 90% confidence level.

Q.22 Thinking about your company, please list the most important challenges you have as they relate to the outside pressures your company faces.

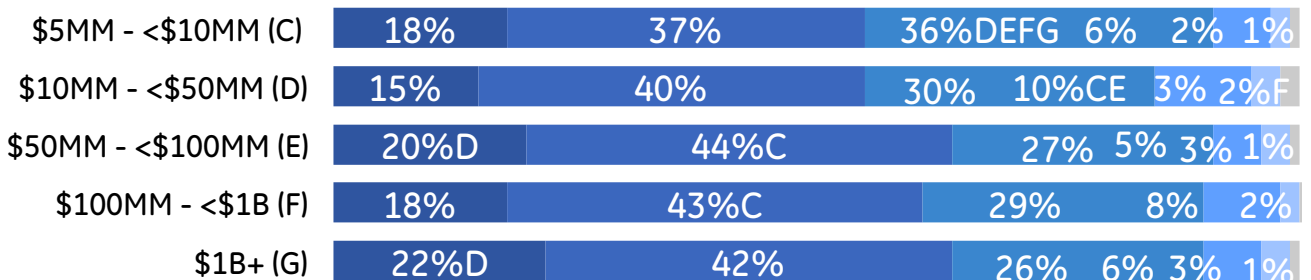
Please list up to five challenges.

Outside Pressures Company Faces (1/2)

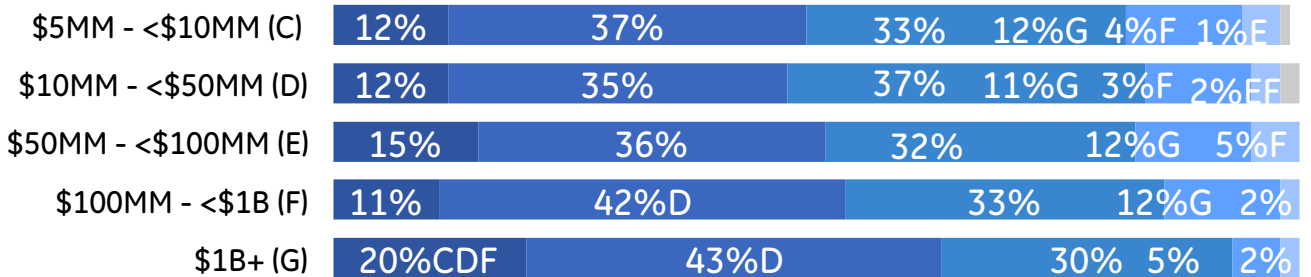
We have a balance sheet that is strong enough to withstand a downturn in the economy



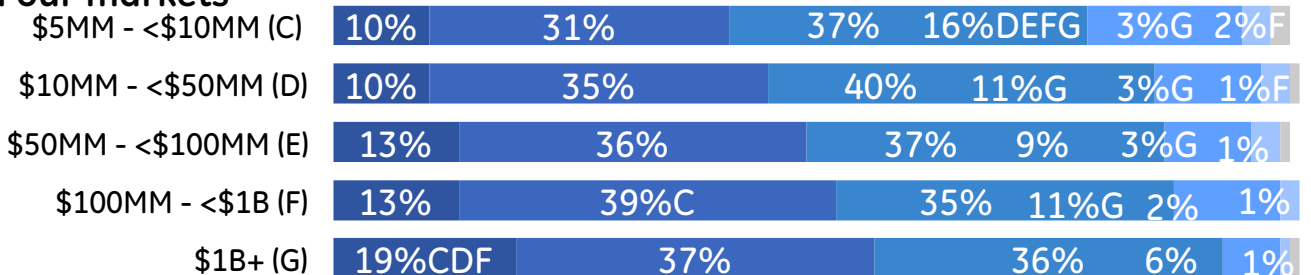
Our management team has the skill set to meet the challenges we face



Our size allows us to take advantage of changes when they occur



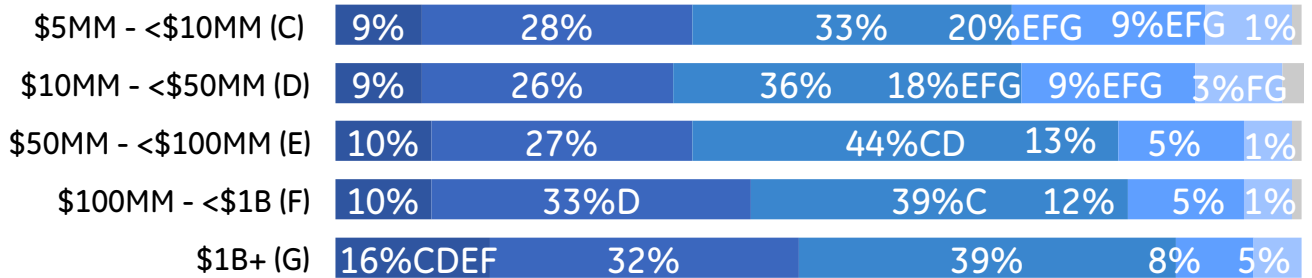
Our company is properly positioned to take advantage of changes in our markets



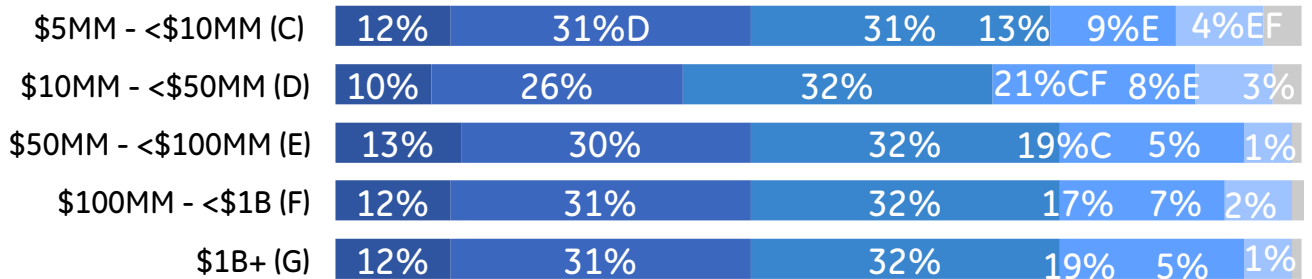
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B; N=399: \$1B+; N=171
 Q.24 To what extent do you agree or disagree with each of the following?

Outside Pressures Company Faces (2/2)

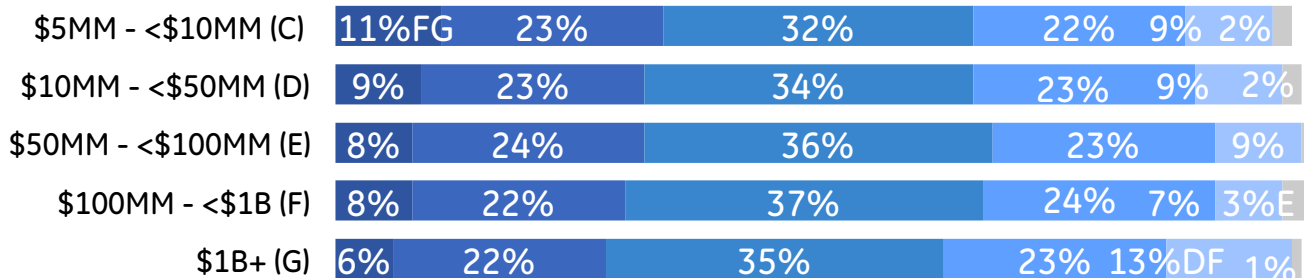
Our size allows us to withstand outside pressures



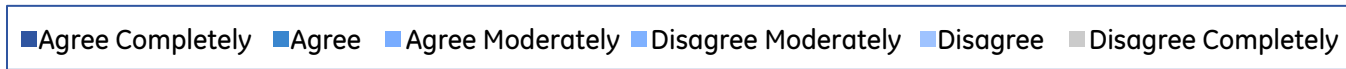
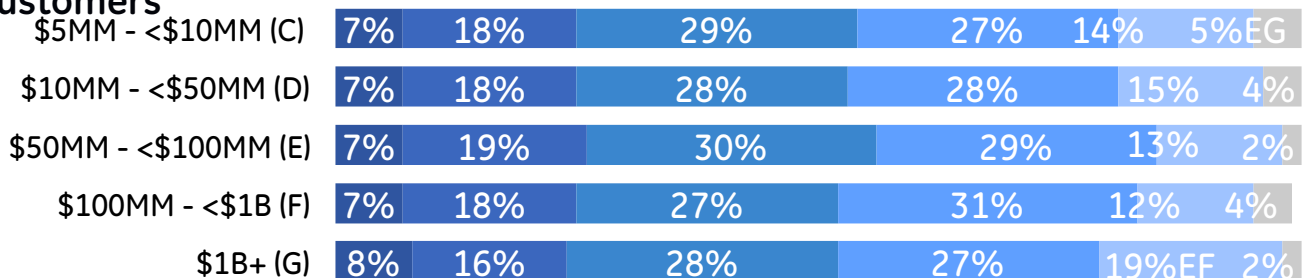
The type of customers we serve are changing



We find it hard to forecast changes in demand for our products or services



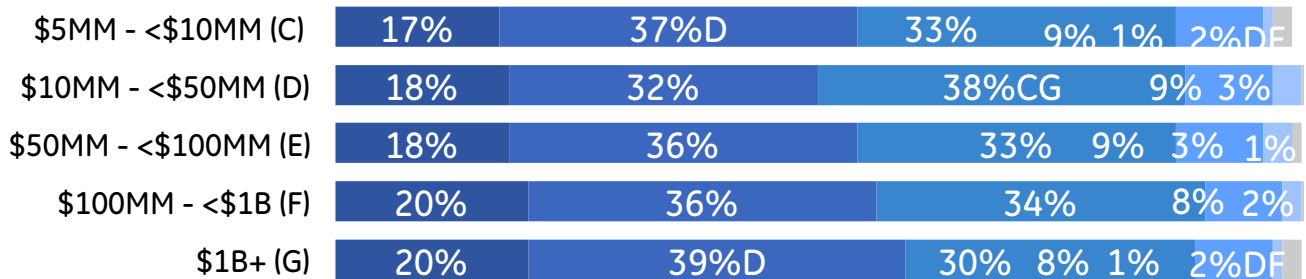
We are struggling to adapt to new ways of communicating with our customers



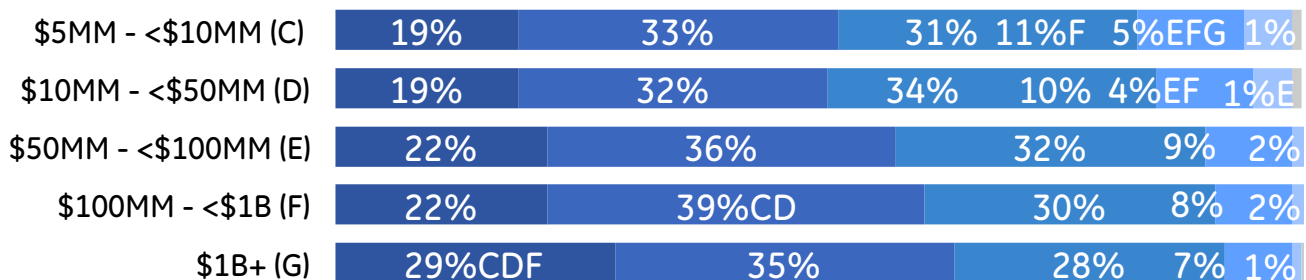
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B; N=399: \$1B+; N=171
 Q.24 To what extent do you agree or disagree with each of the following?

Corporate Attitudes (1/6)

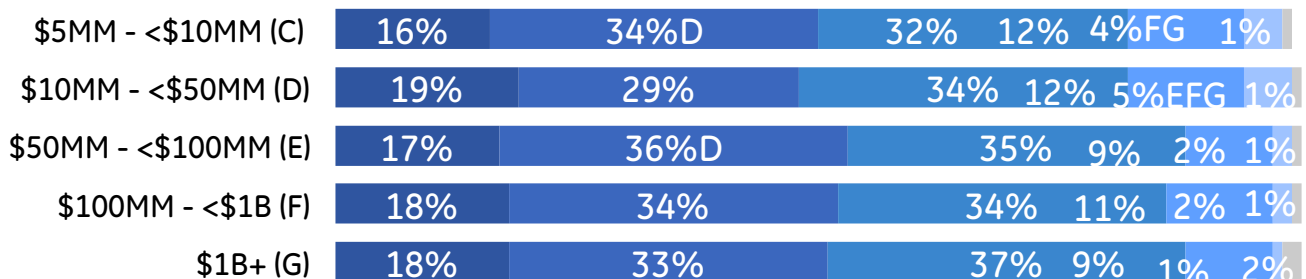
Our company has sustained the economic crisis better than others in our industry



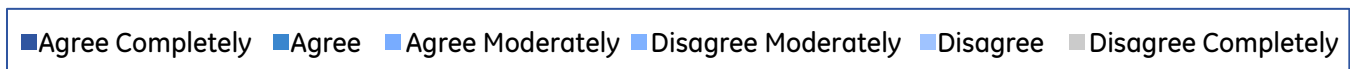
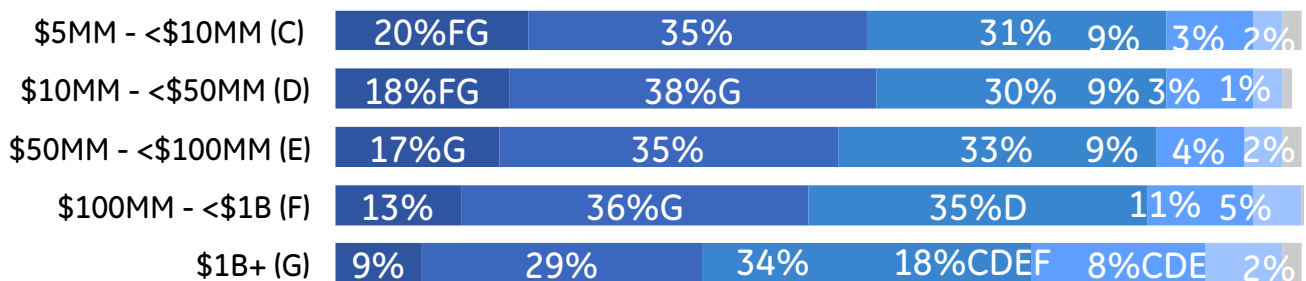
We are recognized as leaders in our industry



We consider ourselves to be an innovative company



We are able to adjust to market conditions because we are less bureaucratic



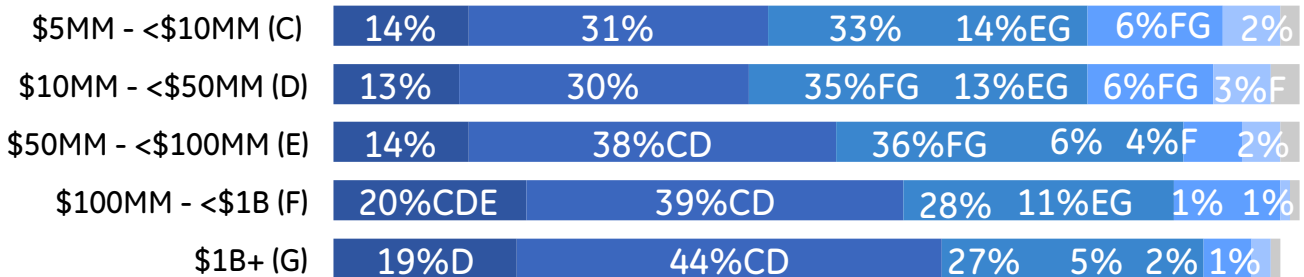
Letters indicate significant differences between groups at the 90% confidence level. Ranked based on Growth Champions.

Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171

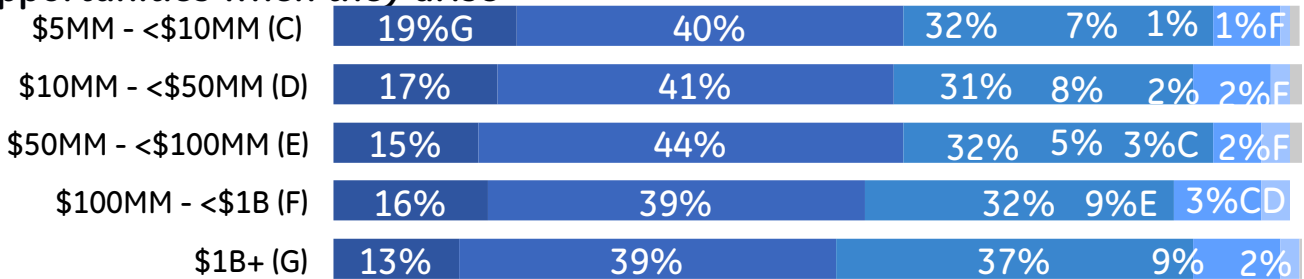
Q.25 To what extent do you agree or disagree with each of the following. Please note that some will be positive and some will be negative. Please read each one carefully and indicate how much you agree or disagree that the statement describes your company.

Corporate Attitudes (2/6)

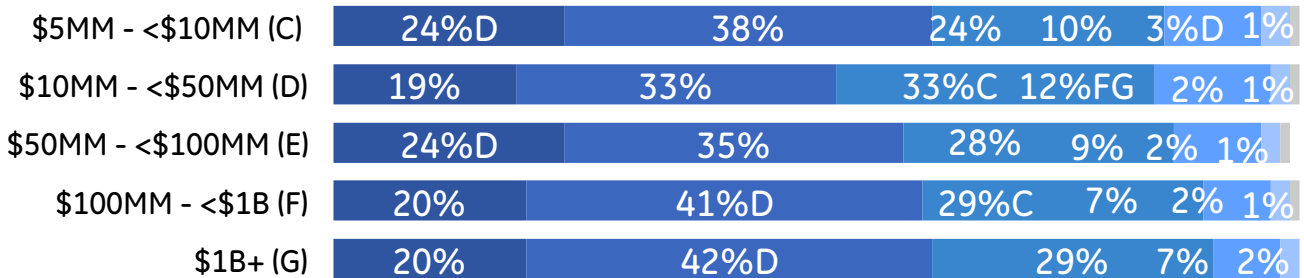
Our company has a specific long-term growth strategy



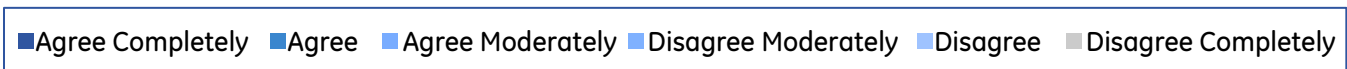
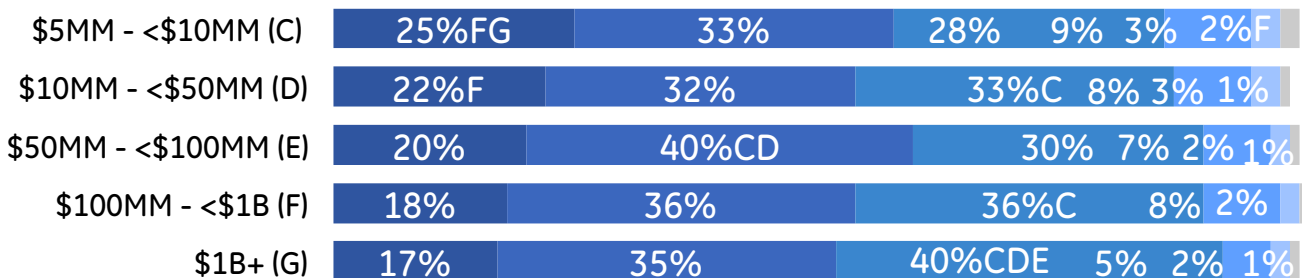
Our management structure gives us the ability to quickly take advantage of opportunities when they arise



We have to grow to remain competitive



Companies like ours are the backbone of American Business



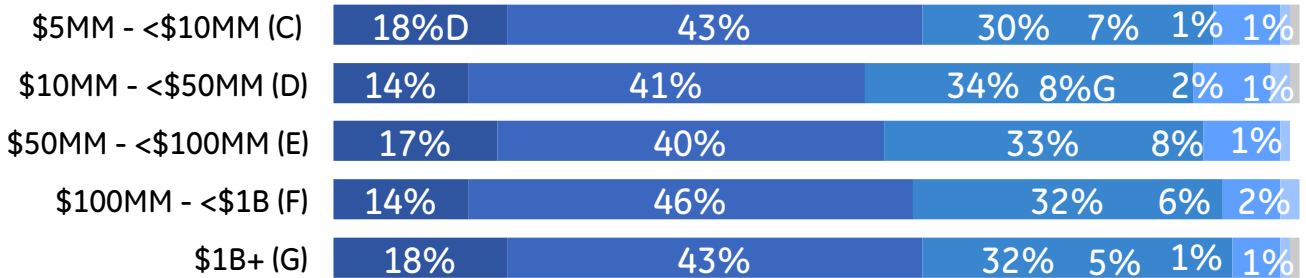
Letters indicate significant differences between groups at the 90% confidence level. Ranked based on Growth Champions.

Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171

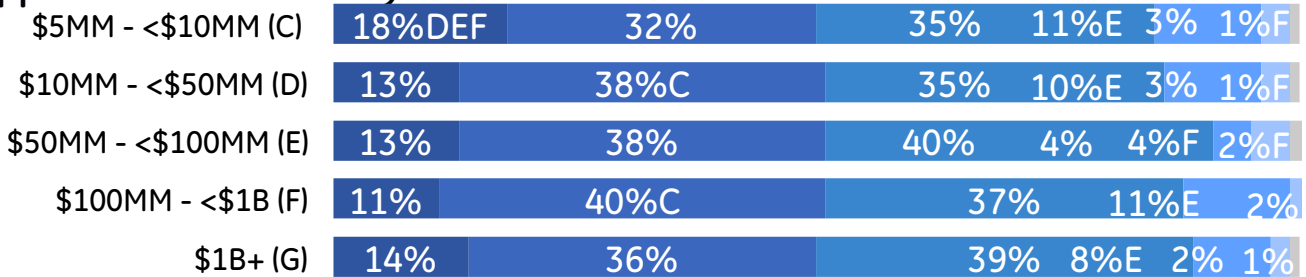
Q.25 To what extent do you agree or disagree with each of the following. Please note that some will be positive and some will be negative. Please read each one carefully and indicate how much you agree or disagree that the statement describes your company.

Corporate Attitudes (3/6)

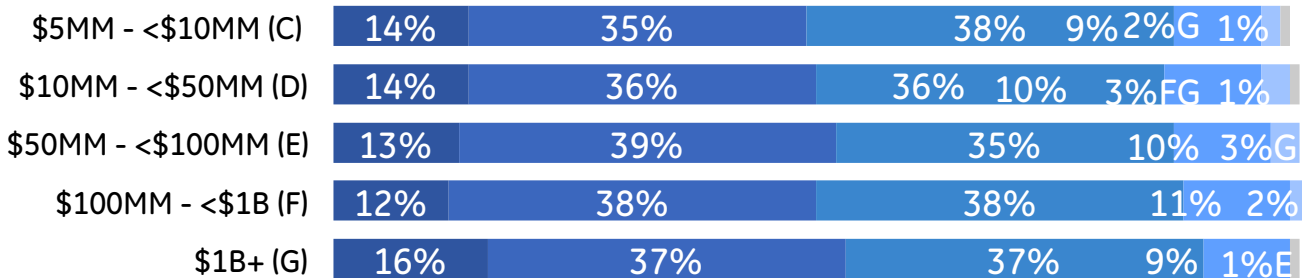
We actively seek to manage our growth



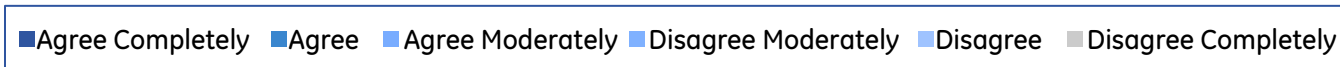
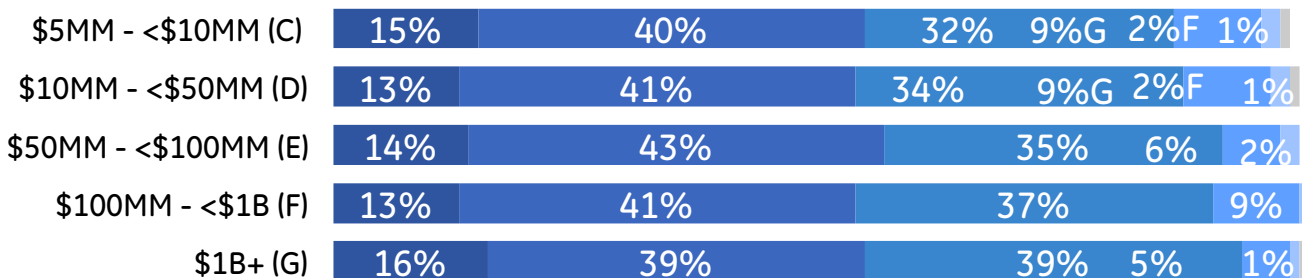
Our size gives us the ability to quickly take advantage of opportunities when they arise



Companies our size have unique advantages



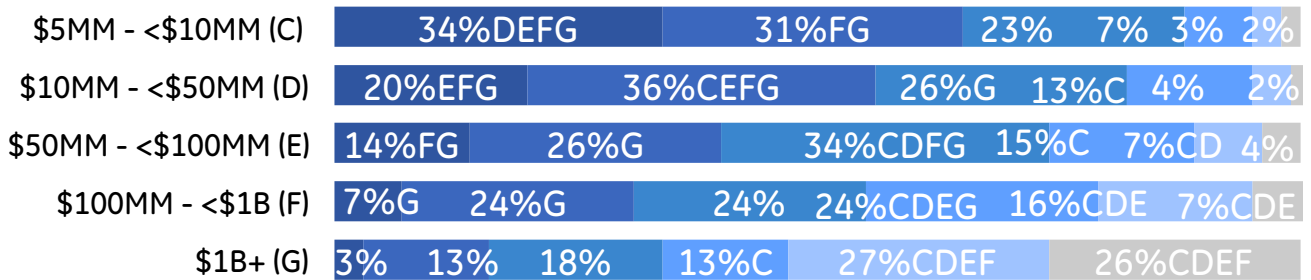
As a leader, I feel I have the right tools to make business decisions



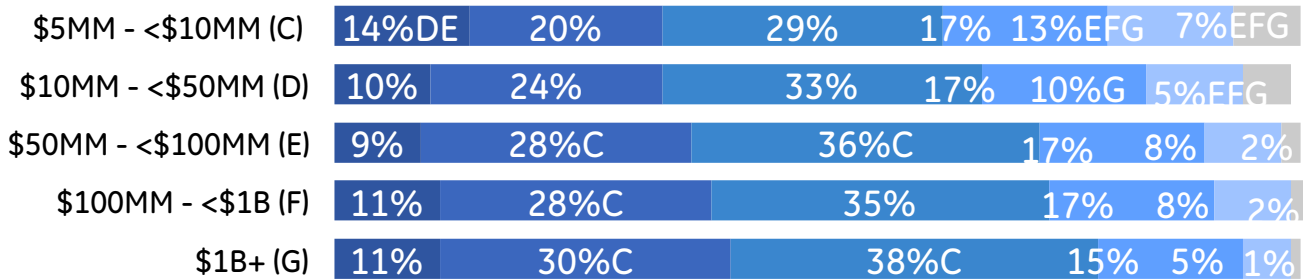
Letters indicate significant differences between groups at the 90% confidence level. Ranked based on Growth Champions.
 Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171
 Q.25 To what extent do you agree or disagree with each of the following. Please note that some will be positive and some will be negative. Please read each one carefully and indicate how much you agree or disagree that the statement describes your company.

Corporate Attitudes (4/6)

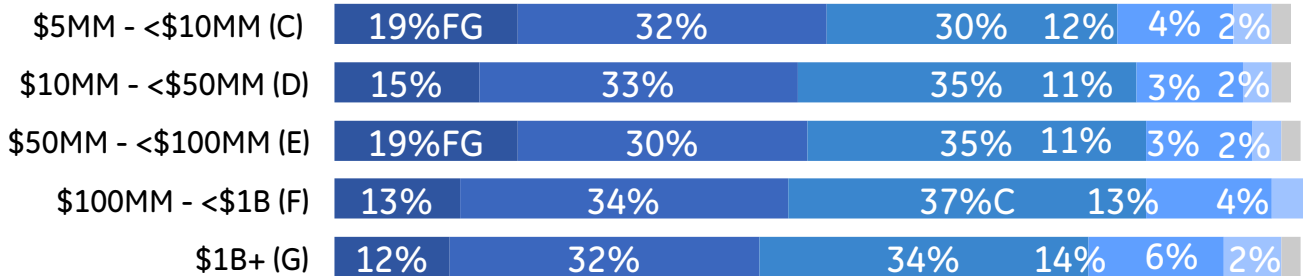
We consider our company to be a small business



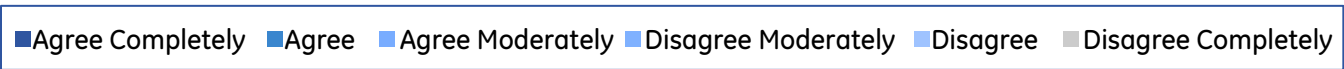
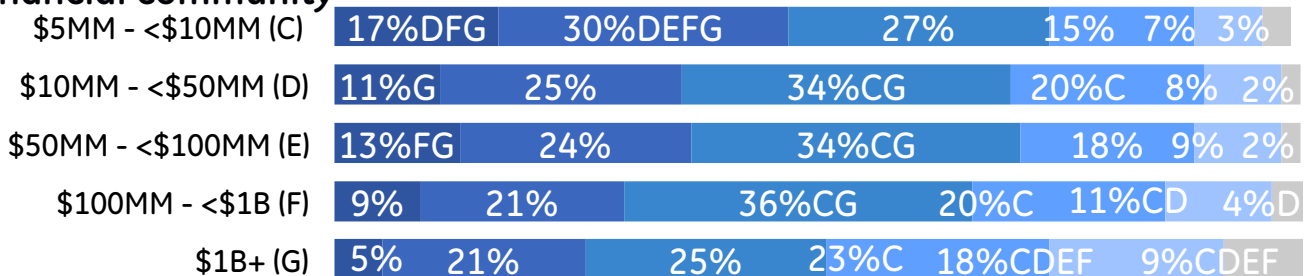
We have a digital strategy



We feel that companies our size are under price pressure



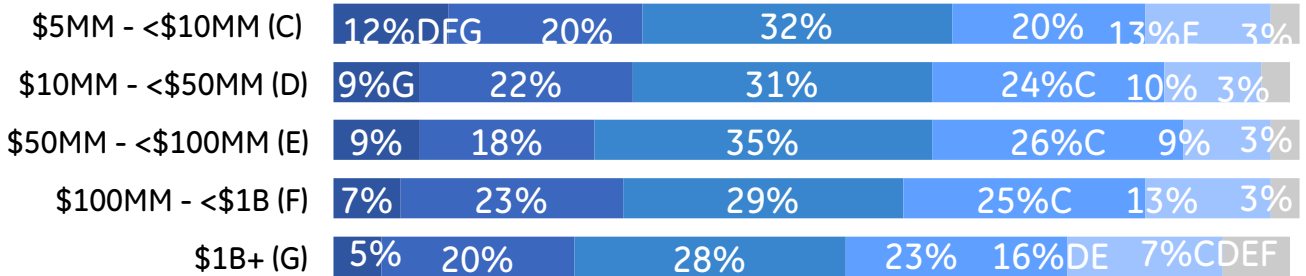
Companies like ours have to work harder to get the attention of the financial community



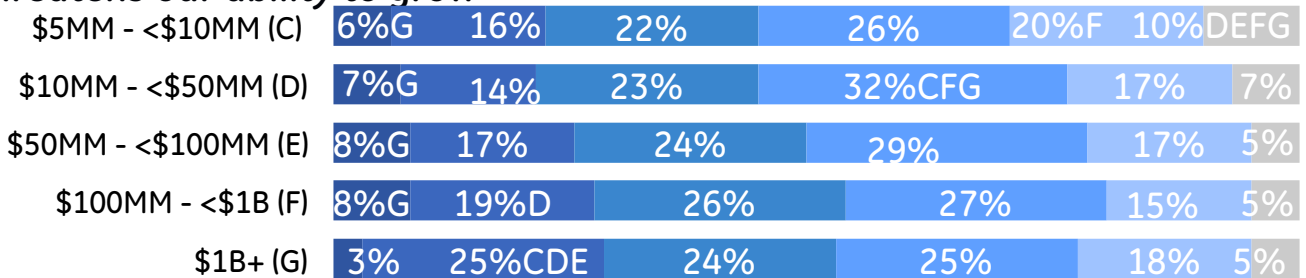
Letters indicate significant differences between groups at the 90% confidence level. Ranked based on Growth Champions.
 Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171
 Q.25 To what extent do you agree or disagree with each of the following. Please note that some will be positive and some will be negative. Please read each one carefully and indicate how much you agree or disagree that the statement describes your company.

Corporate Attitudes (5/6)

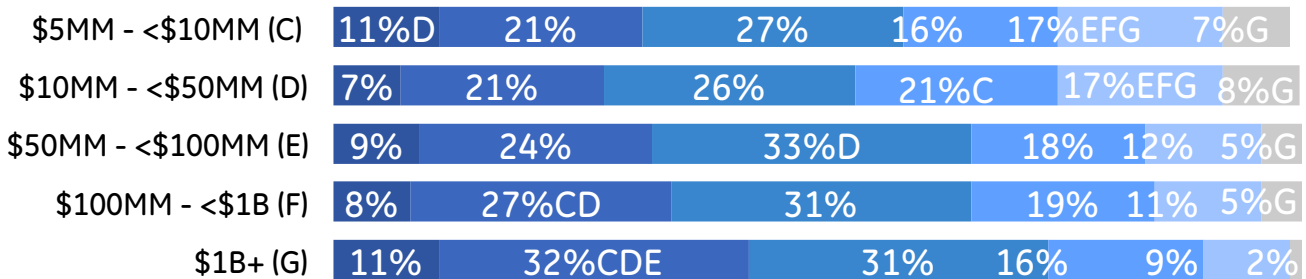
We feel that companies our size are squeezed by companies that are both larger and smaller than we are



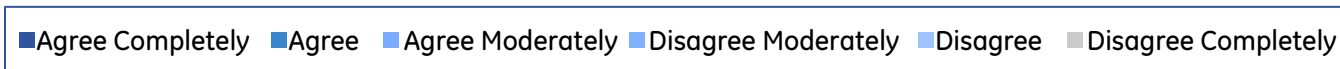
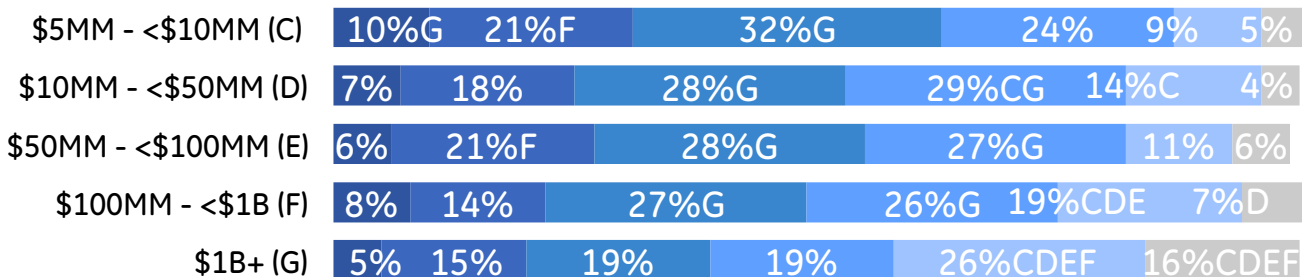
We don't want to change the way we manage the company even if it threatens our ability to grow



We have a social media strategy



Companies our size are not recognized by the financial community



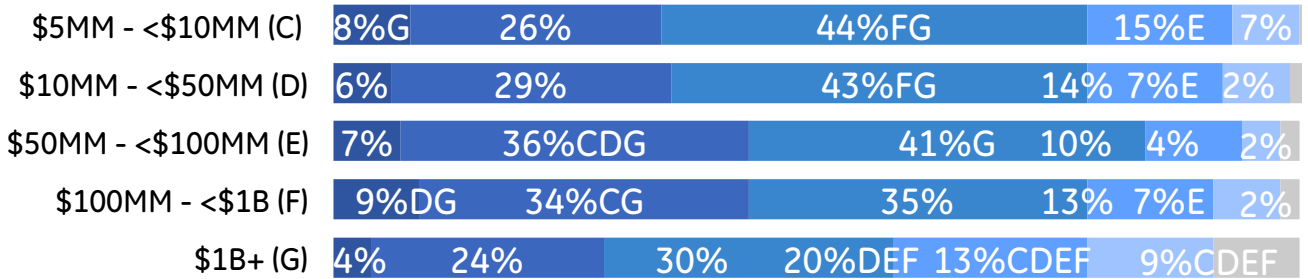
Letters indicate significant differences between groups at the 90% confidence level. Ranked based on Growth Champions.

Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171

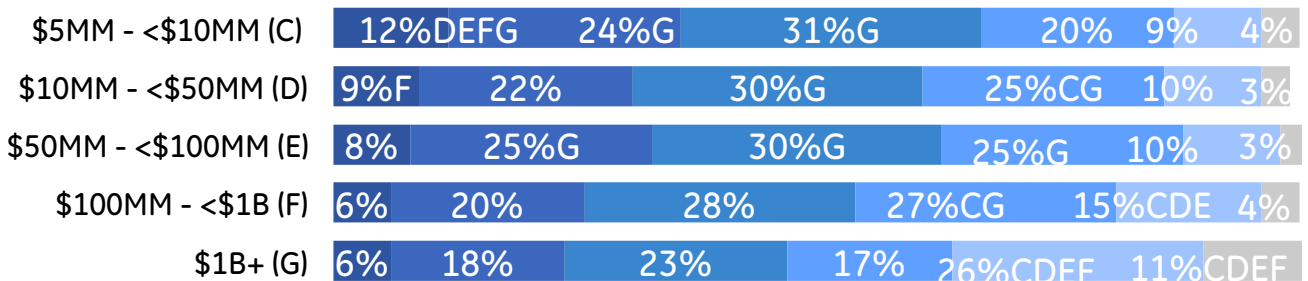
Q.25 To what extent do you agree or disagree with each of the following. Please note that some will be positive and some will be negative. Please read each one carefully and indicate how much you agree or disagree that the statement describes your company.

Corporate Attitudes (6/6)

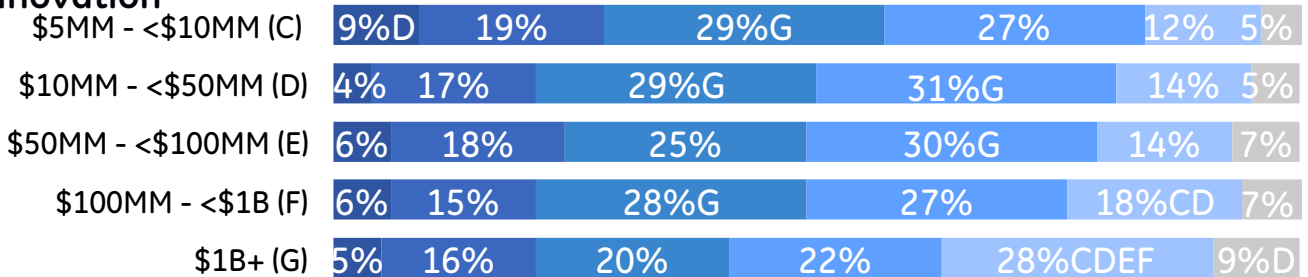
We consider ourselves to be in the middle market



Companies our size are disadvantaged as compared to larger organizations



We feel that companies our size don't have the resources to invest in innovation



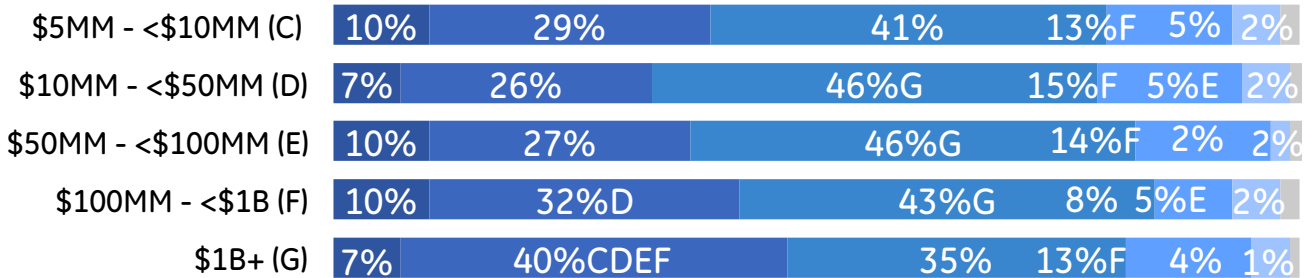
■ Agree Completely
 ■ Agree
 ■ Agree Moderately
 ■ Disagree Moderately
 ■ Disagree
 ■ Disagree Completely

Letters indicate significant differences between groups at the 90% confidence level. Ranked based on Growth Champions.
 Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171

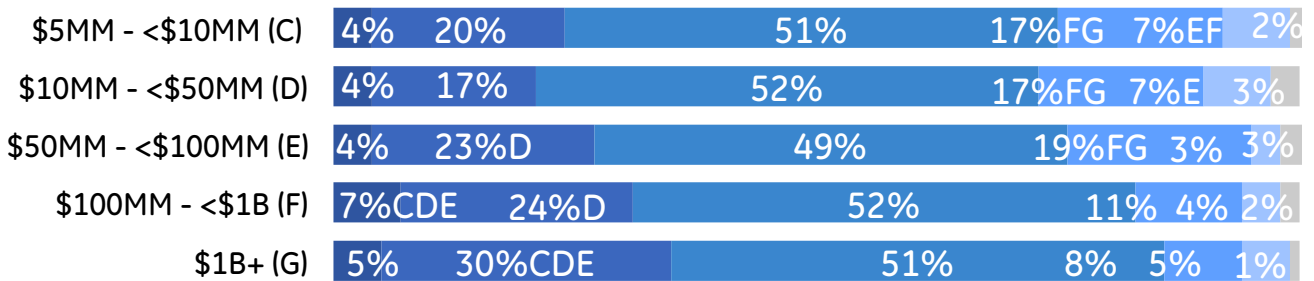
Q.25 To what extent do you agree or disagree with each of the following. Please note that some will be positive and some will be negative. Please read each one carefully and indicate how much you agree or disagree that the statement describes your company.

Confidence Statements (1/2)

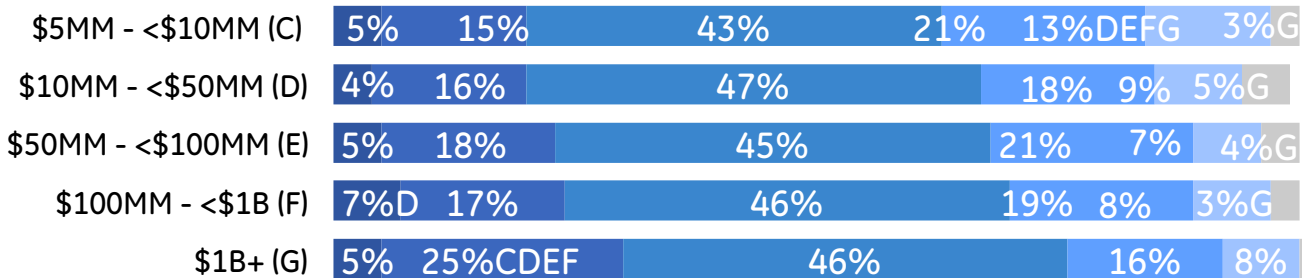
Growing demand for your goods or services



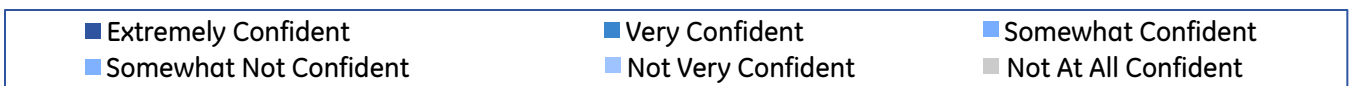
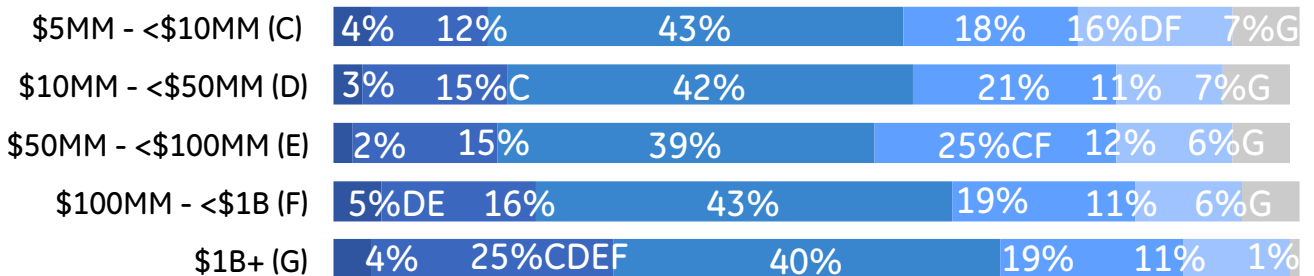
Confidence in our industry vertical



Local Economy



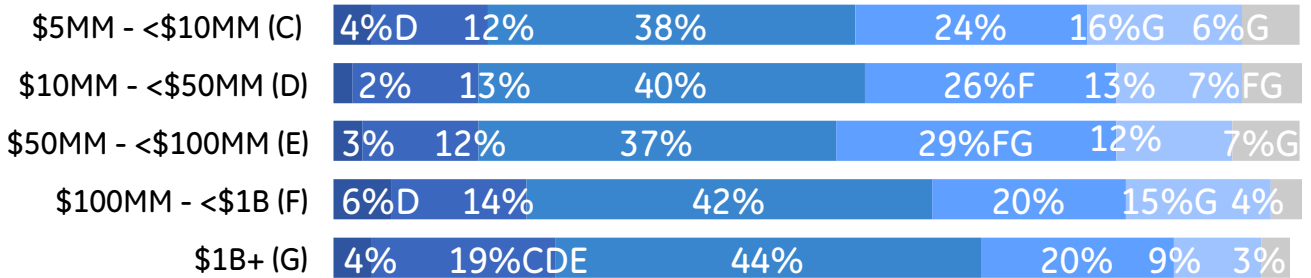
Overall US economy



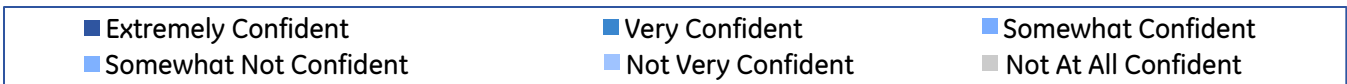
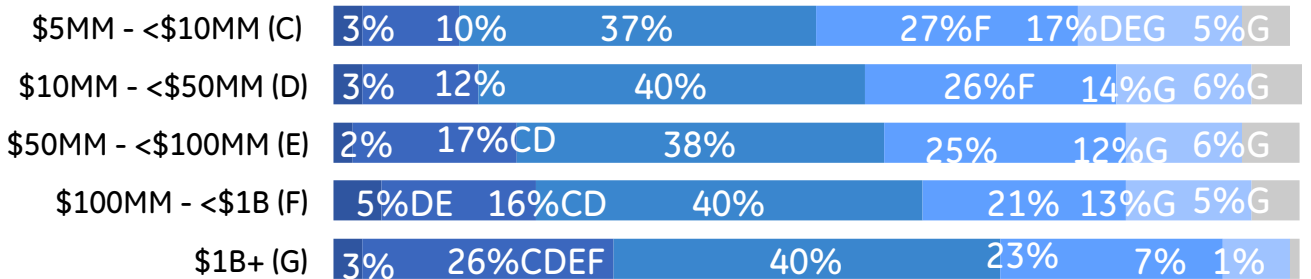
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B; N=399: \$1B+; N=171
 Q.26 How confident are you in each of the following?

Confidence Statements (2/2)

Declining Unemployment



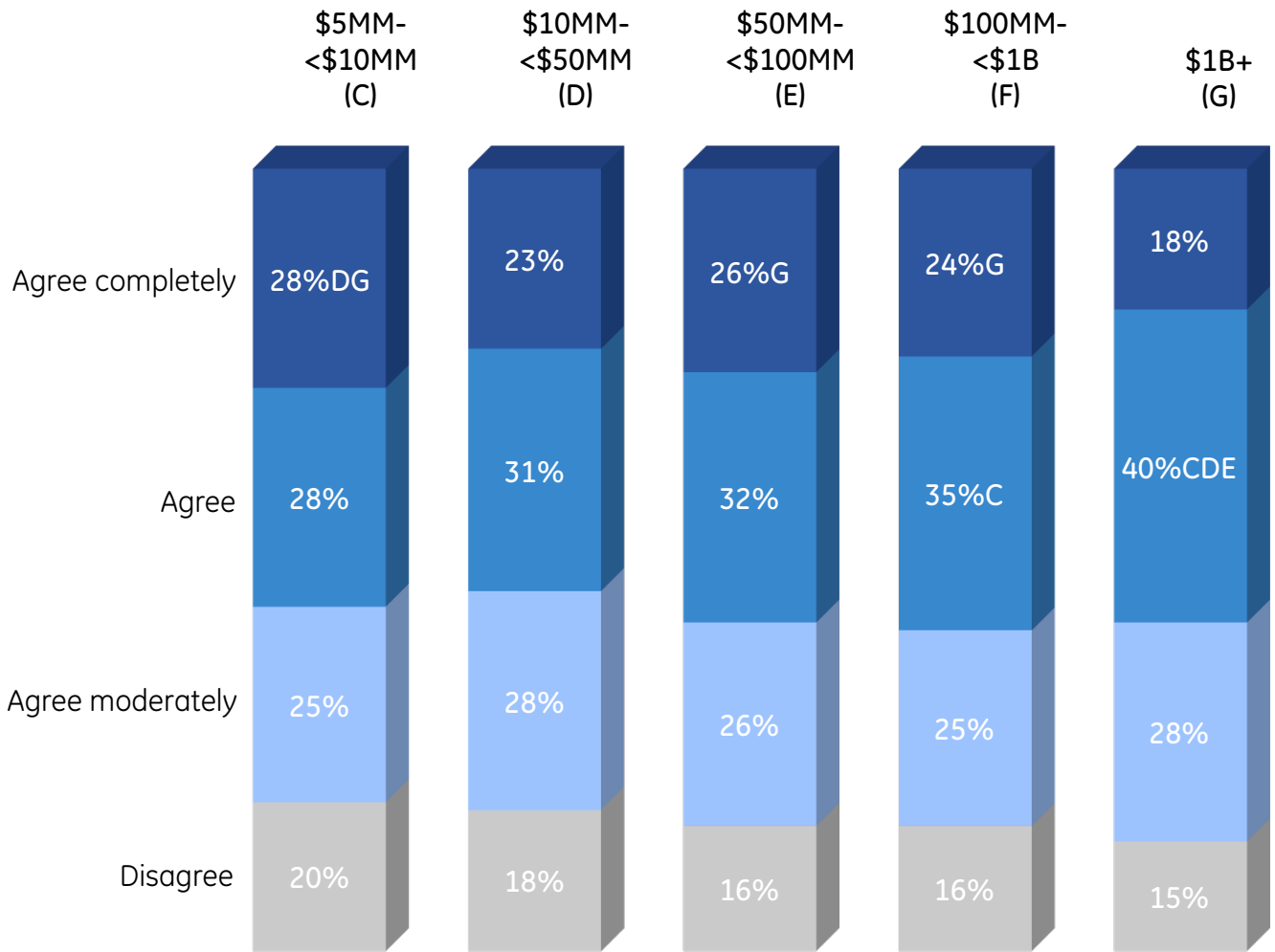
Global economy



Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171
 Q.26 How confident are you in each of the following?

Fiscal Policy Being a Concern in Company's Ability to Grow

% Agreement



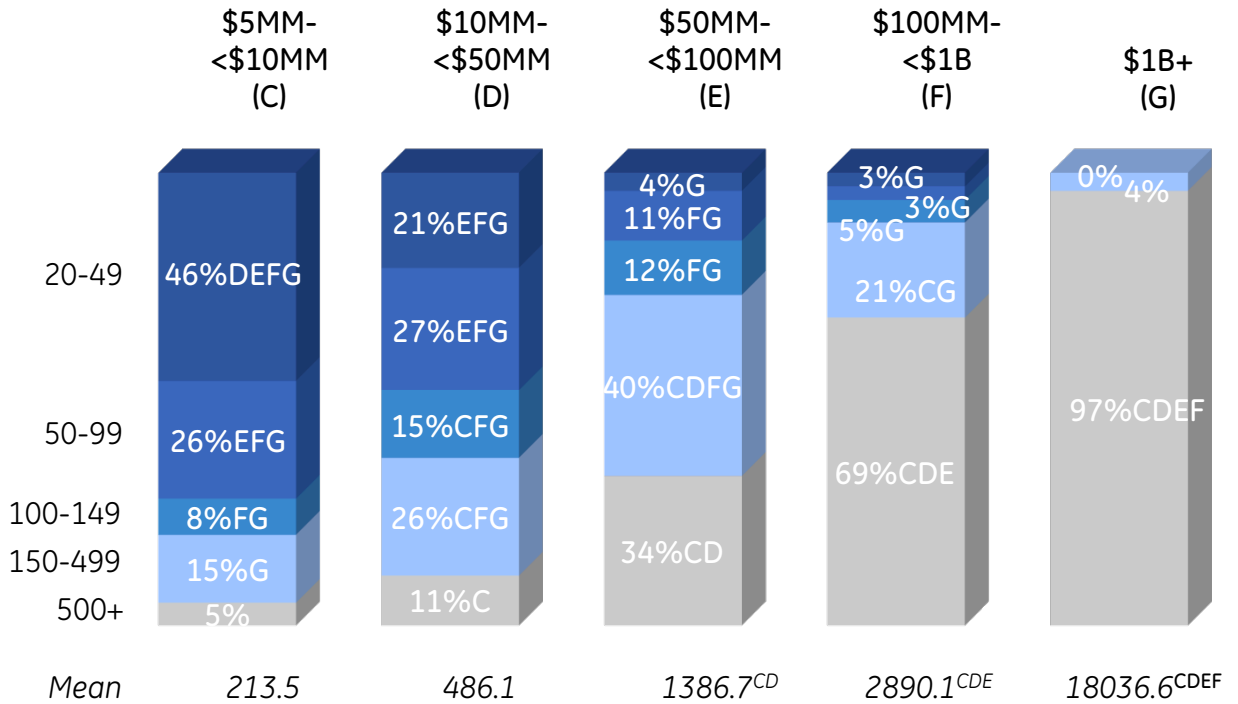
Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171

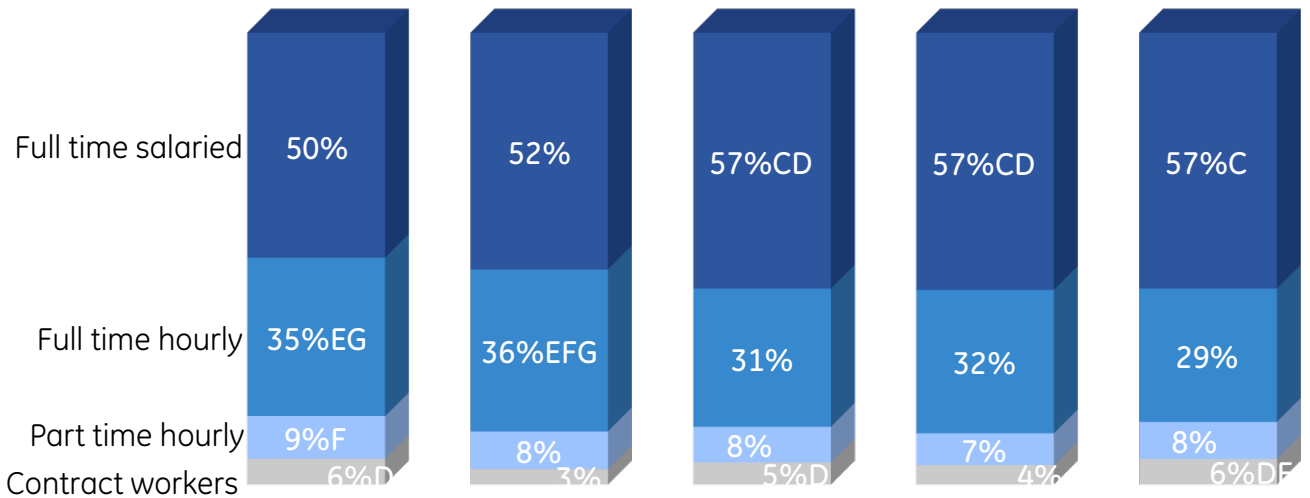
Q.27 To what extent do you agree or disagree that the outlook on fiscal policy (rising debt levels) is a concern in your businesses ability to grow?

Number of Employees/Employees by Type

Number of Employees



Employees by Type



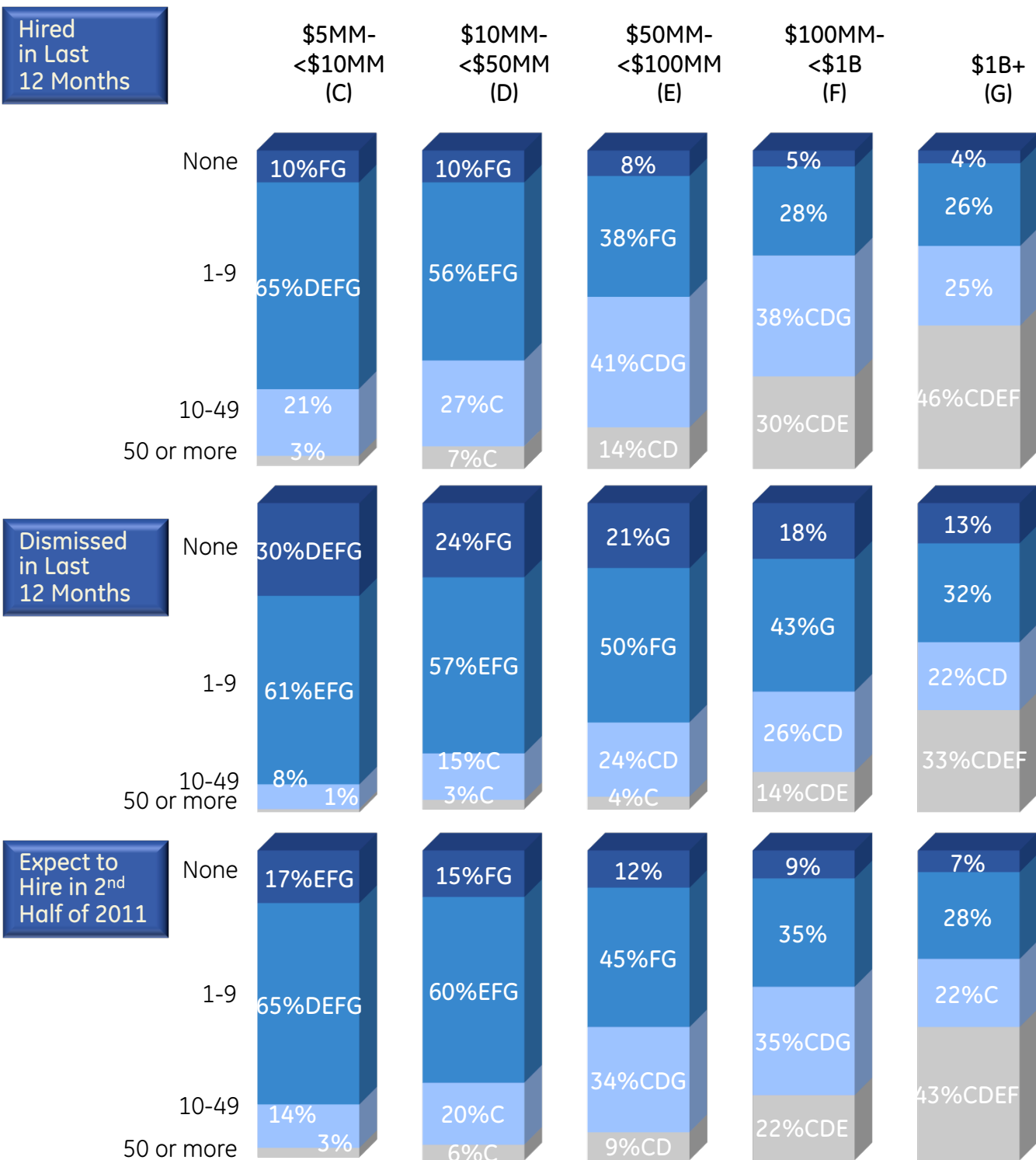
Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171

Q.S7 Including yourself, how many employees (full time and part time) currently work at your company across all locations?

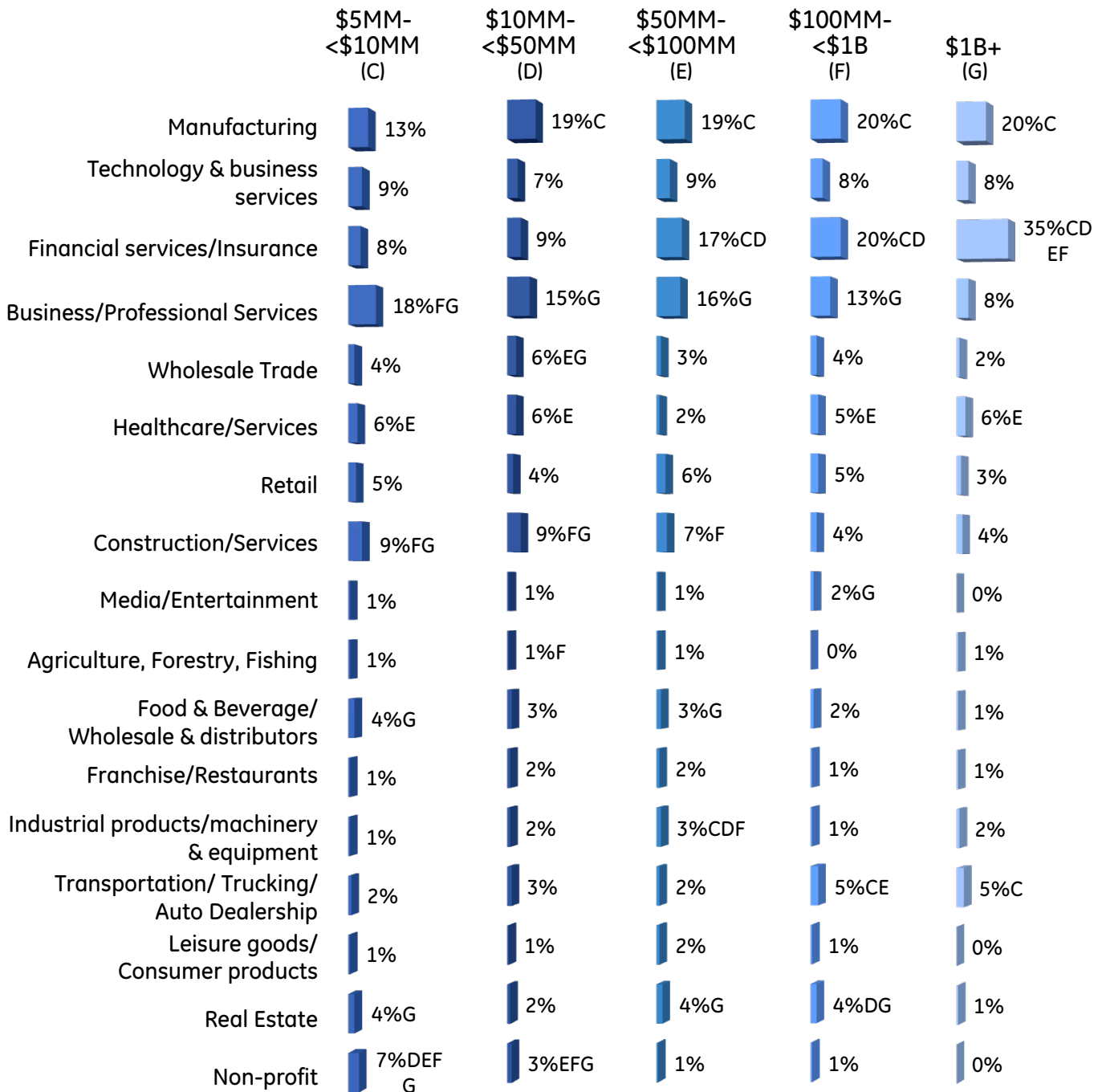
Q.1 You indicated that a total of (INSERT NUMBER OF EMPLOYEES) work at your company. Of those, what percentage falls into each of the following categories?

Number of Employees Hired/Dismissed Last 12 Months



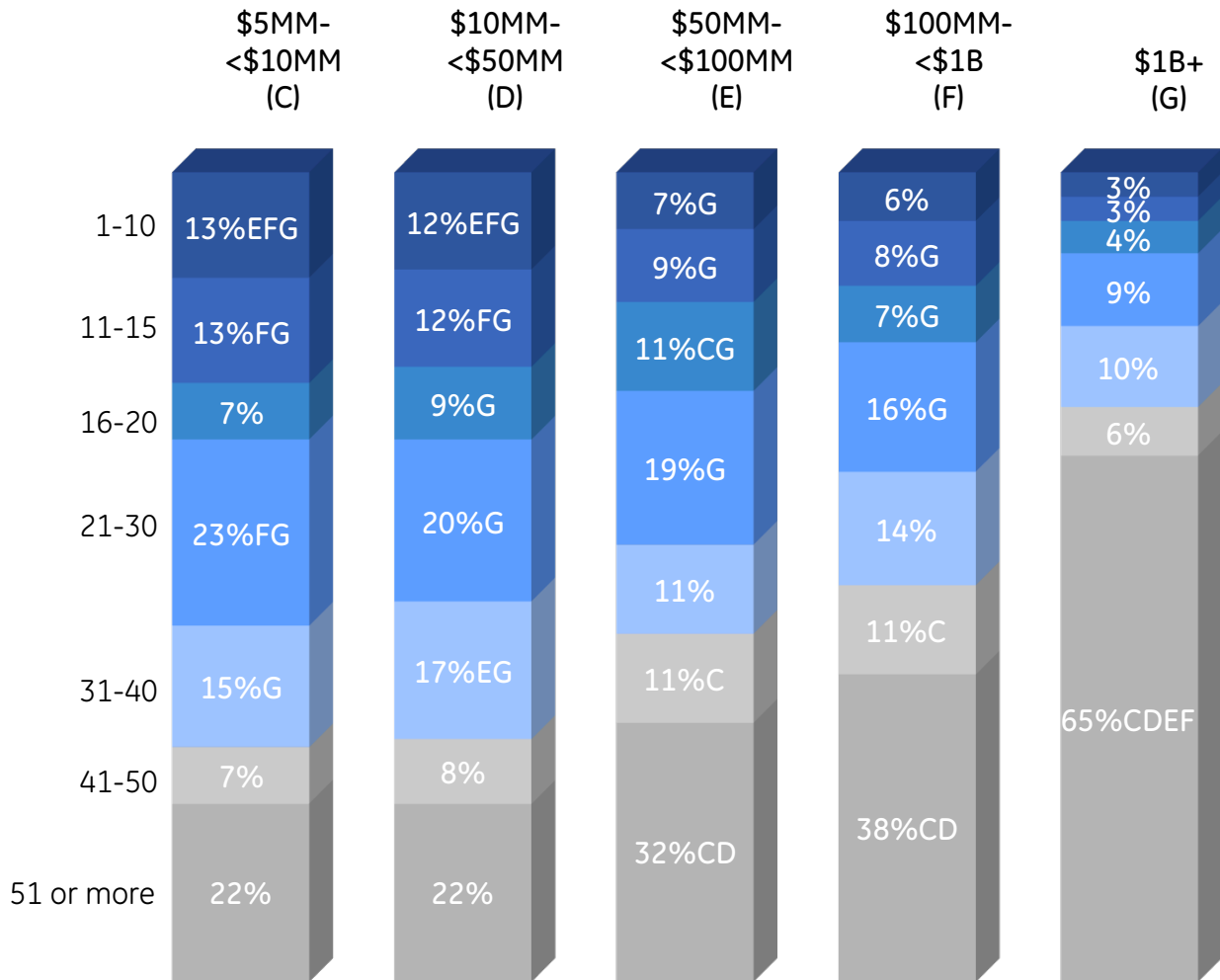
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171
 Q.C1 How many employees have you hired in the last 12 months? (Select one answer.)
 C1-2 How many employees have you either had to fire or layoff in the last 12 months? (Select one answer.)
 C1-3 In the second half of 2011 how many employees to you expect to hire?

Industry



Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171
 Q.2 Which one of the following best describes the type of industry your company is engaged in?

Number of Years Since Business Established

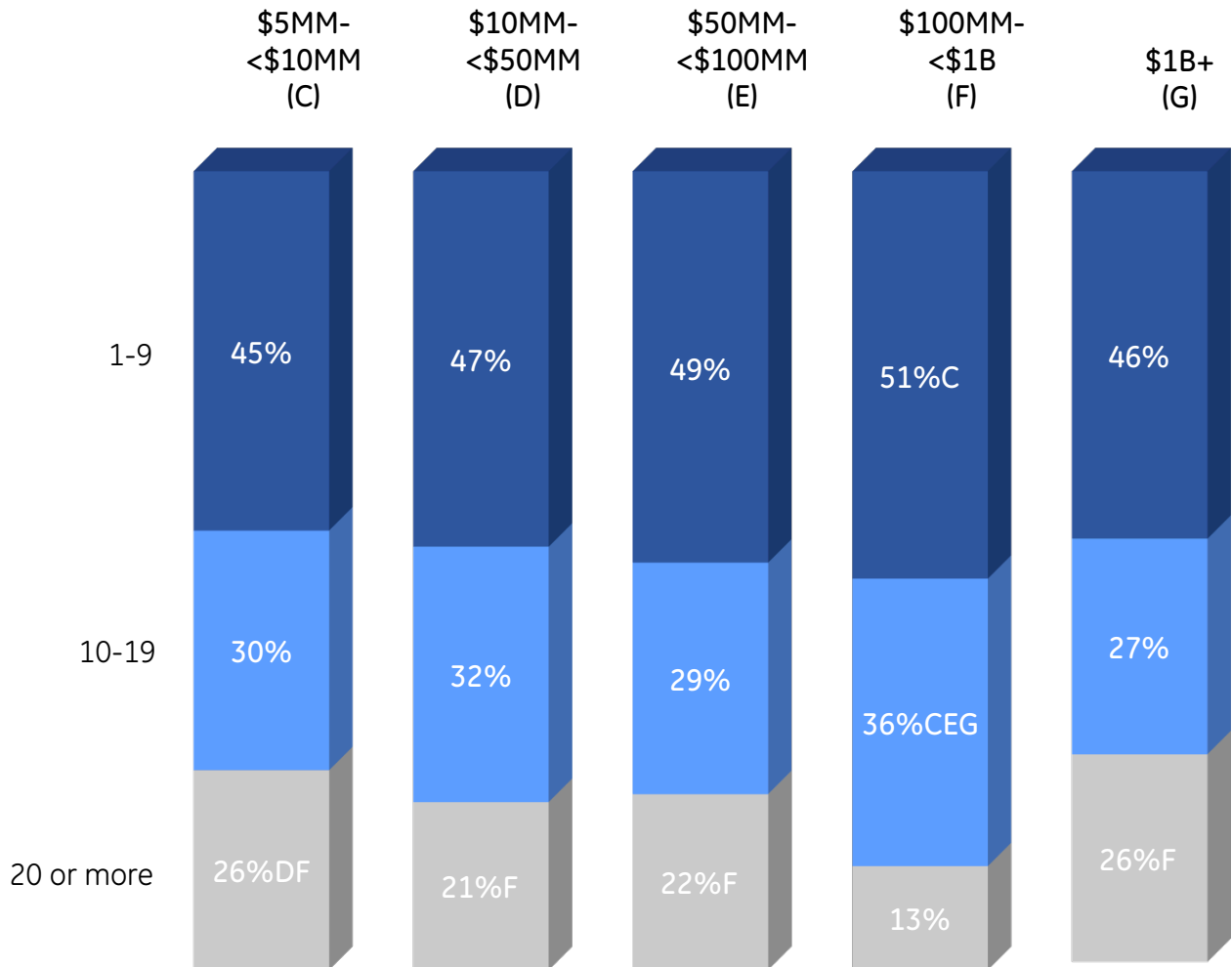


Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171

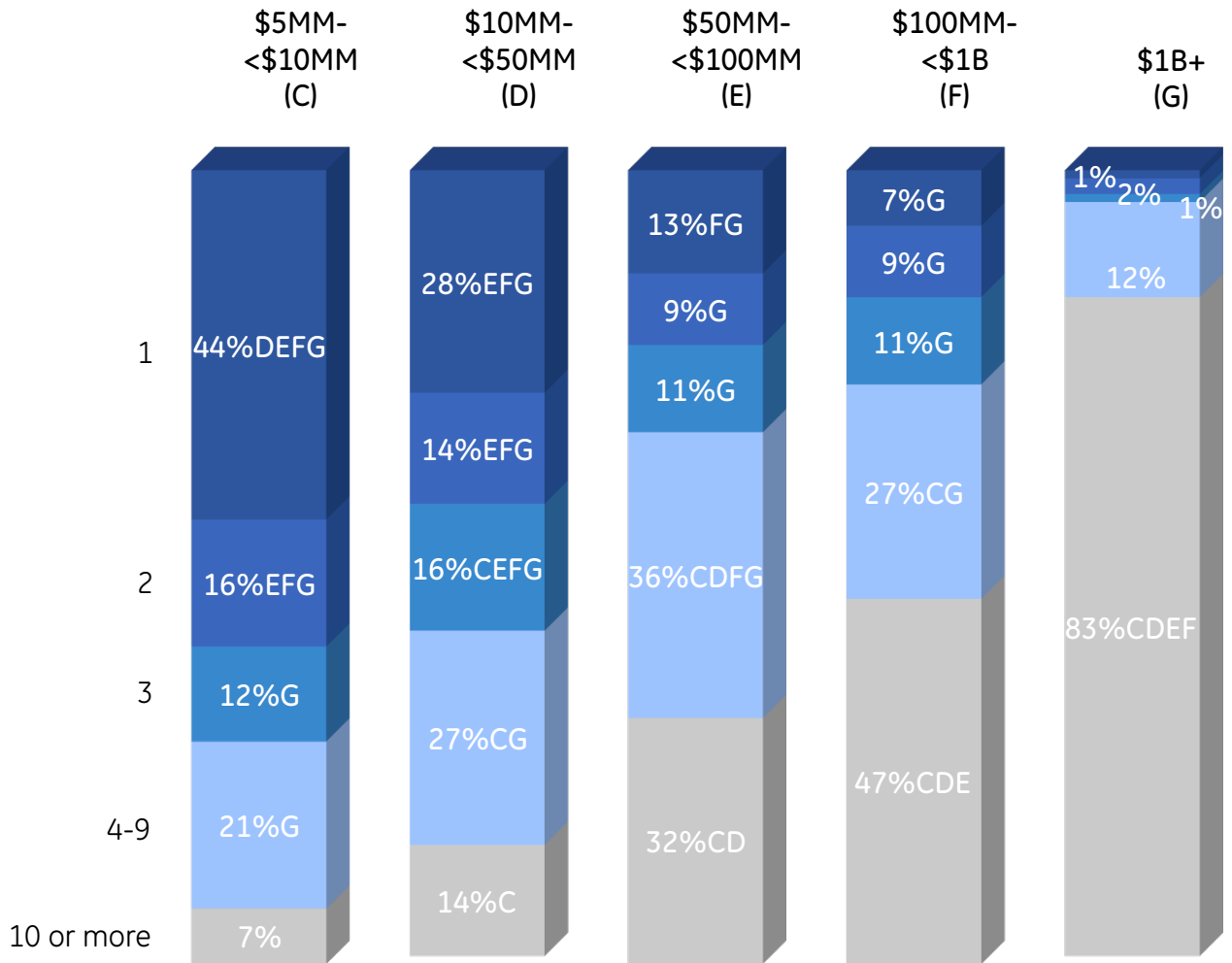
Q.6a When was the business established?

Number of Years Worked at Company



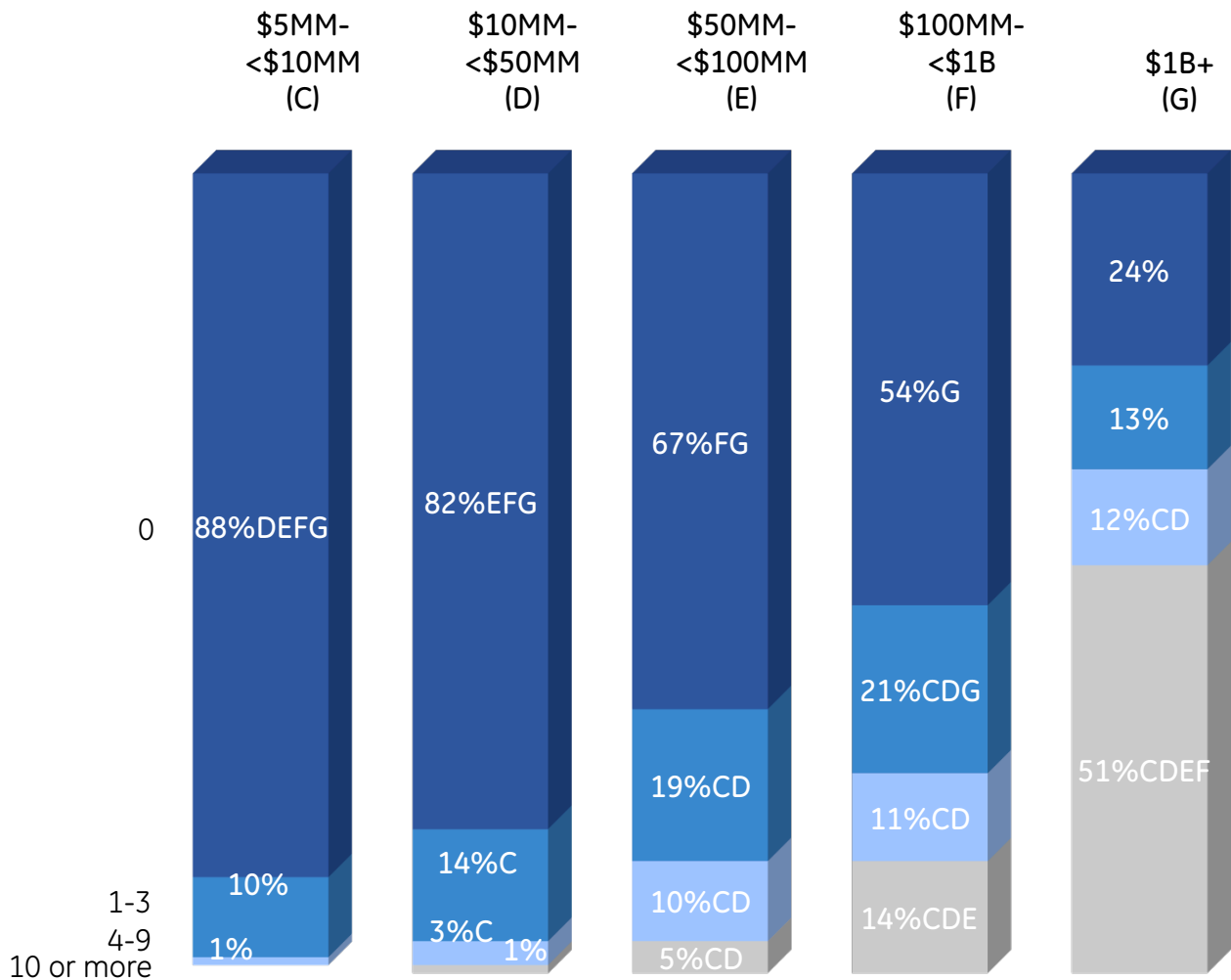
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171
 Q.S3 How long have you worked at your company?

Number of Locations



Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171
 Q.3 How many locations, including your headquarters, does your business operate?

Number of Locations Outside U.S.



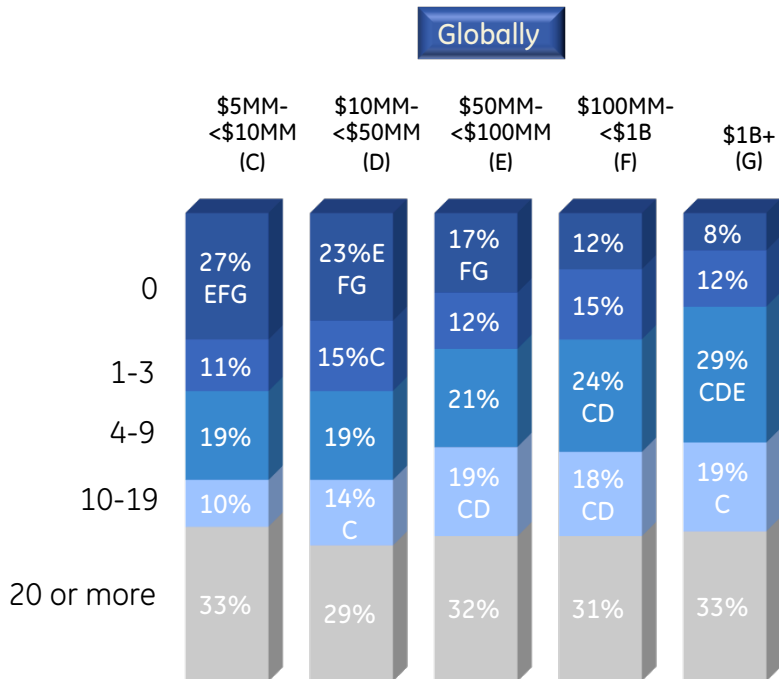
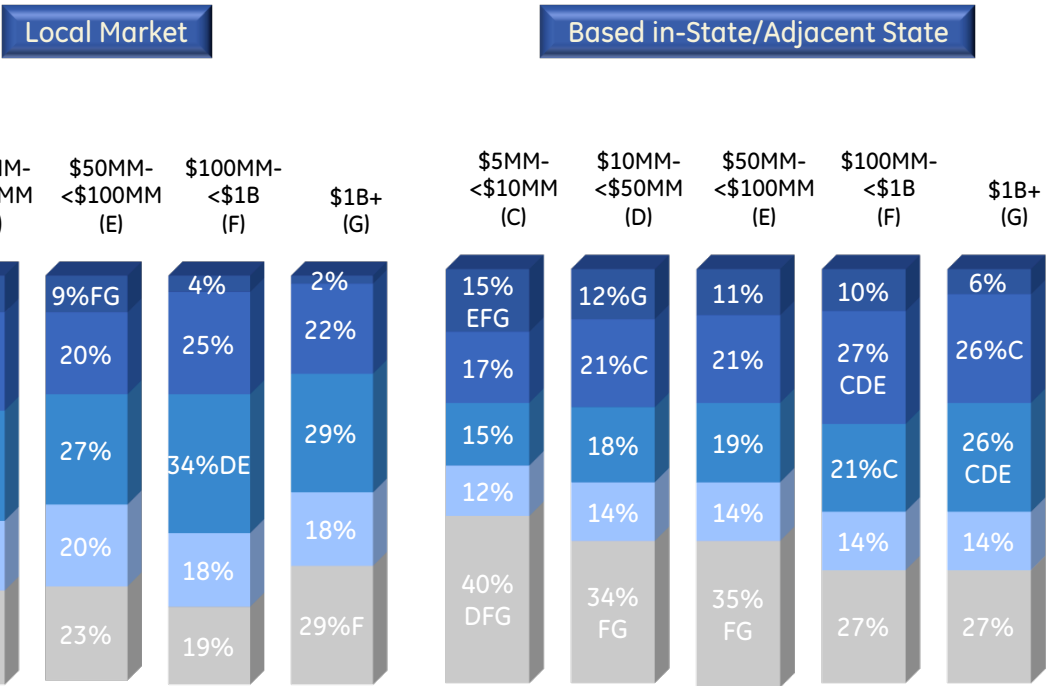
Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171

Q.4a. Are any of these locations outside of the United States?

Q.4b. How many locations does your business operate outside of the United States?

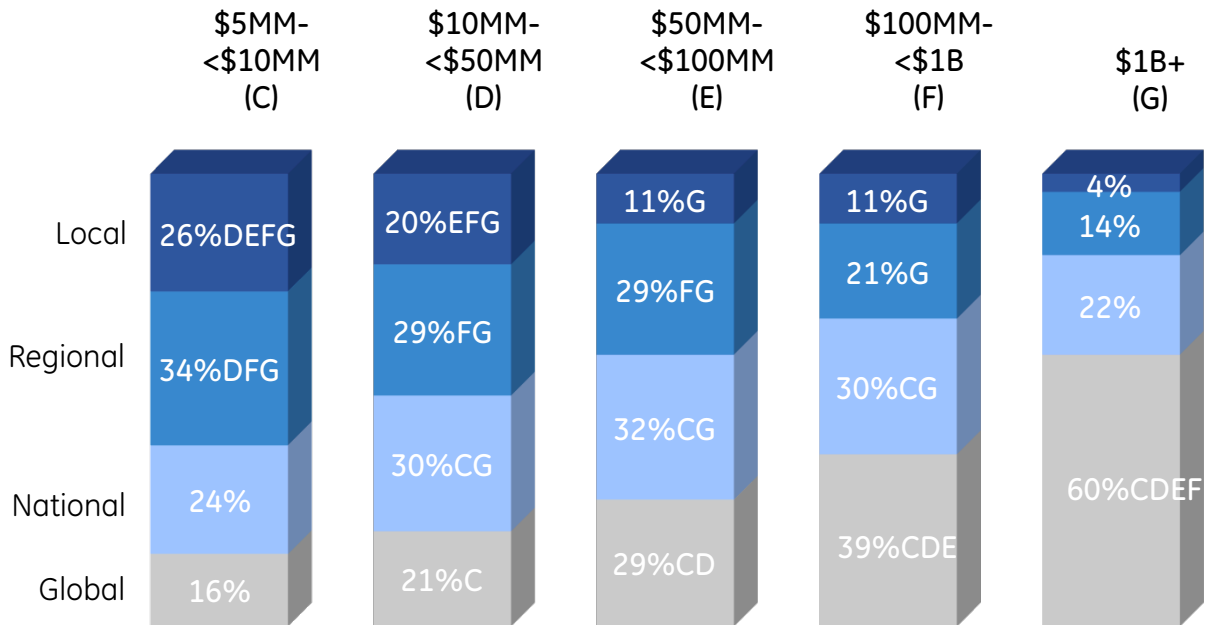
Number of Direct Competitors



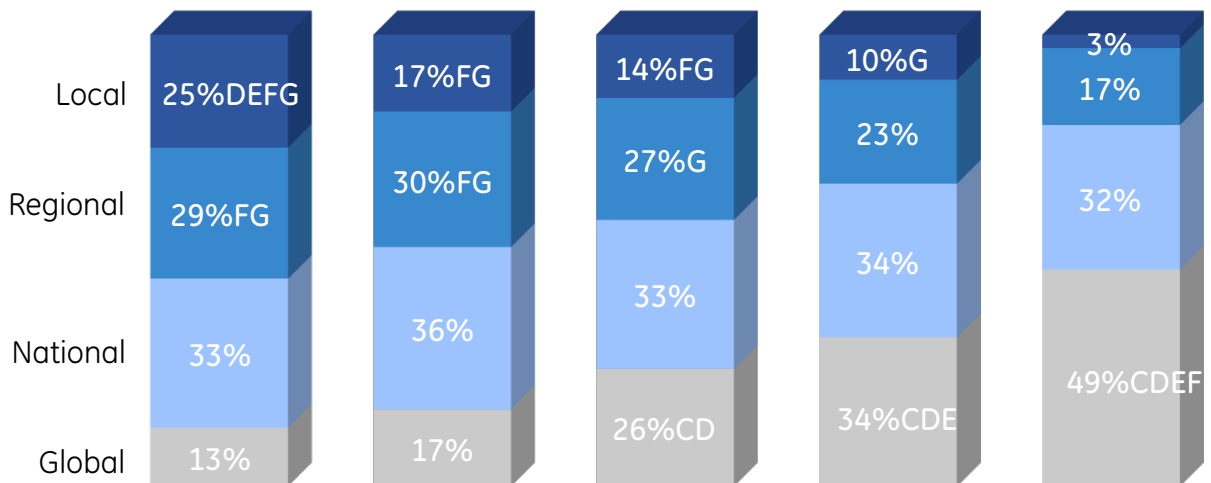
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171
 Q.4b1 How many direct competitors do you have based in your local market?
 Q.4b2 How many direct competitors do you have that are based in your state, or adjacent states?
 Q.4b3 Thinking globally how many direct competitors do you concern yourself with?

Markets Operate In/Company's Suppliers

Markets Operate in



Company's Suppliers



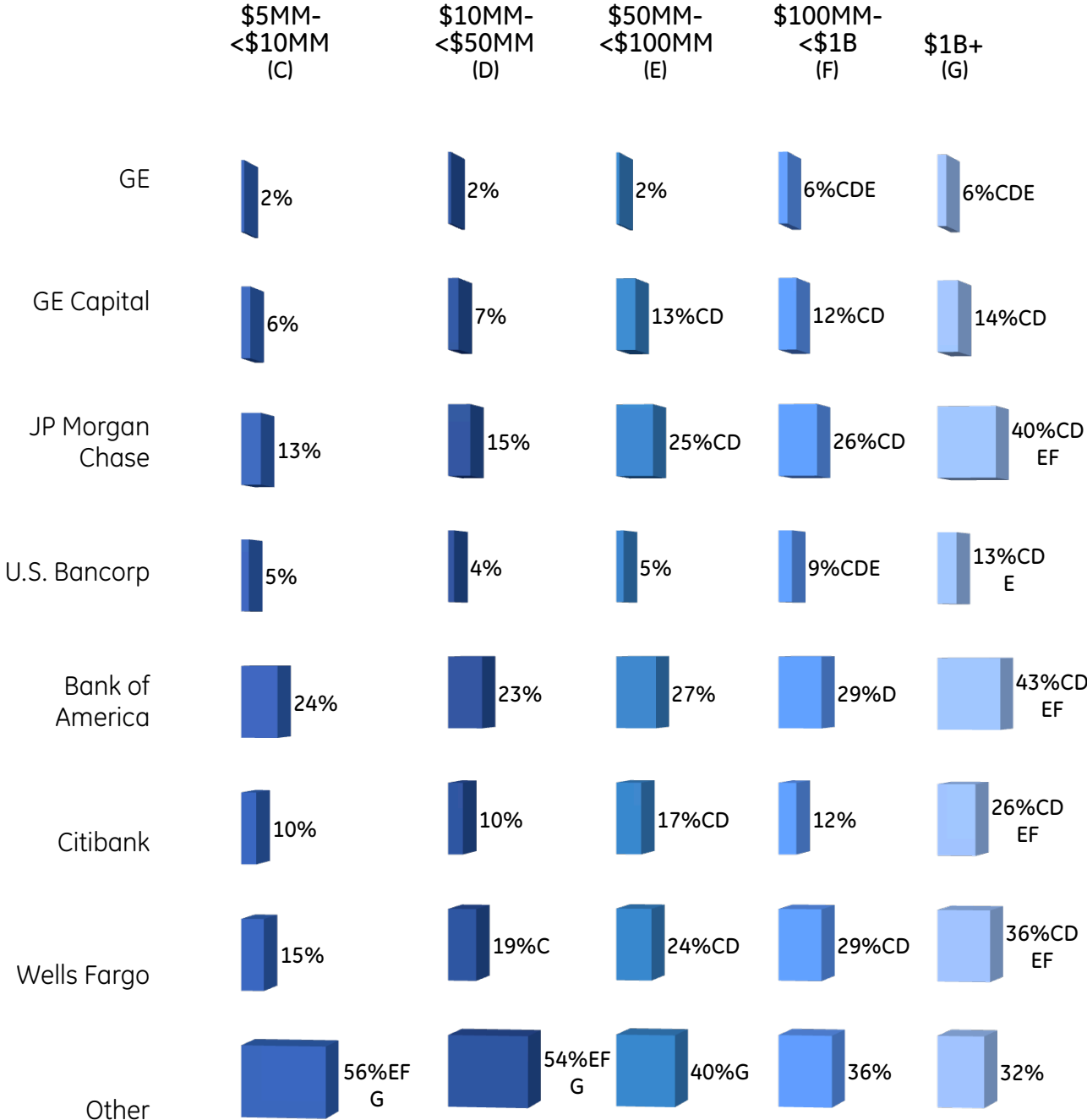
Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171

Q.C3 Which of the following best describes you're the markets in which you operate? (Select one answer.)

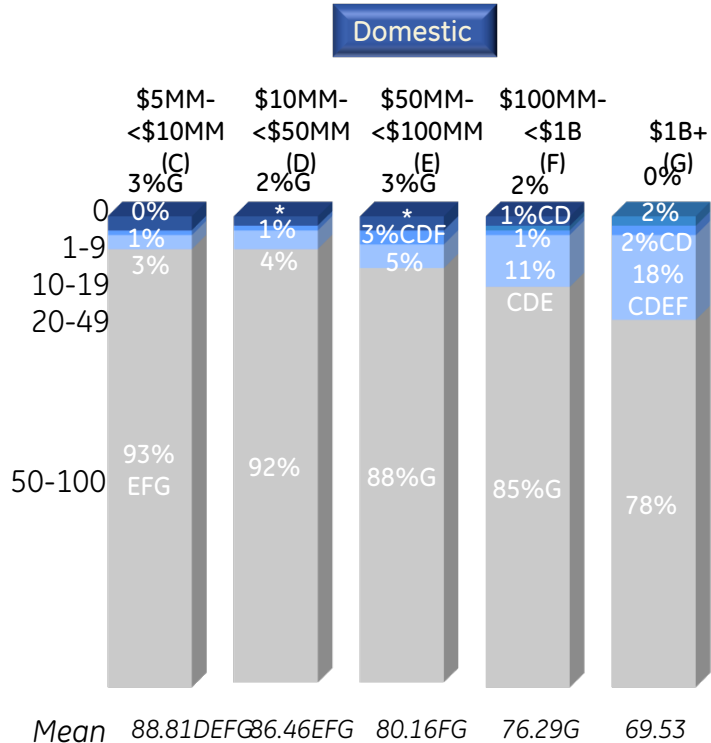
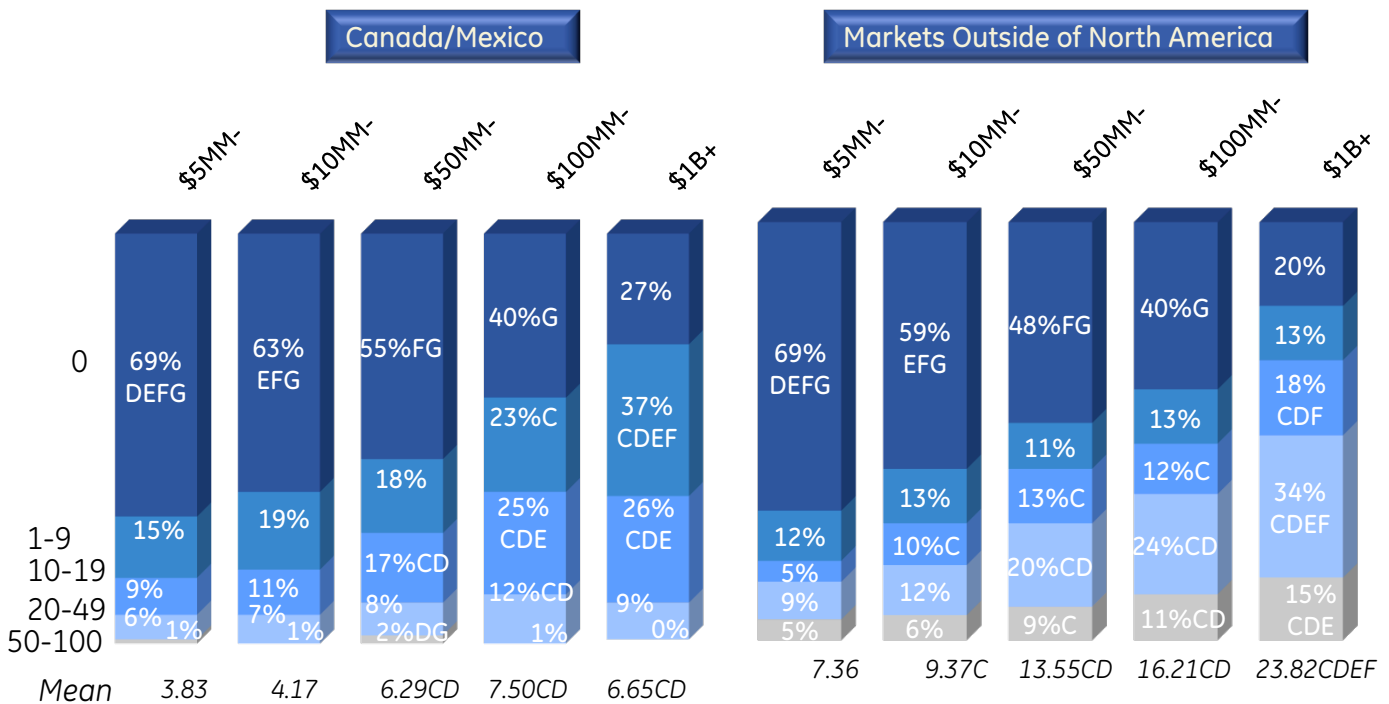
Q.C4 Which of the following best describes your suppliers?

Company's Financial Providers



Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171
 Q.C5 Which of the following financial providers does your company currently use?

Percent of Revenues



Letters indicate significant differences between groups at the 90% confidence level.

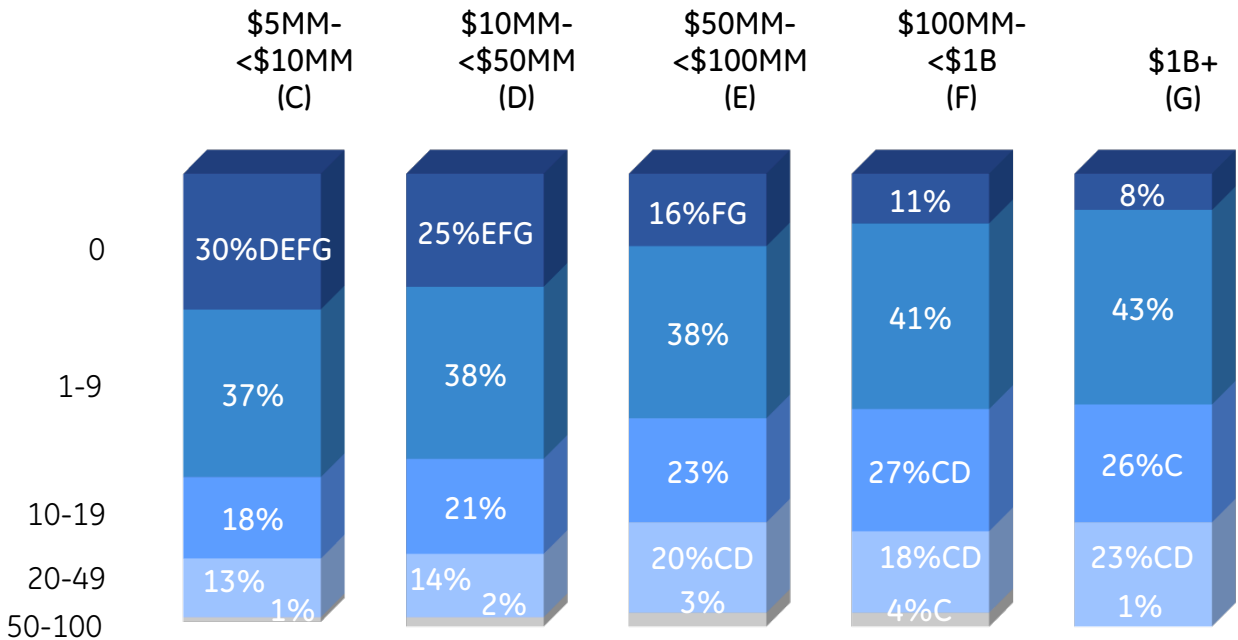
Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B; N=399: \$1B+; N=171

Q.4a1 What percentage of your revenues comes from either Canada or Mexico?

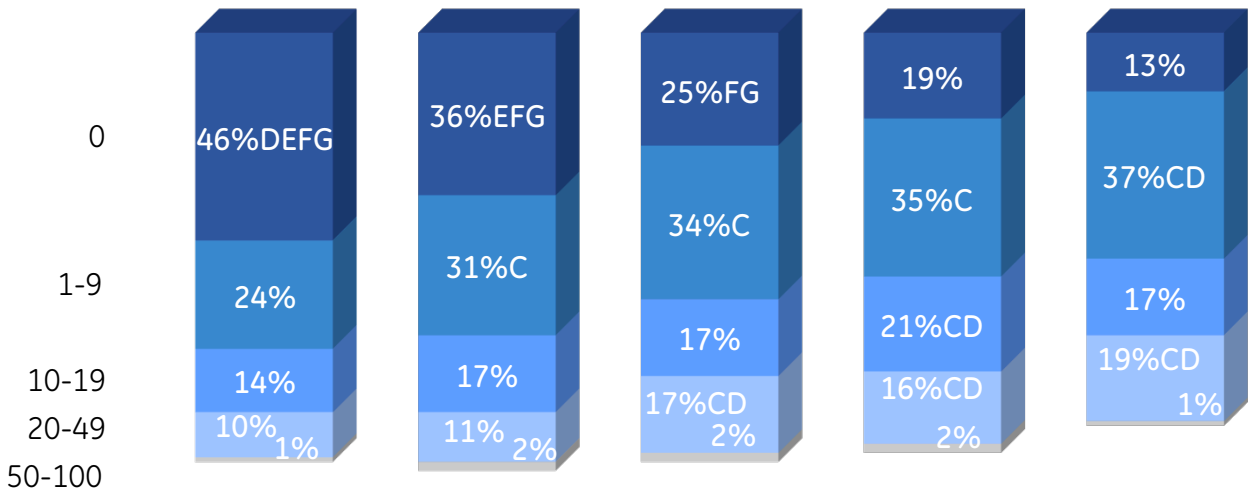
Q.4a2 What percentage of your revenues comes from markets outside of North America?

Percent of Revenue Allocated to R & D

Annual Revenue Spent on R & D

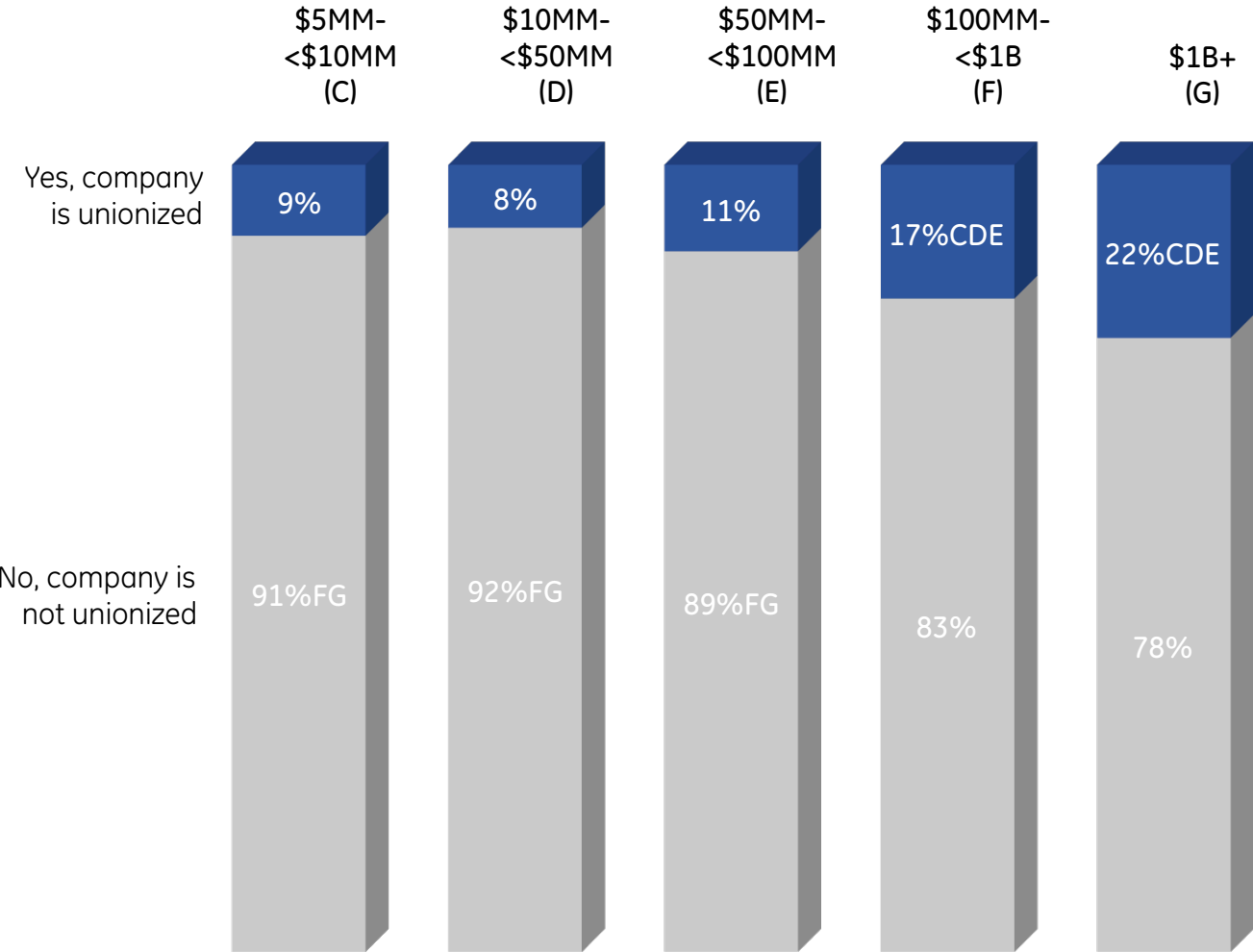


Company Revenue Allocated to R & D in 2011



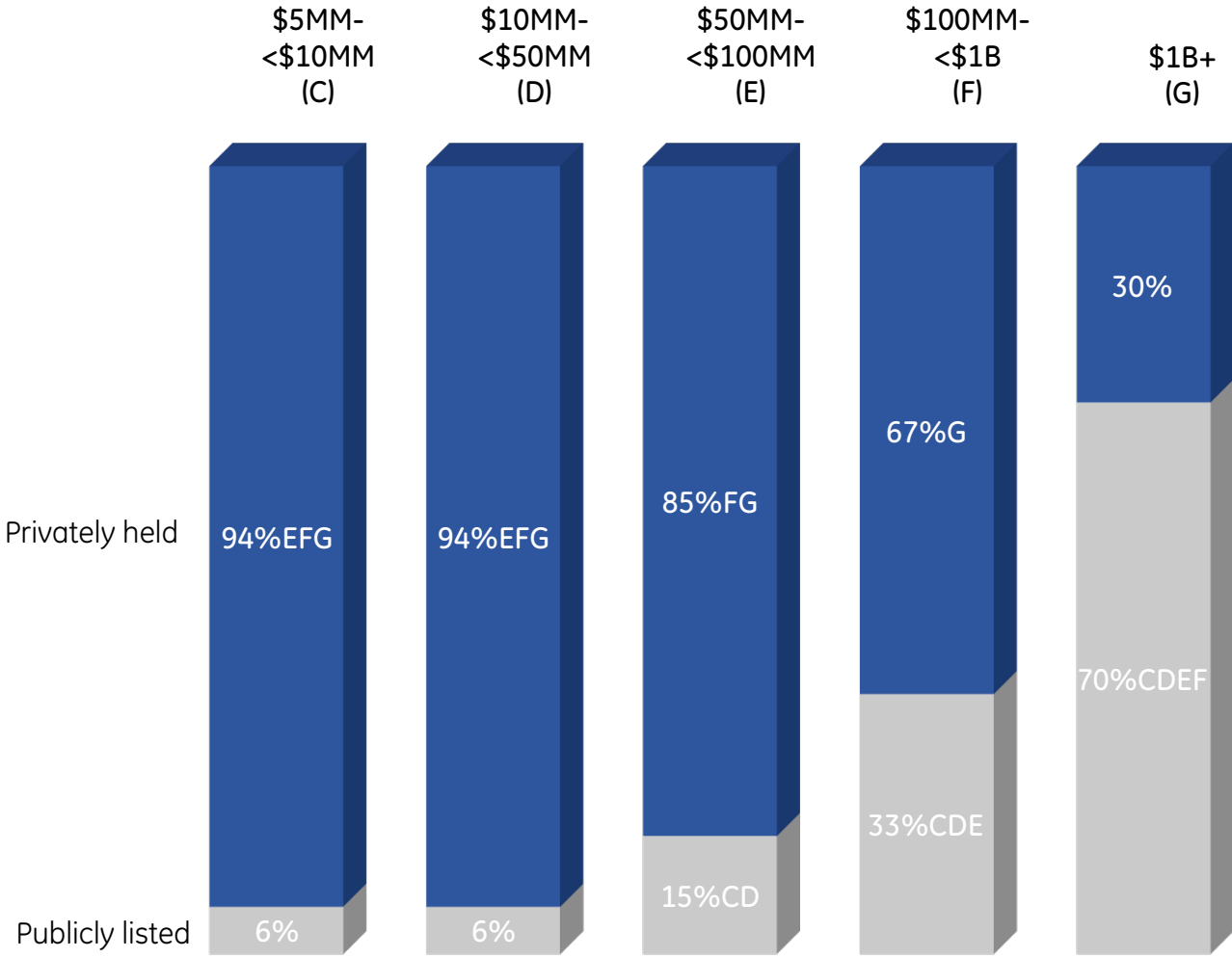
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171
 Q.6b Thinking about your investment in research and development, what percent of your annual revenue is spent on R&D?
 Q.C1-4 For 2011, what percentage of total company revenues is allocated for research & development?

Whether Company is Unionized



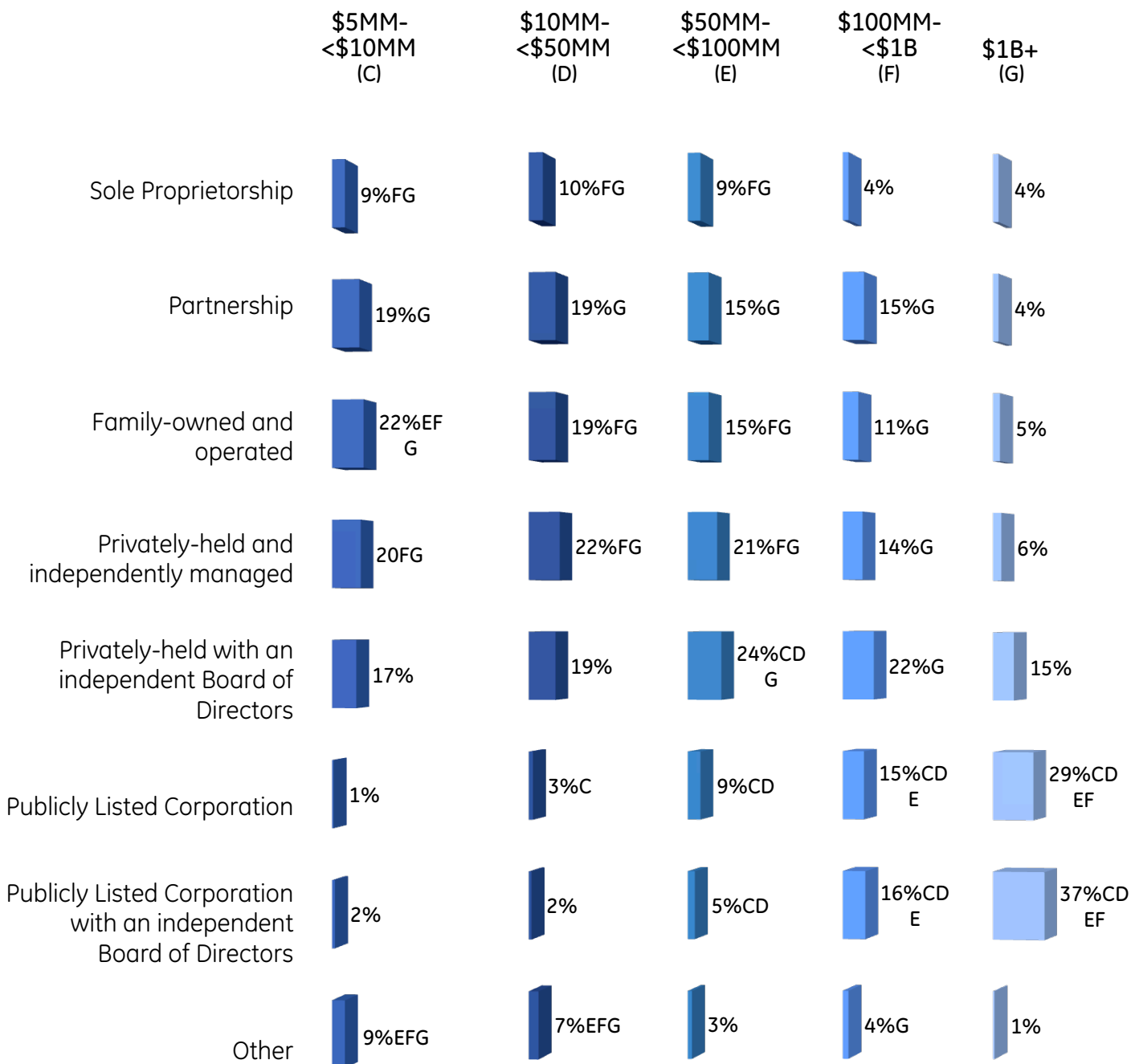
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171
 Q.C2 Is your company unionized?

Whether Company is Privately Held or Publicly Listed



Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410: \$10MM-<\$50MM; N=782: \$50MM-<\$100MM; N=266: \$100MM-<\$1B: N=399: \$1B+; N=171
 Q.5a Is your company....?

Company's Management Structure



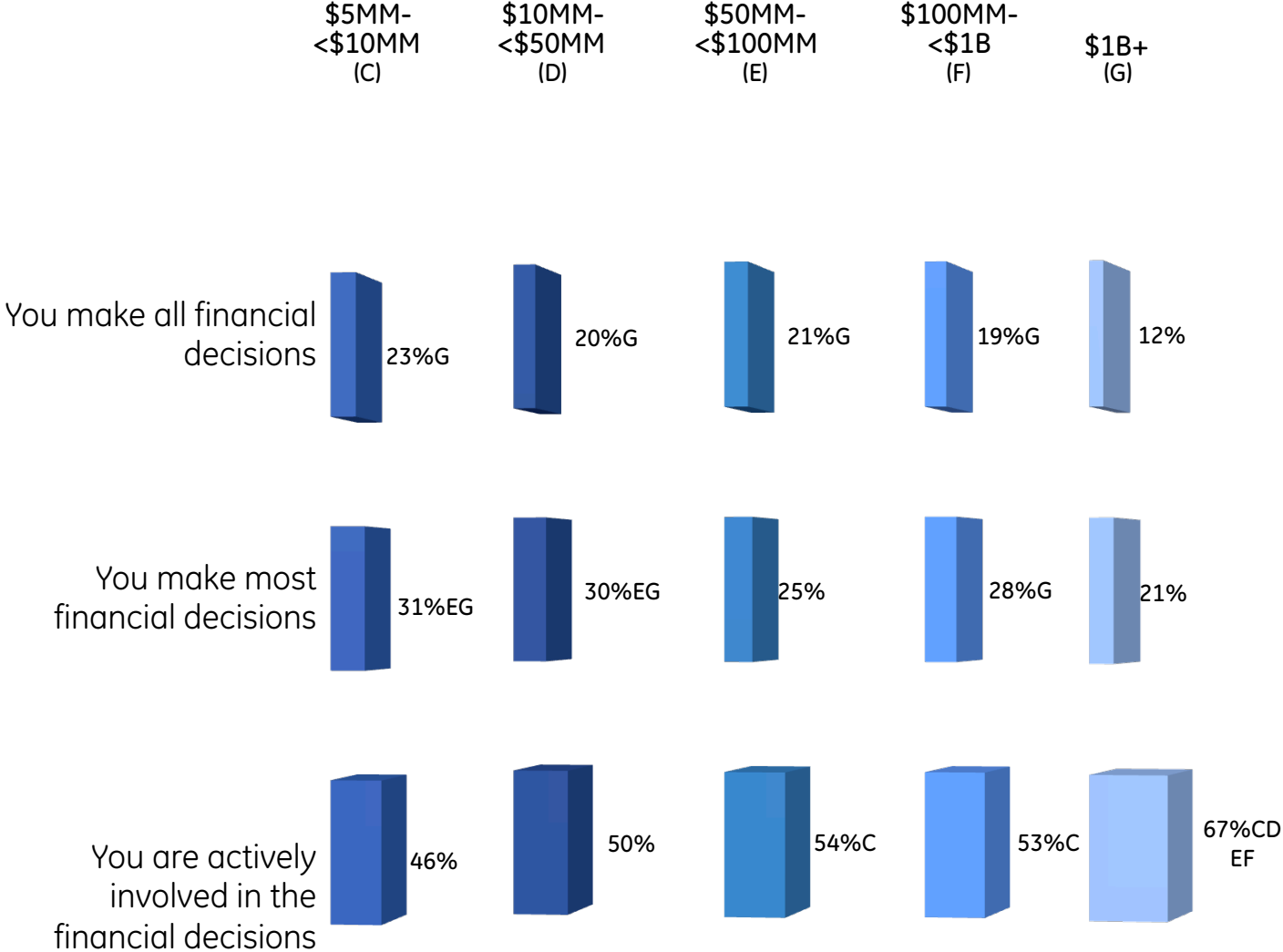
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171
 Q.5b Which of the following best describes your management structure?

Job Title

	Revenue				
	\$5MM - <\$10MM	\$10MM - <\$50MM	\$50MM - <\$100MM	\$100MM - <\$1B	\$1B+
Base: Total Respondents	(410) % (C)	(782) % (D)	(266) % (E)	(399) % (F)	(171) % (G)
Owner	14 ^{DEFG}	9 ^{EFG}	5	3	2
Partner	11 ^{DEFG}	8 ^G	7 ^G	6 ^G	1
Chairman	1 ^F	*	1 ^F	--	1 ^F
CEO (Chief Executive Officer)	6	8 ^G	6		4
CFO (Chief Financial Officer)	21 ^{FG}	25 ^{CEFG}	16 ^G	16 ^G	8
COO (Chief Operations Officer)	5	6 ^G	7 ^G	5	2
Managing Director	7	5	9 ^D	9 ^D	12 ^{CD}
President	10 ^{DEFG}	6 ^G	3	5	2
Executive Vice President	11	14	18 ^{CD}	21 ^{CD}	24 ^{CD}
Other C-level Executive	9	11	15 ^{CD}	13 ^C	20 ^{CDF}
Other Company Officer	6	6	8	14 ^{CDE}	23 ^{CDEF}
Principal	*	2	3 ^{CD}	3 ^C	2

* Less than 0.5%.
 Letters indicate significant differences between groups at the 90% confidence level.
 Q.S4 What is your title at your company?

Financial Decision Making Responsibility



Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: \$5MM- <\$10MM; N=410; \$10MM- <\$50MM; N=782; \$50MM- <\$100MM; N=266; \$100MM- <\$1B; N=399; \$1B+; N=171
 Q.S5 Which of the following best describes your role in the financial decisions for your company?

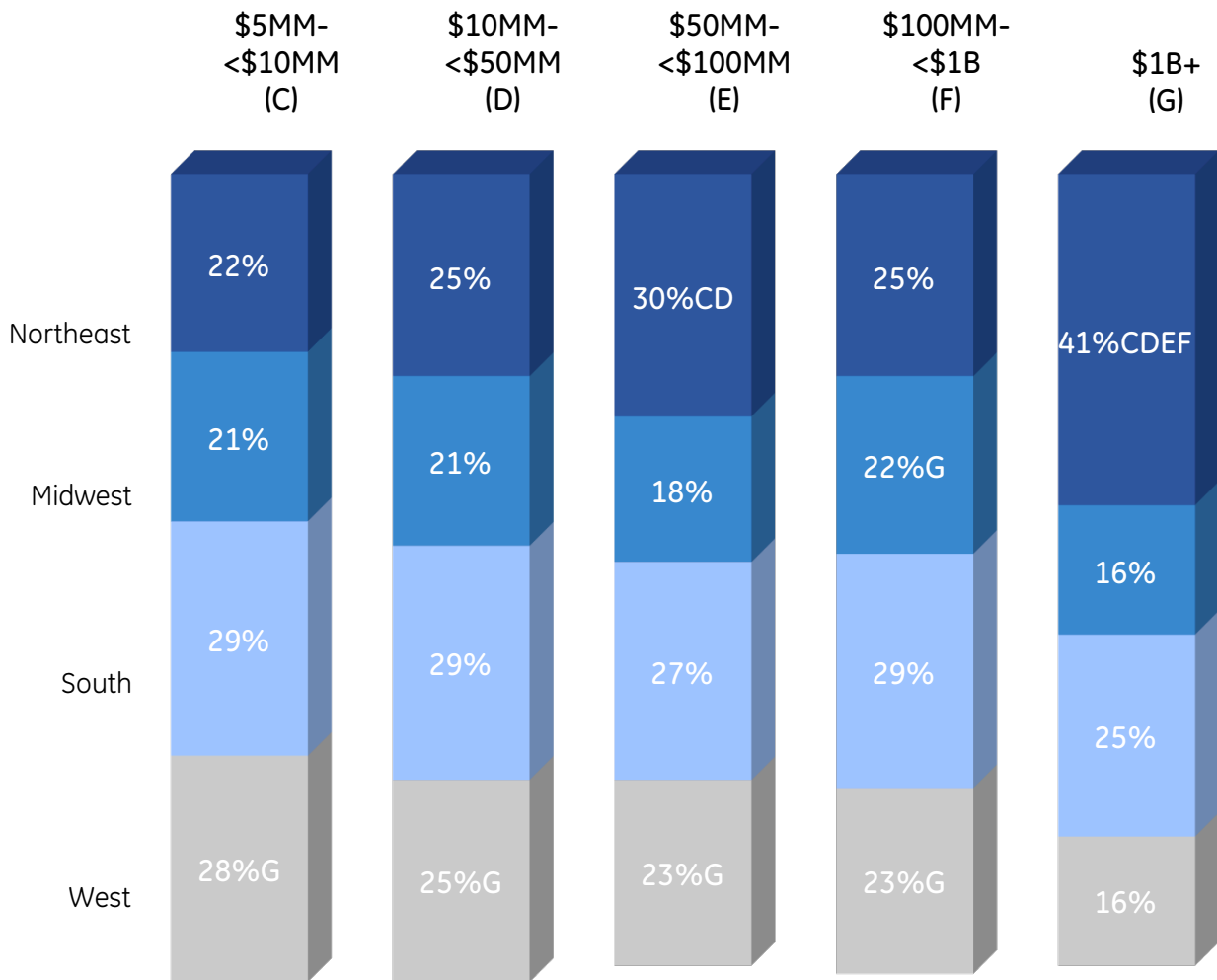
Annual Revenue

	Revenue				
	\$5MM - <\$10MM	\$10MM - <\$50MM	\$50MM - <\$100MM	\$100MM - <\$1B	\$1B+
Base: Total Respondents	(410) % (C)	(782) % (D)	(266) % (E)	(399) % (F)	(171) % (G)
\$5 million to less than \$10 million	100 ^{DEFG}	--	--	--	--
\$10 million to less than \$50 million	--	100 ^{CEFG}	--	--	--
\$50 million to less than \$1 billion	--	--	100 ^{CDFG}	100 ^{CDEG}	--
\$1 billion or more (1250)	--	--	--	--	100 ^{CDEF}

Letters indicate significant differences between groups at the 90% confidence level.

Q.S6 Which of the categories below best describes your company's total annual revenue for the most recent fiscal year?

Region Headquartered



Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: \$5MM-<\$10MM; N=410; \$10MM-<\$50MM; N=782; \$50MM-<\$100MM; N=266; \$100MM-<\$1B; N=399; \$1B+; N=171

Q.C6 In what state is your headquarters located?

Mid-Market Growth Champions



Definitions

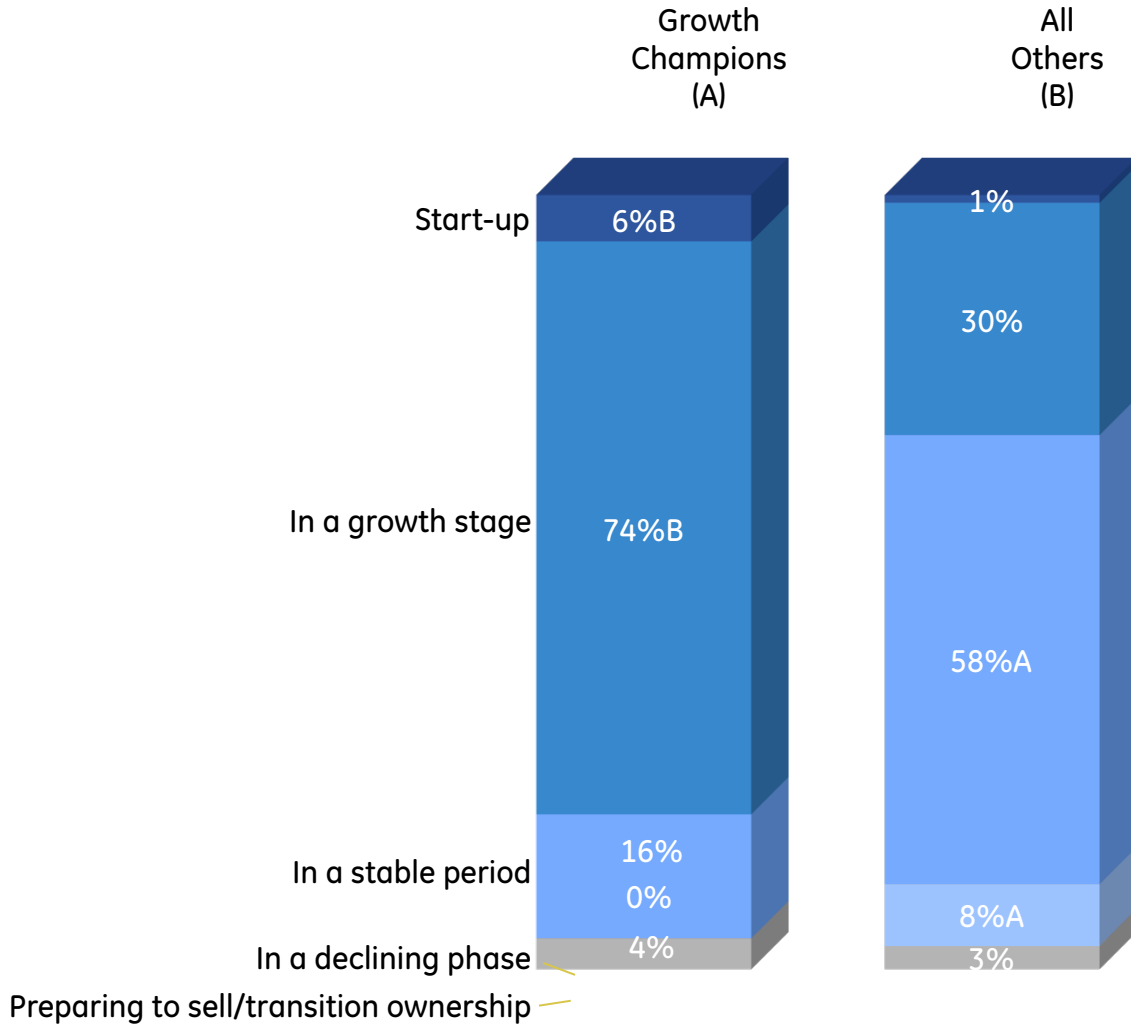
This section of the report evaluates two groups:

- **Growth Champions:** Mid-Market companies that grew 10% in the post recessionary period AND anticipate growing 10% in the next twelve months
- **All Others:** Mid-Market firms that are not growth champions

Throughout the section, letters indicate significant differences between groups at the 90% confidence level.

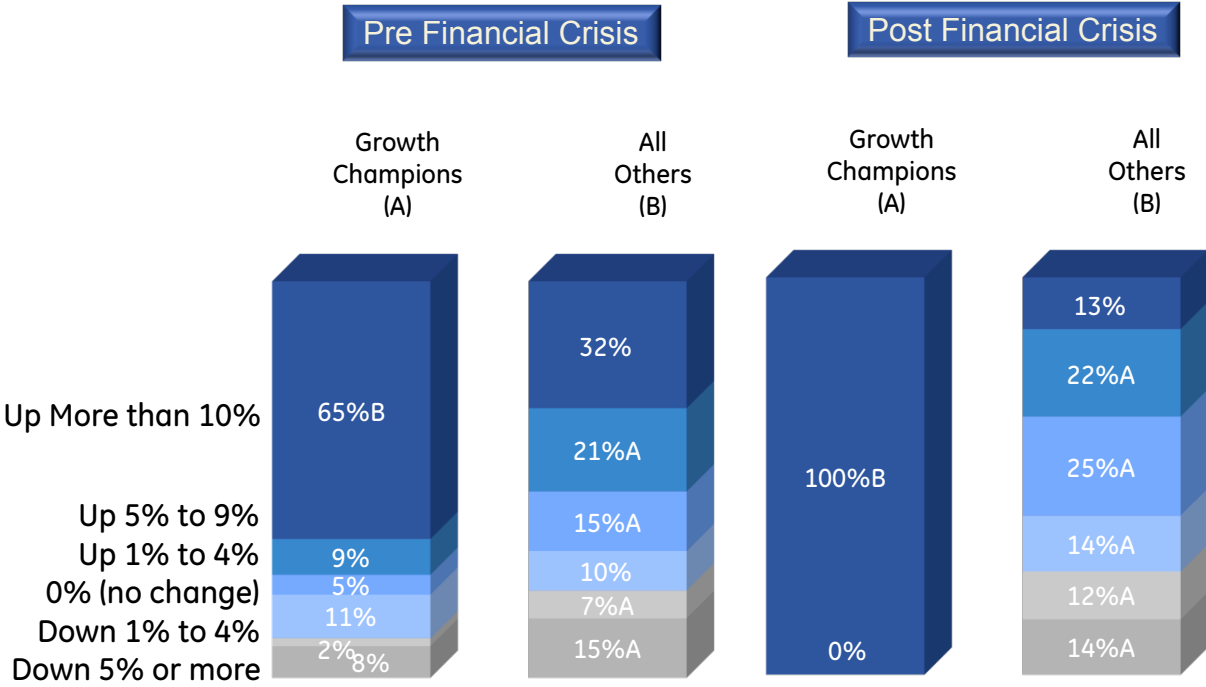
Question text and base sizes of those answering are footnoted on each slide.

Company's Business Phase

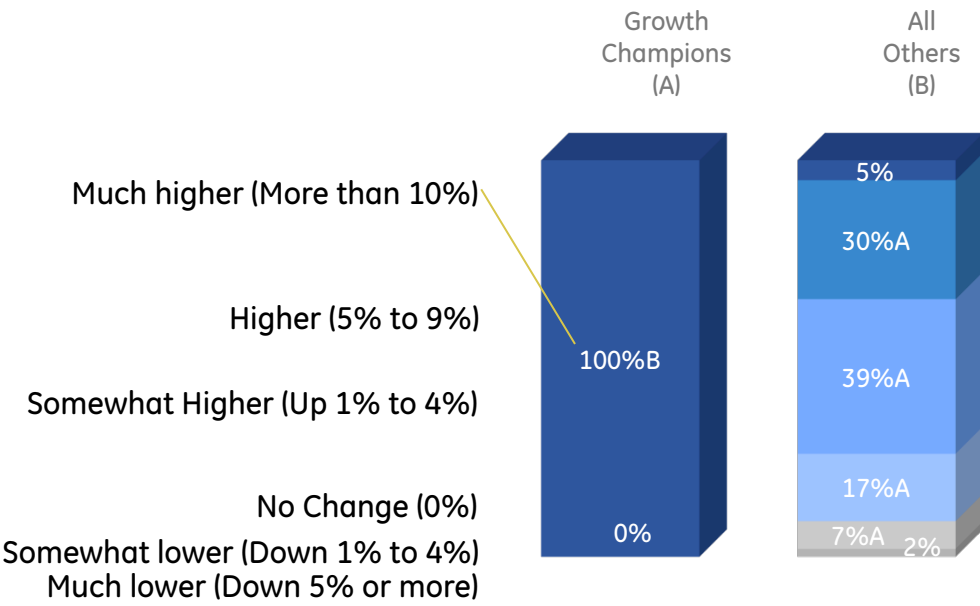


Letters indicate significant differences between groups at the 90% confidence level.
Base Sizes: Growth Champions; N=131; All Other; N=1316
Q.7a Which of the following best describes your business?

Company's Business Volume/Growth



Anticipated Business Growth - Next 12 Months



Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316

Q.7b Which of the following best describes your company's current business volume versus each time period, as measured by Gross Revenues?
 Q.9 Thinking about your business growth over the next 12 months, do you anticipate that your business volume will be (INSERT SCALE) than it is currently?

Reasons for Business' Rate of Growth vs. Pre Financial Crisis - % Total Unaided Mentions (1/2)

	Mid Market Growth	
	Growth Champions	All Others
Base: Total Respondents	(131)	(1316)
	%	%
	(A)	(B)
Positive (Net)	89^B	79
Company Processes/Offerings (Subnet)	24^B	16
Better/new management	6 ^B	1
Stable nature of business/not affected by crisis	3	3
No/less competition	3	3
Strategy/positioning	3 ^B	1
Expansion/increase business	2	3
Product (Subnet)	21^B	8
New/diverse products	8 ^B	4
Quality products	7 ^B	2
Innovative products	3 ^B	*
Services (Subnet)	19^B	11
Service/customer service	8 ^B	2
New/unique/diverse service	3 ^B	1
Growth (Subnet)	18^B	10
New/increased business/project	5	2
Economy (Subnet)	15	28^A
Demand (Sub-Subnet)	9	11
Demand/increased demand (unspecified)	3	2
Demand for service/specific services	3 ^B	1
Demand for housing/real estate	--	4 ^A

Table continues ♦

* Less than 0.5%.

Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

Q.8a To what do you attribute the rate of growth of your business versus Pre-crisis 2007/2008?

Reasons for Business' Rate of Growth vs. Pre Financial Crisis - % Total Unaided Mentions (2/2)

	Mid Market Growth	
	Growth Champions	All Others
Base: Total Respondents	(131)	(1316)
	%	%
	(A)	(B)
General Economy (Sub-Subnet)	6	15^A
Market growth/conditions	2	4
Recovering economy	1	8 ^A
Income/Spending	1	3
Finance (Subnet)	7	8
Price	4	4
General Finance	3	5
Advertising (Subnet)	5	4
Advertising/marketing	3	3
Technology (Subnet)	5^B	2
Advancement in technology	5 ^B	1
Government/Regulations	3	3
Negative (Net)	8	14^A
Economy (Subnet)	2	9^A
General Economy (Sub-Subnet)	2	5
Recession/weak economy	2	3
Demand (Sub-Subnet)	--	3^A
Poor demand of housing/real estate	--	3 ^A
Did not open/exist prior to crisis	4 ^B	--
Financing/Pricing	2	3
None	4	7

* Less than 0.5%.

Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

Q.8a To what do you attribute the rate of growth of your business versus Pre-crisis 2007/2008?

Reasons for Business' Rate of Growth vs. Post Financial Crisis - % Total Unaided Mentions (1/2)

	Mid Market Growth	
	Growth Champions	All Others
Base: Total Respondents	(131)	(1316)
	%	%
	(A)	(B)
Positive (Net)	78^B	64
Economy (Subnet)	23	32^A
General Economy (Sub-Subnet)	13	24^A
Better/stable economy/recovery	5	14 ^A
No/less competition	3	2
Better market conditions	2	4
Demand (Sub-Subnet)	10	9
Increase in demand of product/services	7	5
Product (Subnet)	19^B	5
New products/services	12 ^B	3
Good/quality products	5 ^B	2
Company Growth (Subnet)	17^B	8
More growth/expansion	13 ^B	5
More acquisition	4 ^B	1
Service (Subnet)	12^B	6
General Service (Sub-Subnet)	8	4
Better service	5 ^B	2
Better customer relations	2	1
Staff	5 ^B	2

Table continues ♦

Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

Q.8b To what do you attribute the rate of growth of your business versus Post crisis 2010/2011?

Reasons for Business' Rate of Growth vs. Post Financial Crisis - % Total Unaided Mentions (2/2)

	Mid Market Growth	
	Growth Champions	All Others
Base: Total Respondents	(131)	(1316)
	%	%
	(A)	(B)
Company Image (Subnet)	12^B	5
Better planning	5 ^B	2
Better management	4	2
Price	5	4
Advertising (Subnet)	4	2
Better advertising/marketing	4 ^B	2
Miscellaneous Positive		
Increase in customers base	5 ^B	2
New/advanced technology	3 ^B	1
Negative (Net)	9	25^A
Economy (Subnet)	4	16^A
General Economy (Sub-Subnet)	3	13^A
Declined/unstable economy	2	6 ^A
Lack of customer spending	1	3 ^A
Demand (Sub-Subnet)	1	5^A
Less/no demand for construction/real estate	--	3 ^A
Company	1	3 ^A
Business is same/no growth	4	3
None	12	11

Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

Q.8b To what do you attribute the rate of growth of your business versus Post crisis 2010/2011?

Reasons for Anticipated Business' Rate of Growth % Total Unaided Mentions (1/2)

	Mid Market Growth	
	Growth Champions	All Others
Base: Total Respondents	(131)	(1316)
	%	%
	(A)	(B)
Positive (Net)	90B	72
Growth/Expansion (Subnet)	32B	15
New/expanding markets	12B	4
Growth/high growth	11B	3
More clients	3	3
New projects/initiatives/contracts	3	2
New locations/stores	3	1
Products (Subnet)	20B	8
New products/services	13B	5
Good quality	4	2
Variety/broader product range	3B	1
Company Strategy/Reputation (Subnet)	11B	5
New vision/business focus	4	2
Markets (Subnet)	10	8
Market condition	5	3
Sales/Demand (Subnet)	8	6
Increased sales	5	3
Demand/pent up demands	3	3
Economy (Subnet)	7	20A
Economy/better economy	5	11A
Better recovery/economic recovery	1	3
Economic stability	-	4A

Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

Q.10 To what do you attribute the anticipated rate of growth of your business in the next 12 months compared to today?

Reasons for Anticipated Business' Rate of Growth % Total Unaided Mentions (2/2)

	Mid Market Growth	
	Growth Champions (131)	All Others (1316)
Base: Total Respondents	% (A)	% (B)
Service/Customer Service (Subnet)	7	6
Good service/customer service	5	3
Management (Subnet)	5B	2
Good management/leadership	4B	1
Technology (Subnet)	5B	1
New/upgraded technology	5B	1
Price/Cost	3	4
Government (Subnet)	3B	1
Healthcare reforms	3B	*
Customers (Subnet)	2	4
Improvement in customer spending/confidence	1	3
Miscellaneous Positive		
Improve business/business opportunities	5	3
Negative (Net)	5	22A
Economy (Subnet)	2	10A
Poor/unstable economy	1	3
Slow economic growth	-	4A
Price/Cost	1	3
Miscellaneous Negative		
Do not anticipate/expect growth	-	3A

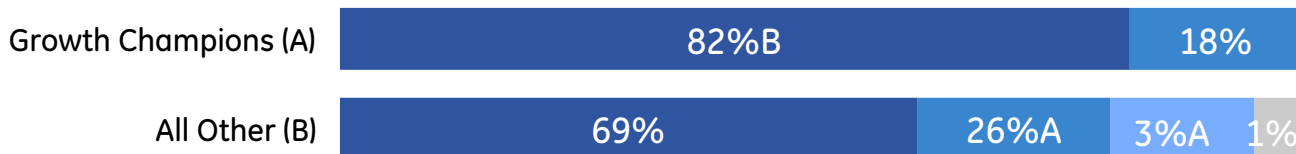
Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

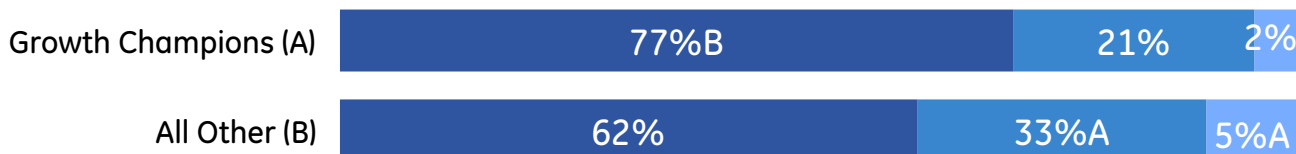
Q.10 To what do you attribute the anticipated rate of growth of your business in the next 12 months compared to today?

Importance of Elements in Ability to Meet Growth Targets (1/7)

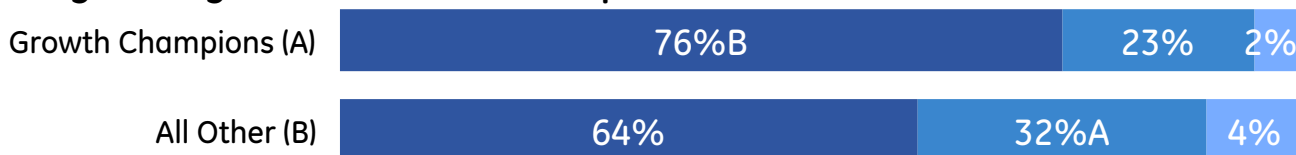
Attracting new customers



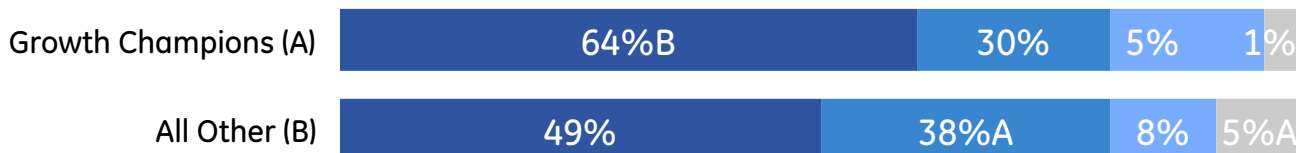
High-performing management team



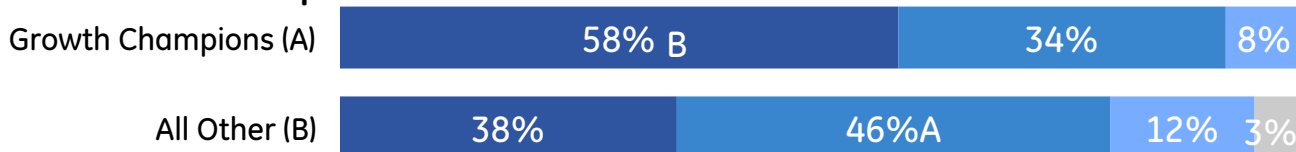
Strengthening customer relationships



Better sales force effectiveness



Innovation in new products & services



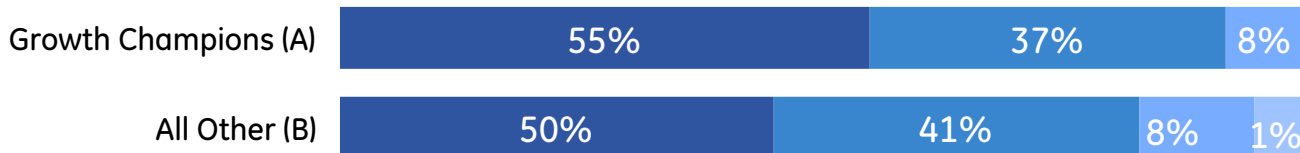
■ Absolutely Essential
 ■ Important But Not Essential
 ■ Not Important
 ■ Not Applicable

Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316

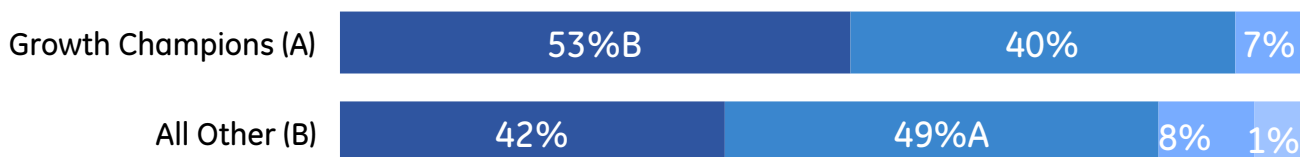
Q.11 How important are each of the following in your ability to meet your growth targets over the next 12 months?

Importance of Elements in Ability to Meet Growth Targets (2/7)

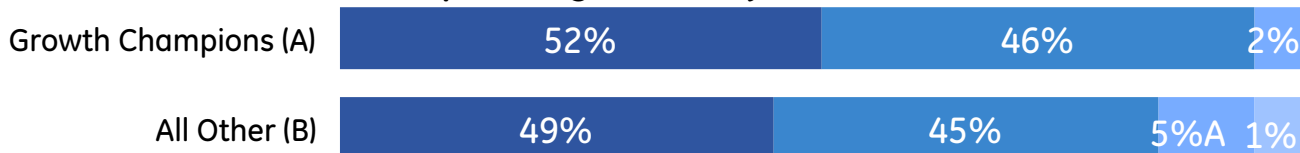
Managing cash flow



Better marketing and communications



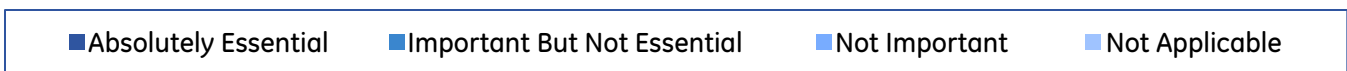
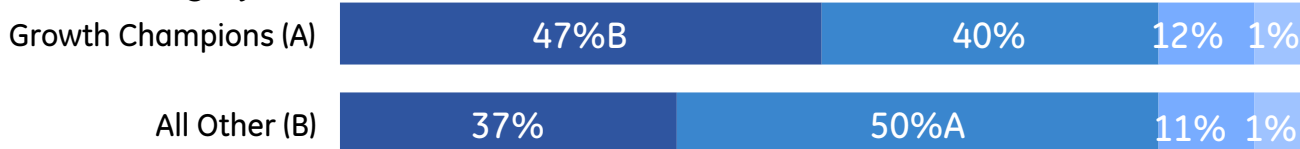
Better cost containment/operating efficiency



Expansion in U.S. current markets



Access to highly-trained workforce



Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316

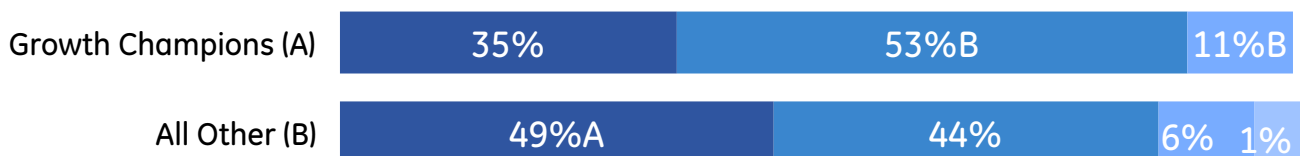
Q.11 How important are each of the following in your ability to meet your growth targets over the next 12 months?

Importance of Elements in Ability to Meet Growth Targets (3/7)

Innovation in new processes



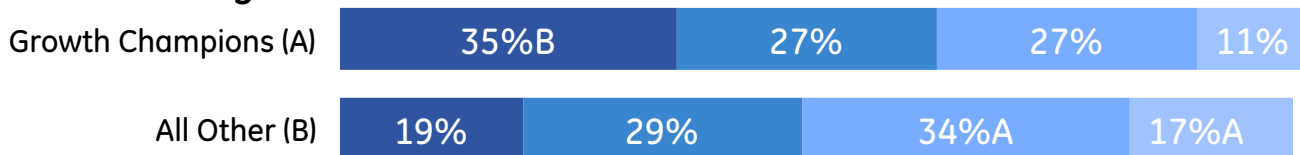
Better national economic conditions



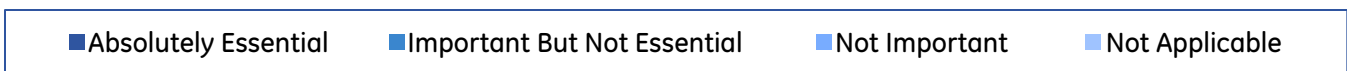
Additional capital for growth



Access to foreign markets



The cost of commodities or raw materials



Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316

Q.11 How important are each of the following in your ability to meet your growth targets over the next 12 months?

Importance of Elements in Ability to Meet Growth Targets (4/7)

Upgrading equipment and technology



The ability to pass on a portion of rising commodity costs onto customers (neg)



Managing health costs



Streamlining internal policies and procedures



Managing through external change



Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316

Q.11 How important are each of the following in your ability to meet your growth targets over the next 12 months?

Importance of Elements in Ability to Meet Growth Targets (5/7)

Access to new U.S. geographic markets



The cost of goods stabilizes



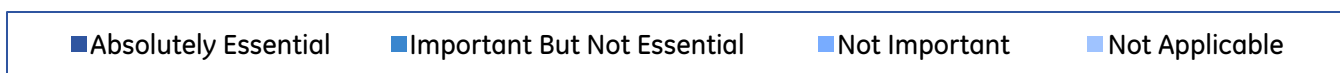
Public policy makers understand the importance of my business or industry



Better regional economic conditions



Government looks favorably on my industry



Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316

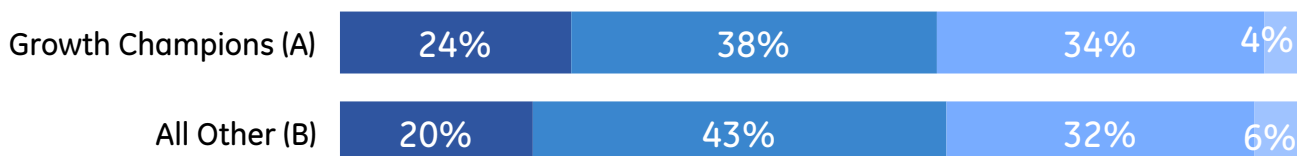
Q.11 How important are each of the following in your ability to meet your growth targets over the next 12 months?

Importance of Elements in Ability to Meet Growth Targets (6/7)

Lower cost of capital



Better access to the capital markets



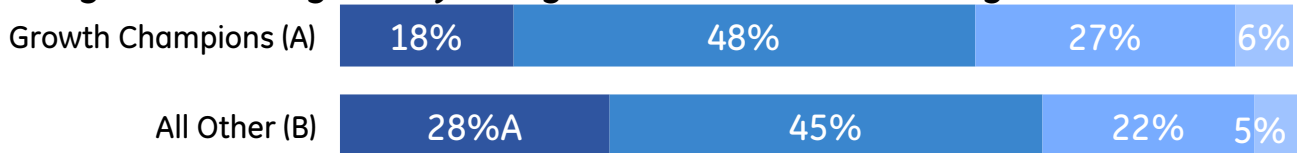
Government is pro business



Managing through regulatory and tax changes (neg)



Having effective regulatory and government relations (neg)



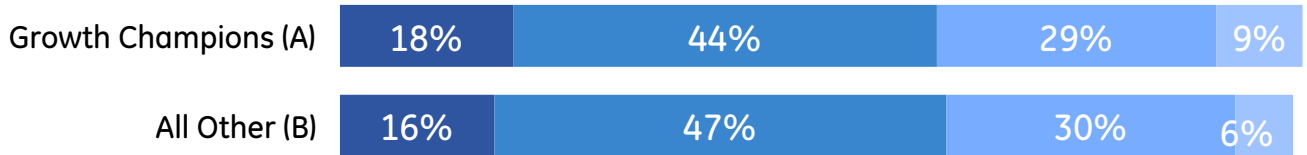
■ Absolutely Essential
 ■ Important But Not Essential
 ■ Not Important
 ■ Not Applicable

Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316

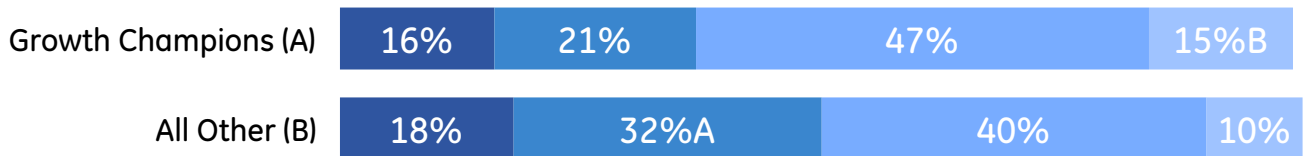
Q.11 How important are each of the following in your ability to meet your growth targets over the next 12 months?

Importance of Elements in Ability to Meet Growth Targets (7/7)

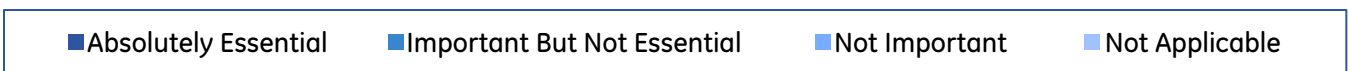
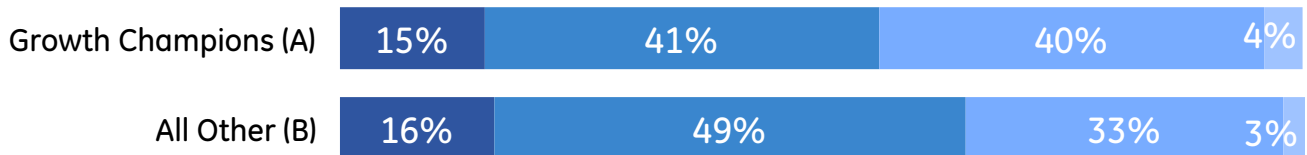
Better relations with labor



Ability to restructure debt



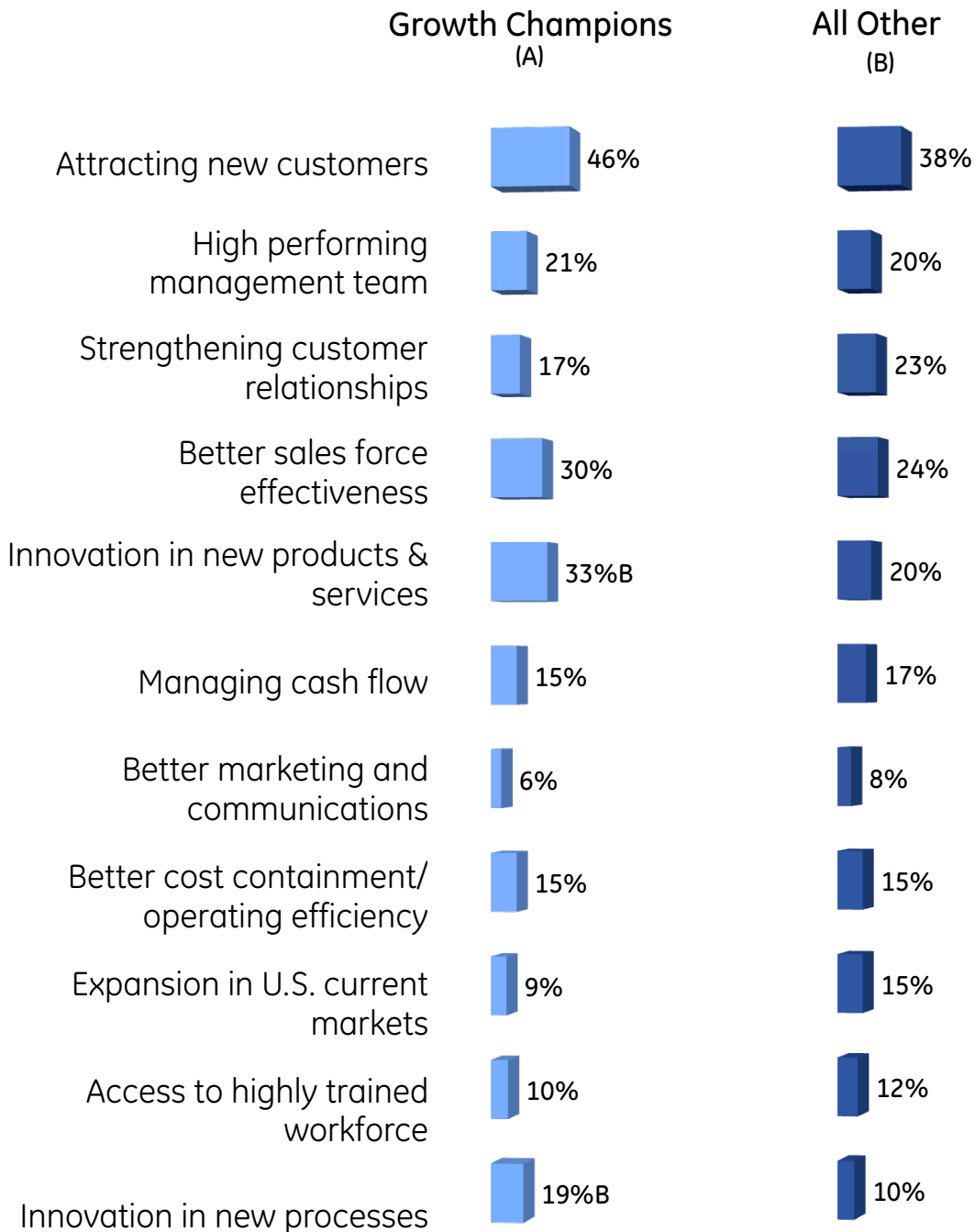
Access to lower cost work force



Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316

Q.11 How important are each of the following in your ability to meet your growth targets over the next 12 months?

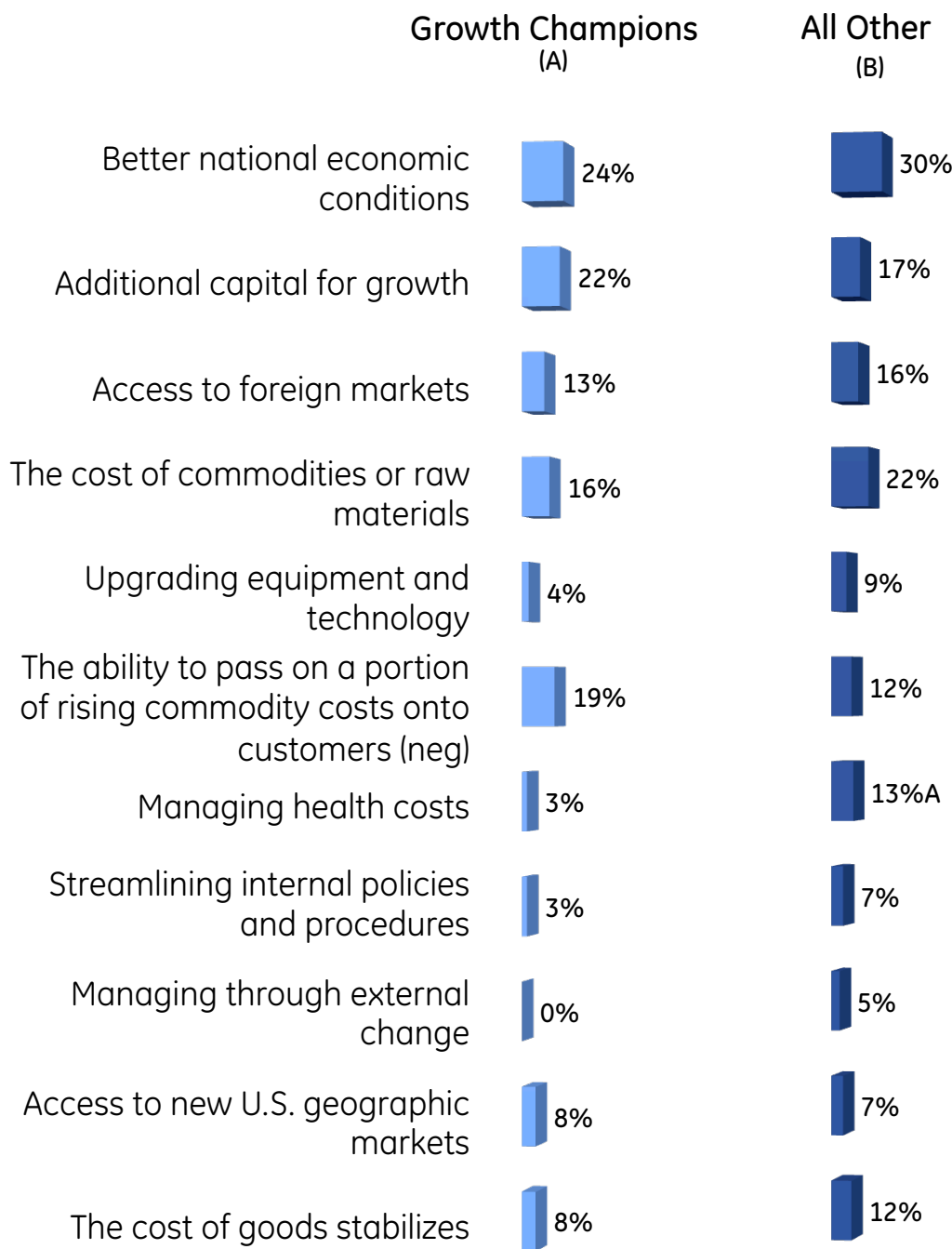
Ranking of Elements' Importance in Ability to Meet Growth Targets - % Ranked Most/Second Most Important (1/3)



Ranked off: Rated Absolutely Essential
 Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Varies By Those Rated Absolutely Essential

Q.12a Here are those items that you indicated were absolutely essential in your ability to meet your growth targets. Please indicate your most important, second most important, and third most important items by simply clicking on an item and dragging it into the appropriate box on your screen. Place the most important item in the box labeled "most important" and so on.

Ranking of Elements' Importance in Ability to Meet Growth Targets - % Ranked Most/Second Most Important (2/3)



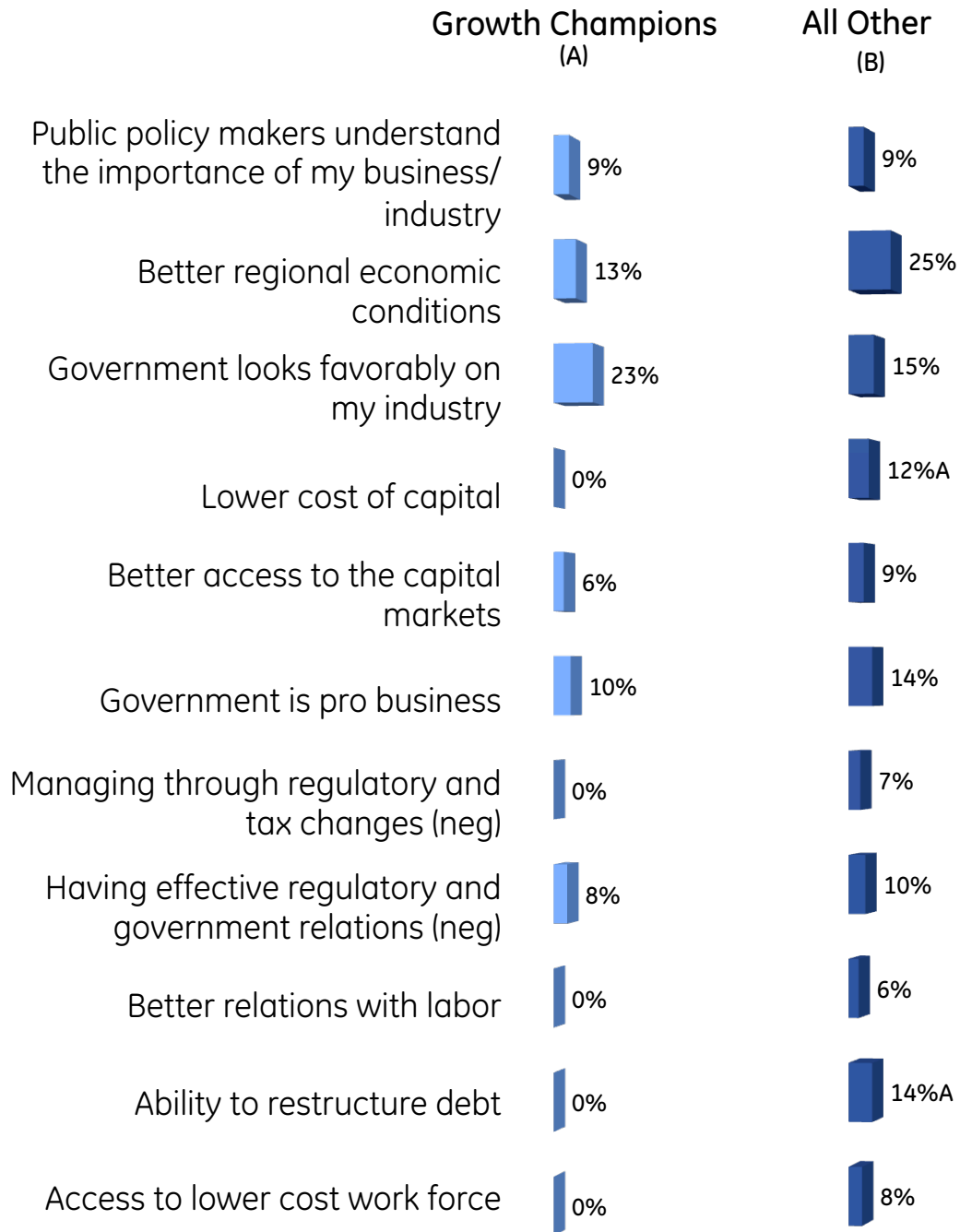
Ranked off: Rated Absolutely Essential

Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: Varies By Those Rated Absolutely Essential

Q.12a Here are those items that you indicated were absolutely essential in your ability to meet your growth targets. Please indicate your most important, second most important, and third most important items by simply clicking on an item and dragging it into the appropriate box on your screen. Place the most important item in the box labeled "most important" and so on.

Ranking of Elements' Importance in Ability to Meet Growth Targets - % Ranked Most/Second Most Important (3/3)

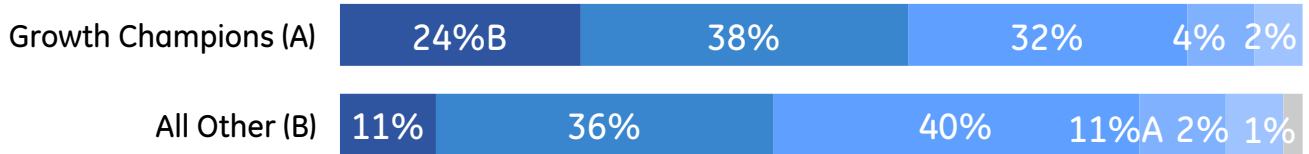


Ranked off: Rated Absolutely Essential
 Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Varies By Those Rated Absolutely Essential

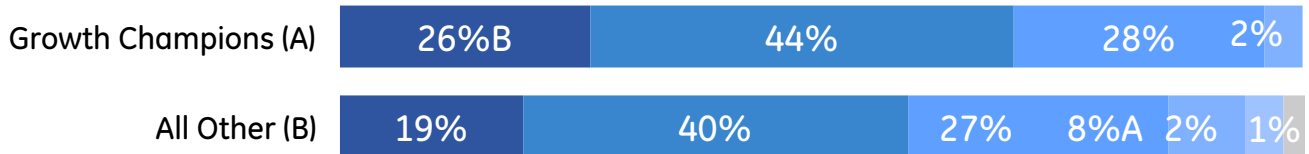
Q.12a Here are those items that you indicated were absolutely essential in your ability to meet your growth targets. Please indicate your most important, second most important, and third most important items by simply clicking on an item and dragging it into the appropriate box on your screen. Place the most important item in the box labeled "most important" and so on.

Company Delivery on Important Business Growth Elements (1/7)

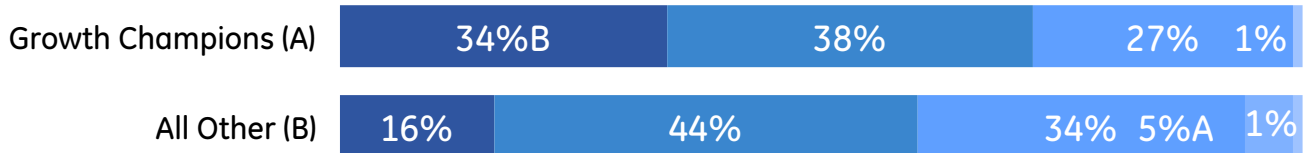
We are adept at attracting new customers



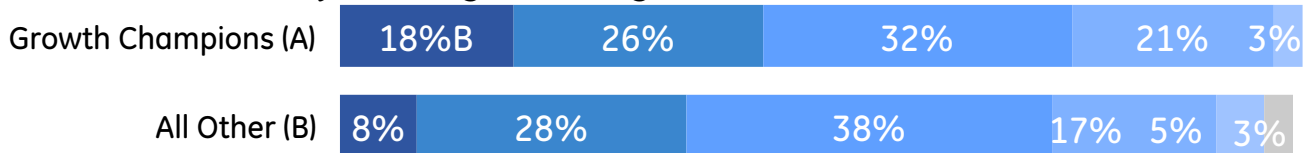
We have a high performing management team



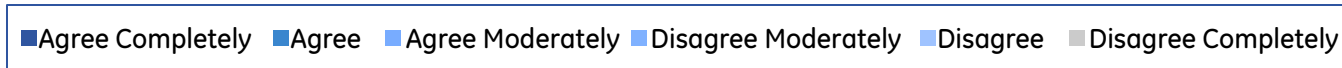
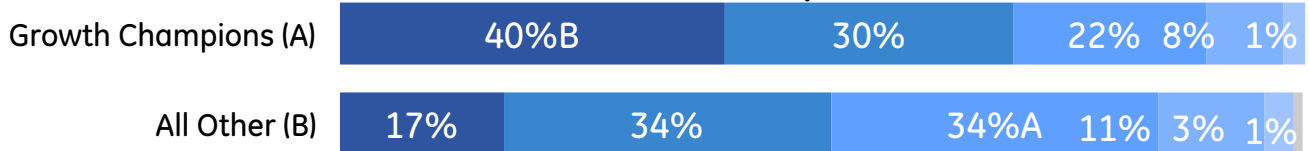
We are successfully strengthening customer relationships



We have an industry-leading Sales organization



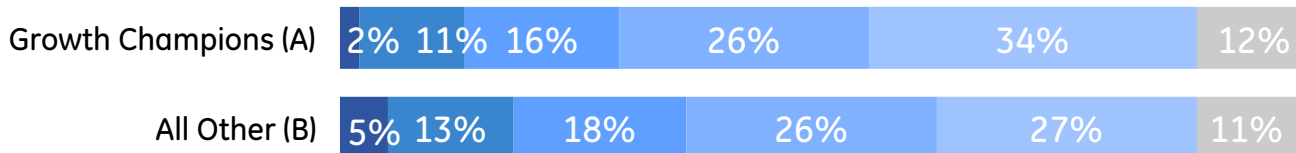
We consider ourselves to be innovators in new products and services



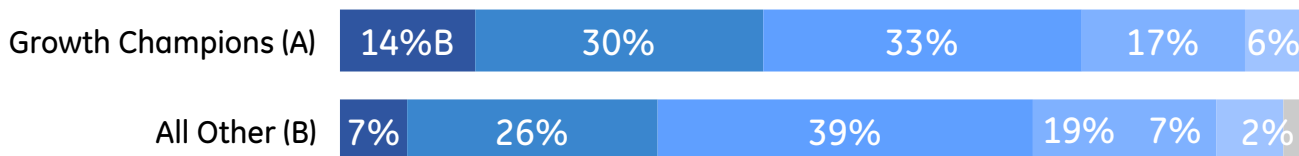
Ranked off: Rated Absolutely Essential
 Letters indicate significant differences between groups at the 90% confidence level.
 Base Varies by Those Who Consider Attribute Important or Absolutely Essential
 Q.12b Thinking about your company, please indicate the extent you agree or disagree with each one of the following statements? Please note that some will be positive and some will be negative.

Company Delivery on Important Business Growth Elements (2/7)

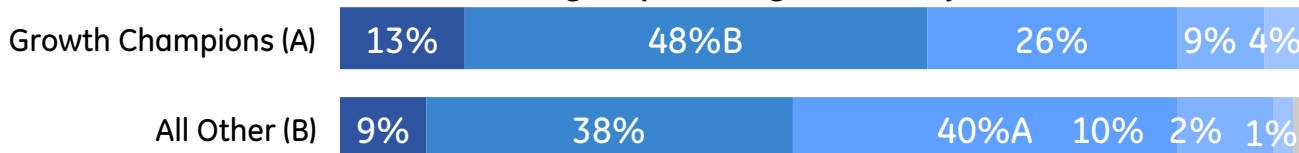
We have difficulty managing cash flow



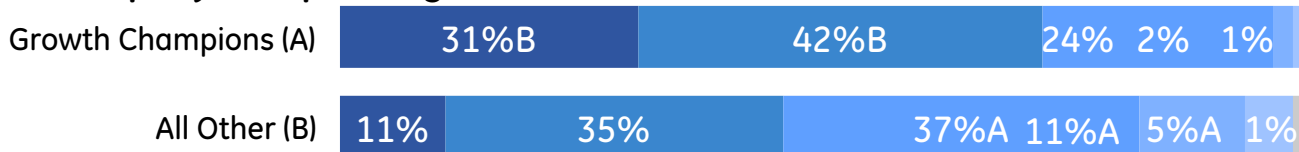
We have an industry leading marketing and communications capability



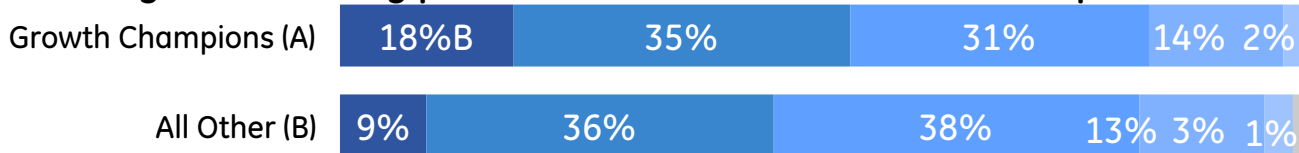
We are able to contain cost through operating efficiency



Our company is expanding in our current U.S. markets



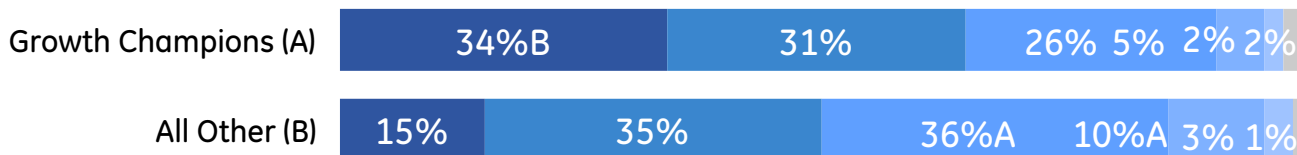
We have good recruiting power to attract the skill levels we require



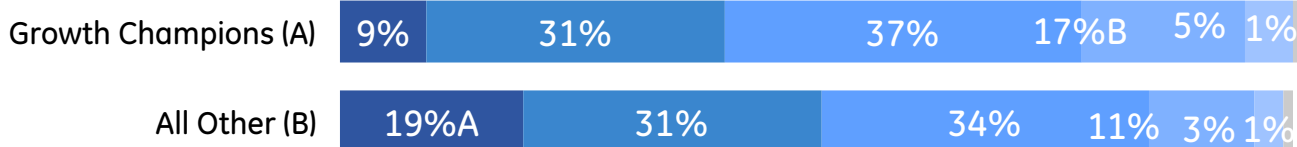
Ranked off: Rated Absolutely Essential
 Letters indicate significant differences between groups at the 90% confidence level.
 Base Varies by Those Who Consider Attribute Important or Absolutely Essential
 Q.12b Thinking about your company, please indicate the extent you agree or disagree with each one of the following statements? Please note that some will be positive and some will be negative.

Company Delivery on Important Business Growth Elements (3/7)

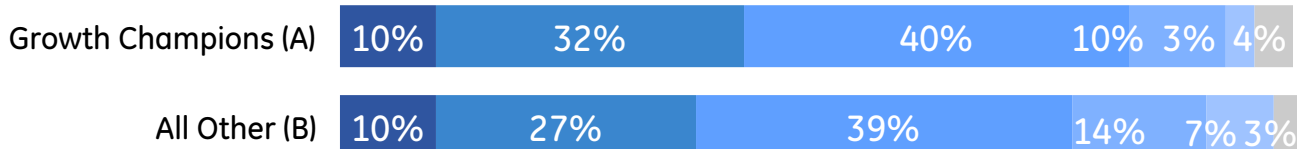
We consider ourselves to be innovators in new processes and efficiencies



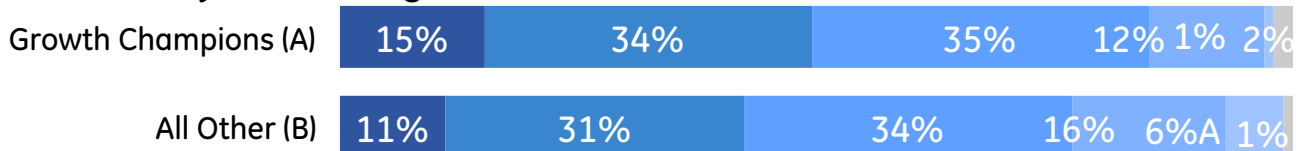
Our business is highly dependent on a robust national economy



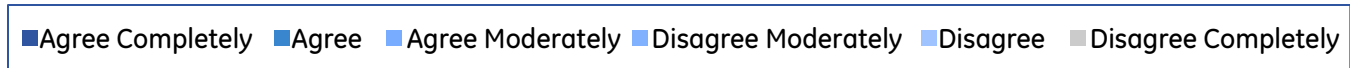
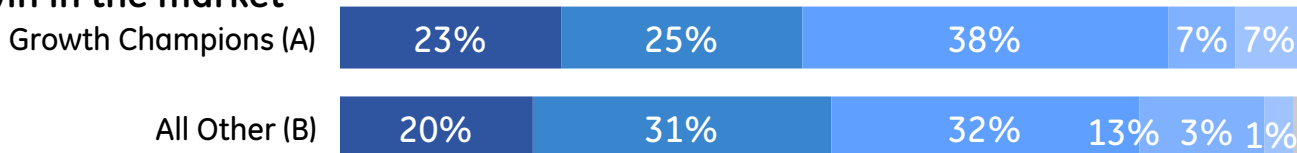
We can easily access additional capital to fund growth initiatives



We have easy access to global markets



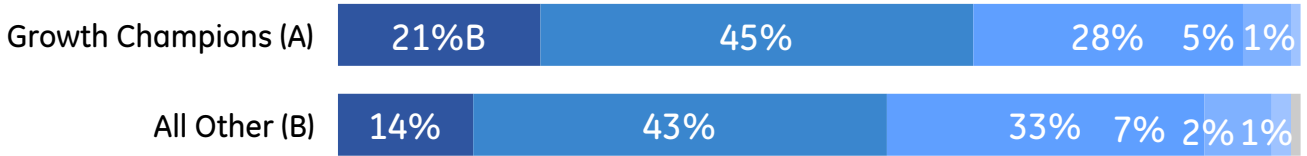
The cost of commodities or raw materials impacts my business' ability to win in the market



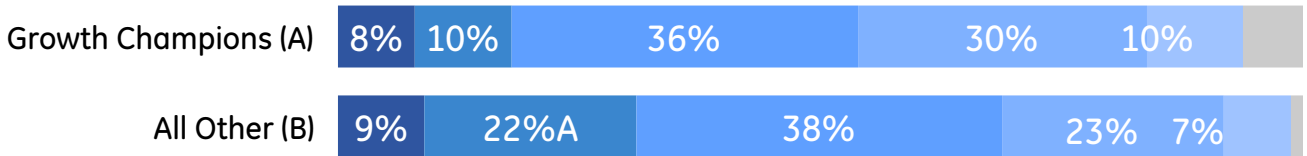
Ranked off: Rated Absolutely Essential
 Letters indicate significant differences between groups at the 90% confidence level.
 Base Varies by Those Who Consider Attribute Important or Absolutely Essential
 Q.12b Thinking about your company, please indicate the extent you agree or disagree with each one of the following statements? Please note that some will be positive and some will be negative.

Company Delivery on Important Business Growth Elements (4/7)

We have access to upgraded equipment and technology



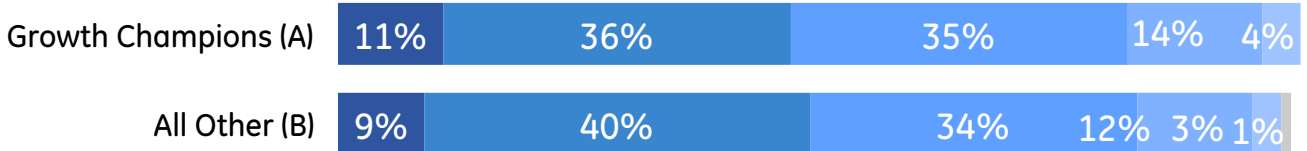
We are unable to pass on rising commodity costs to our customers (neg)



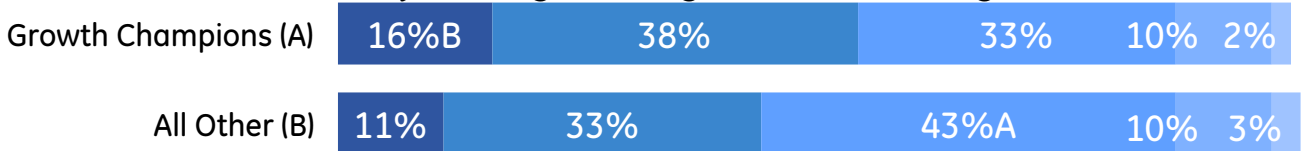
We are effectively managing health costs



Our internal policies and procedures are efficient



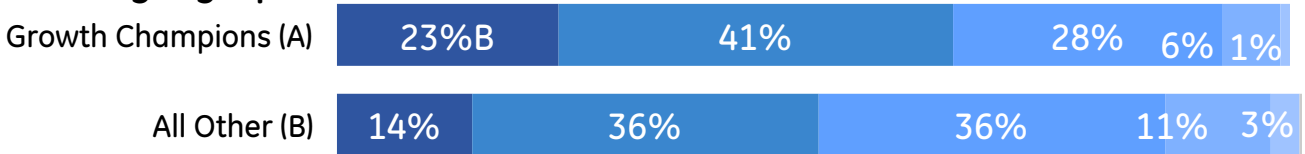
We are able to effectively manage through external change



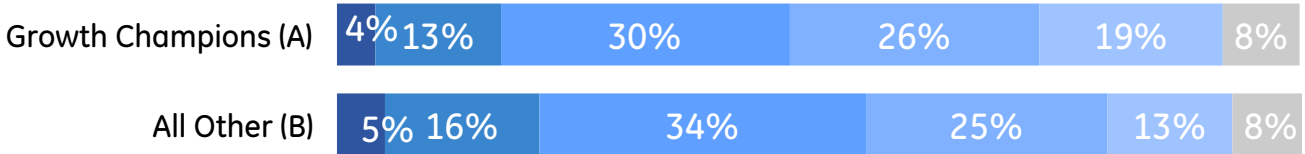
Ranked off: Rated Absolutely Essential
 Letters indicate significant differences between groups at the 90% confidence level.
 Base Varies by Those Who Consider Attribute Important or Absolutely Essential
 Q.12b Thinking about your company, please indicate the extent you agree or disagree with each one of the following statements? Please note that some will be positive and some will be negative.

Company Delivery on Important Business Growth Elements (5/7)

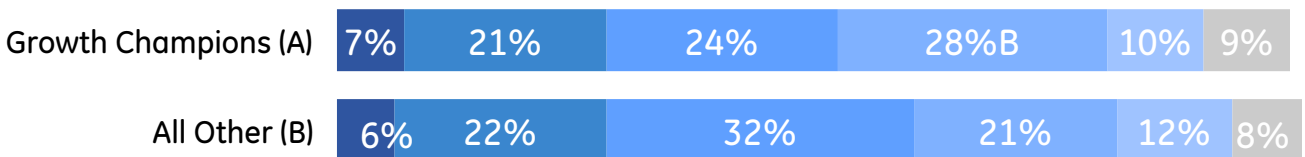
Our company has the knowhow and relationships to take advantage of new U.S. geographic markets



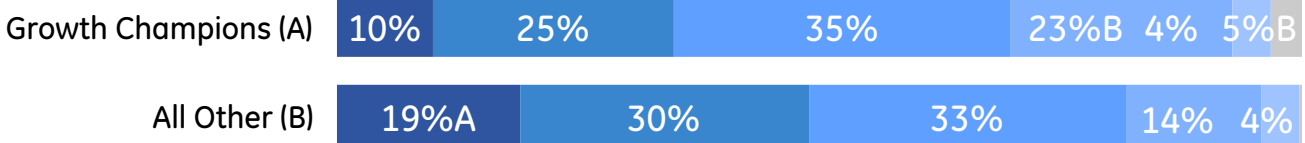
The cost of goods has stabilized for my business



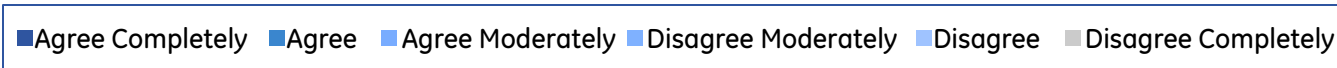
Public policy makers understand the importance of my business or industry



Our business is highly dependent on a robust regional economy



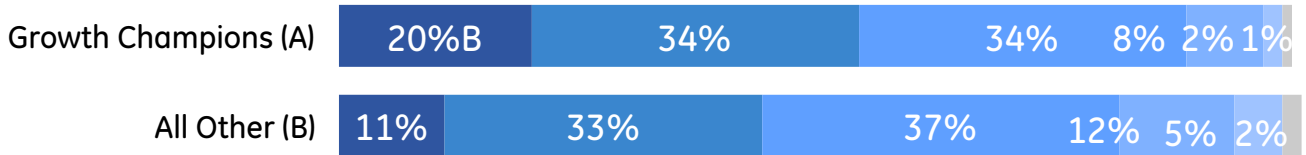
Government looks favorably on my business / industry



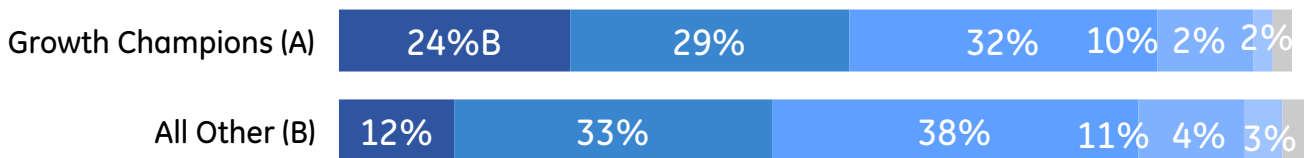
Ranked off: Rated Absolutely Essential
 Letters indicate significant differences between groups at the 90% confidence level.
 Base Varies by Those Who Consider Attribute Important or Absolutely Essential
 Q.12b Thinking about your company, please indicate the extent you agree or disagree with each one of the following statements? Please note that some will be positive and some will be negative.

Company Delivery on Important Business Growth Elements (6/7)

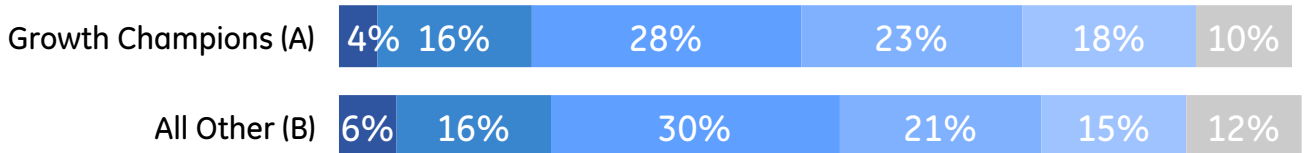
We are able to access funding at an affordable cost of capital



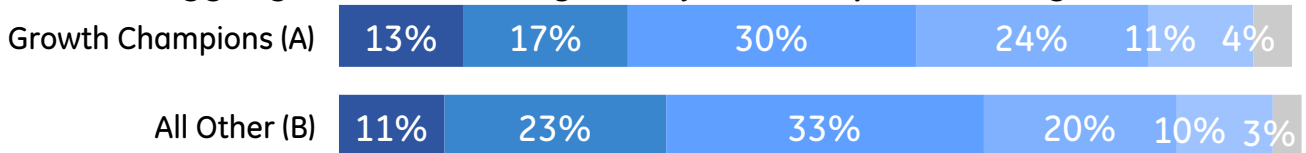
We have sufficient access to the capital markets for our needs



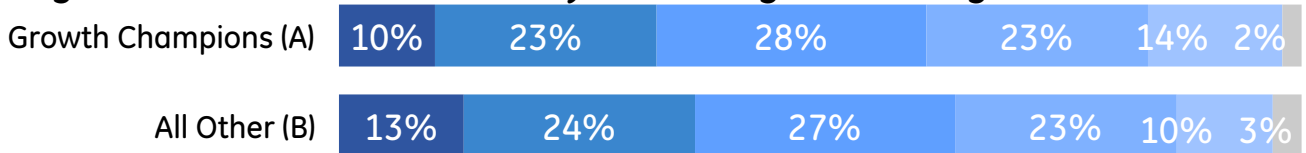
Government is pro business



We are struggling to influence regulatory and tax policies (neg)



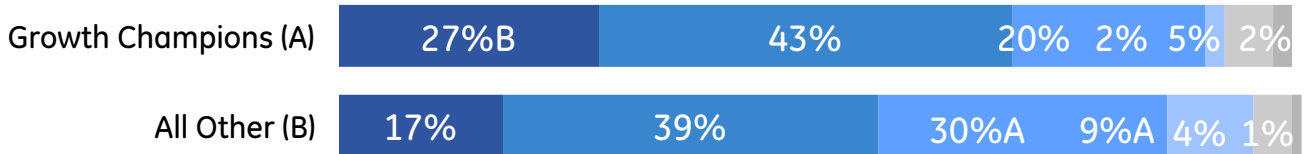
Our growth has been restrained by excess regulation (neg)



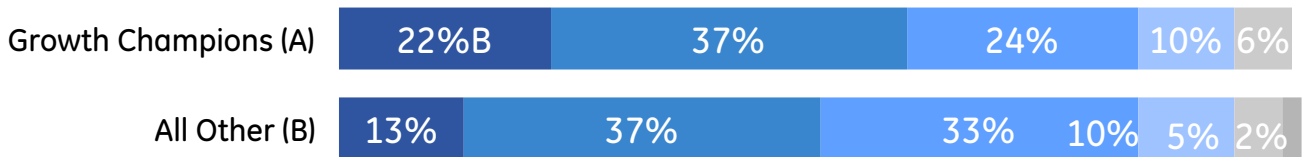
Ranked off: Rated Absolutely Essential
 Letters indicate significant differences between groups at the 90% confidence level.
 Base Varies by Those Who Consider Attribute Important or Absolutely Essential
 Q.12b Thinking about your company, please indicate the extent you agree or disagree with each one of the following statements? Please note that some will be positive and some will be negative.

Company Delivery on Important Business Growth Elements (7/7)

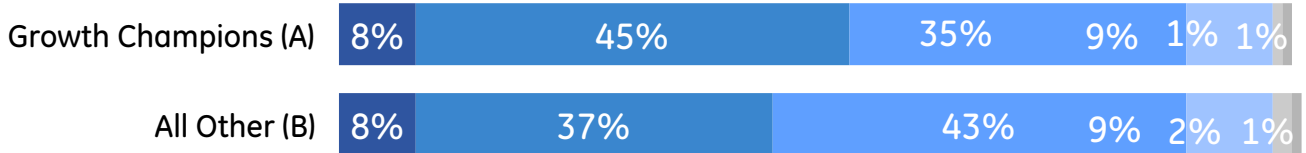
Our relations with labor are not an issue for our company



Our corporate debt level is acceptable



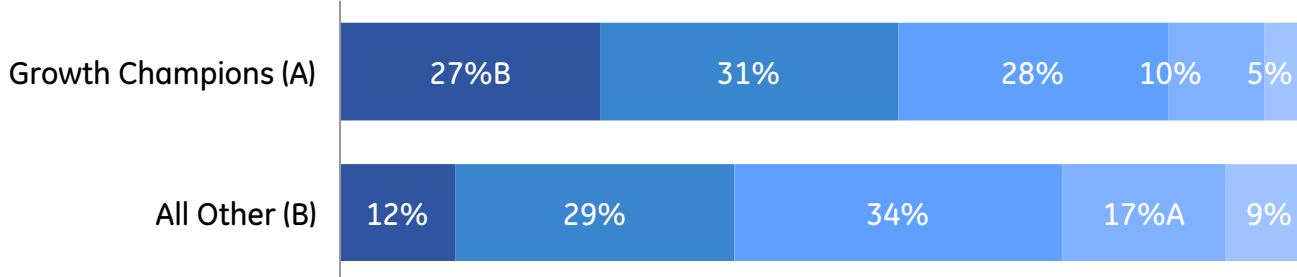
We can access a workforce that is affordable to our company



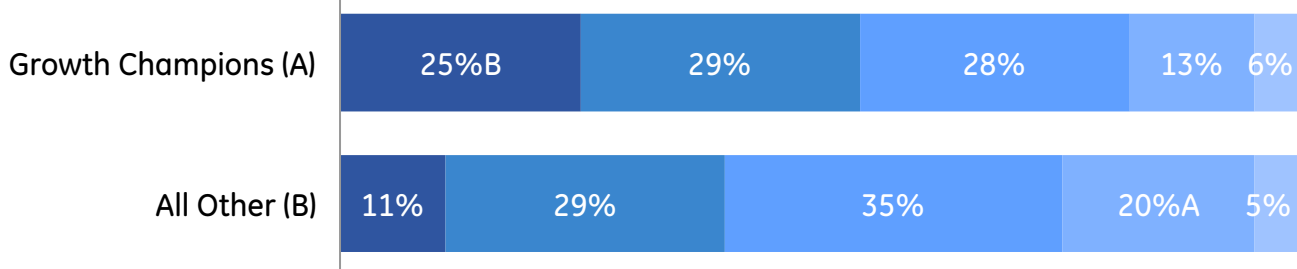
Ranked off: Rated Absolutely Essential
 Letters indicate significant differences between groups at the 90% confidence level.
 Base Varies by Those Who Consider Attribute Important or Absolutely Essential
 Q.12b Thinking about your company, please indicate the extent you agree or disagree with each one of the following statements? Please note that some will be positive and some will be negative.

Company's Performance on Operational Excellence Activities (1/5)

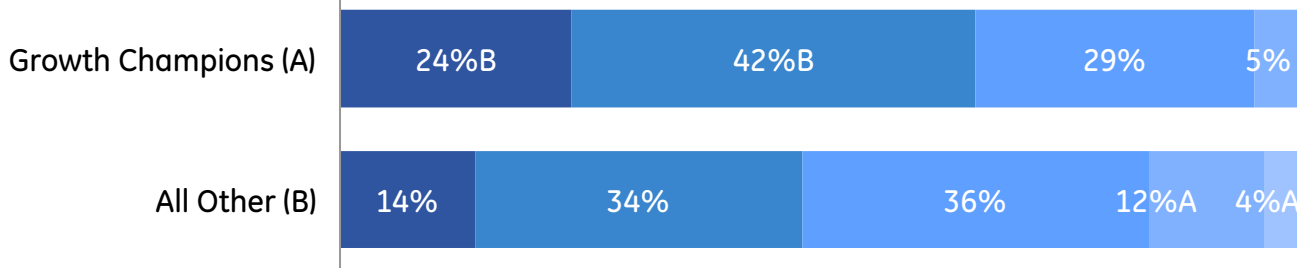
Having a long-term growth strategy in place covering the next 3 to 5 years



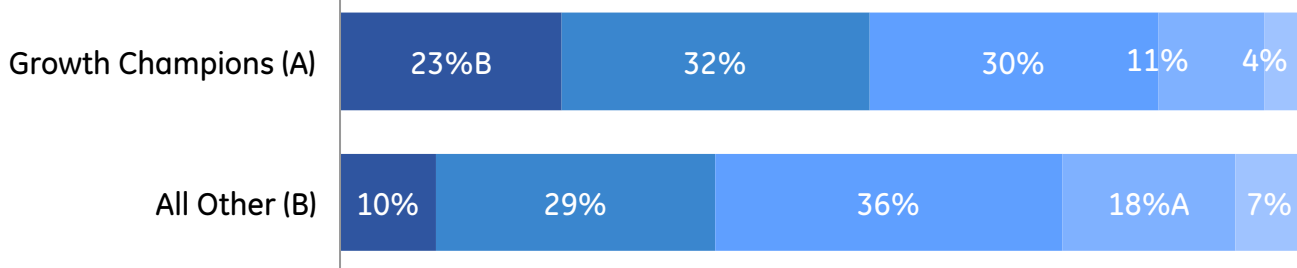
Investing in innovation & new product development



Setting formal annual growth targets for each fiscal year



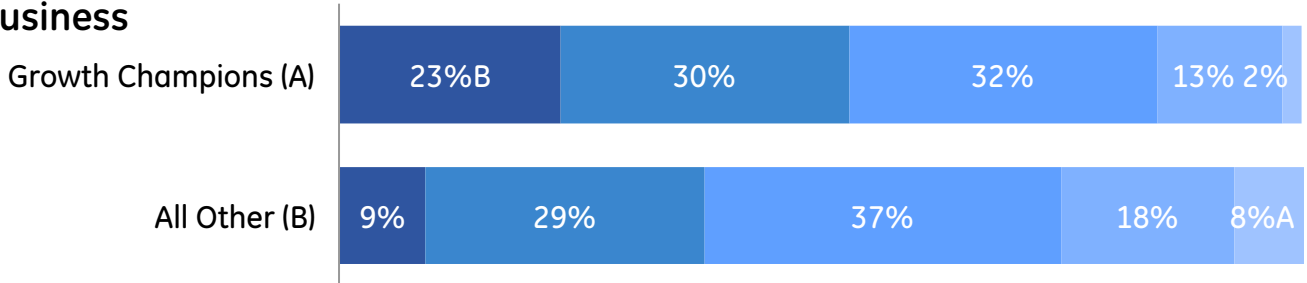
Basing variable employee compensation on the ability of the business to meet growth targets



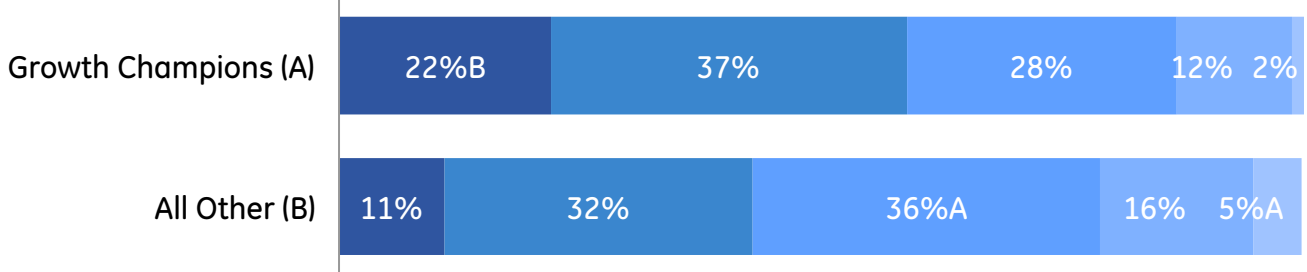
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316
 Q.13a Please rate your company's performance on each of the following.

Company's Performance on Operational Excellence Activities (2/5)

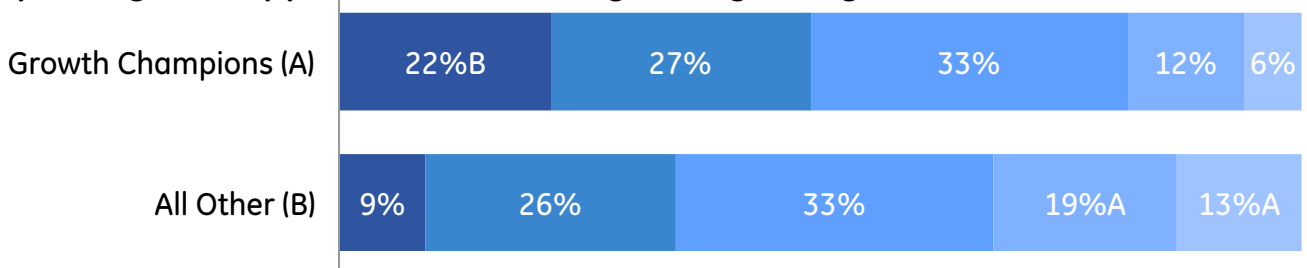
Having a formal process for communicating growth targets through the business



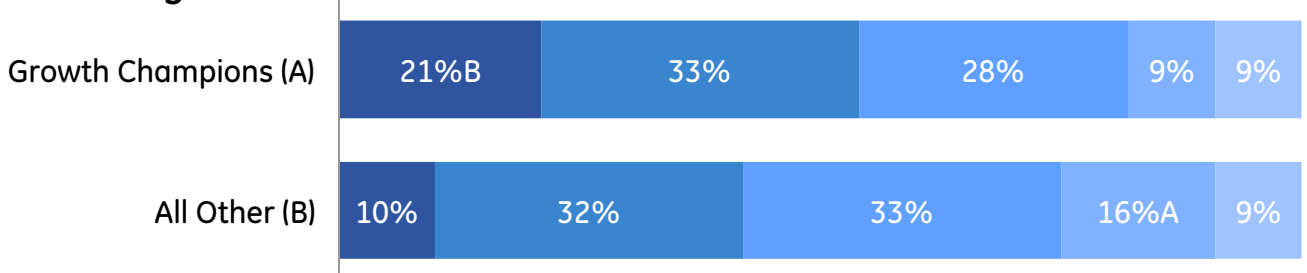
Having a formal process to track progress toward specific growth targets



Exploiting new opportunities in fast growing foreign markets



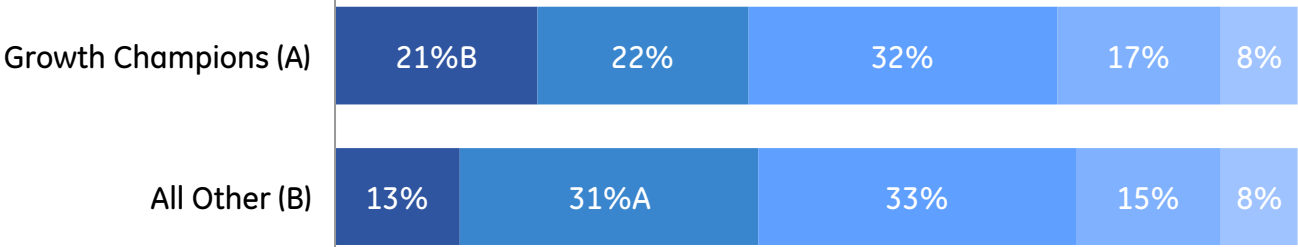
Basing variable executive compensation on the ability of the business to meet growth targets



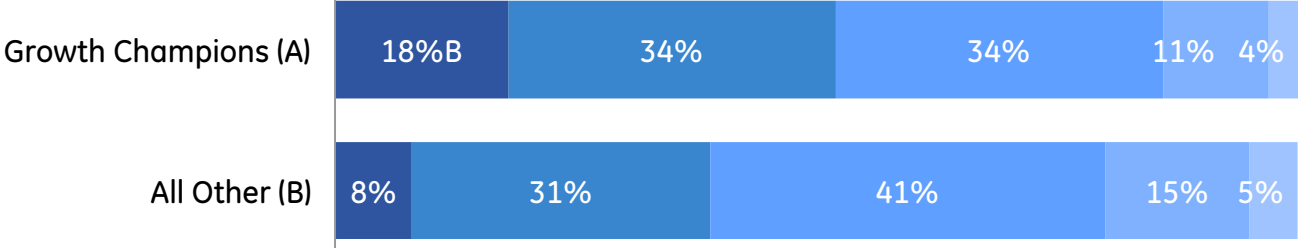
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316
 Q.13a Please rate your company's performance on each of the following.

Company's Performance on Operational Excellence Activities (3/5)

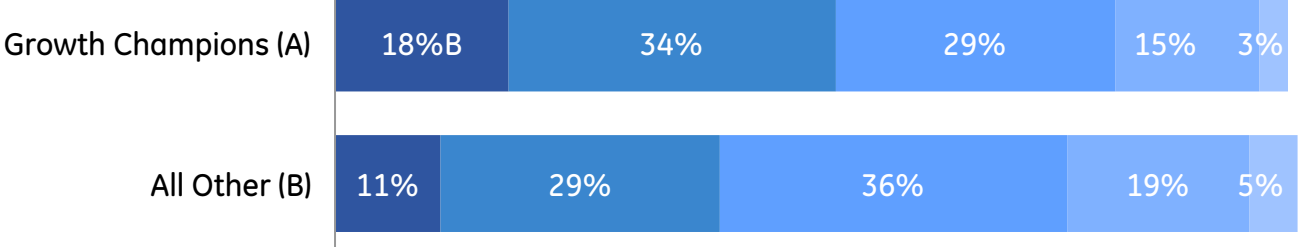
Formal employee performance reviews



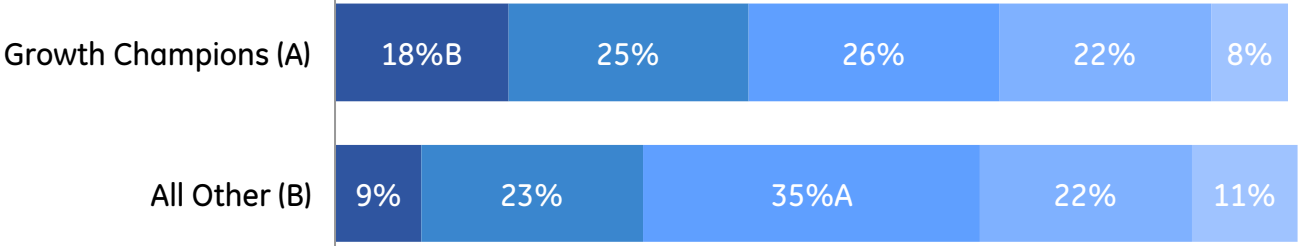
Investing in systems and business processes



Investing in sales & marketing activities (trade shows, events, sponsorships)



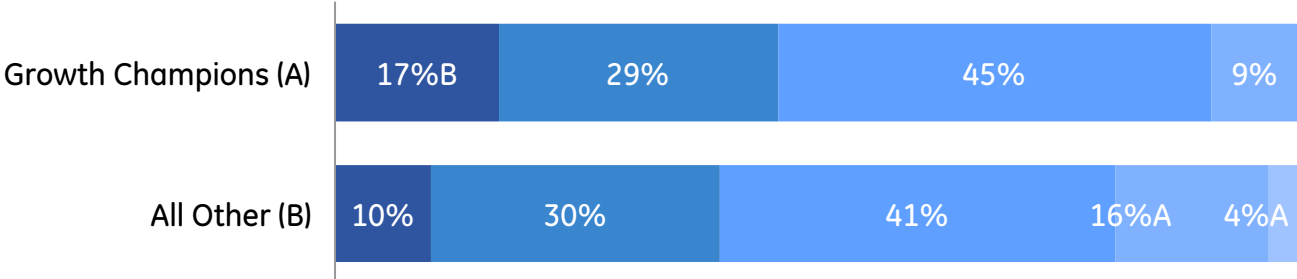
Having dedicated funding for research & development



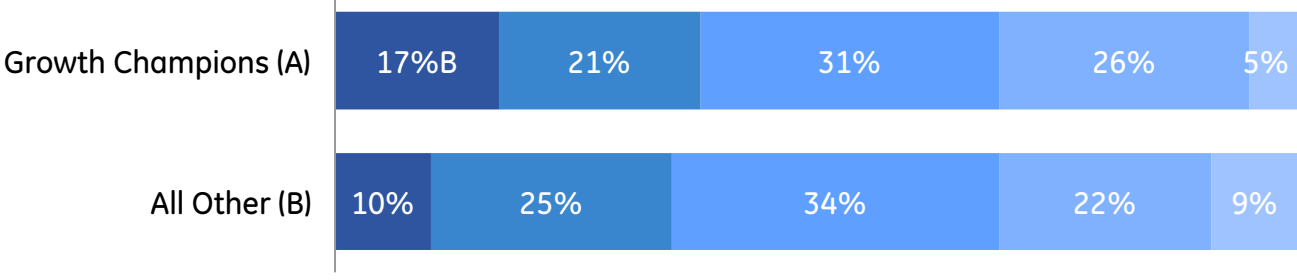
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316
 Q.13a Please rate your company's performance on each of the following.

Company's Performance on Operational Excellence Activities (4/5)

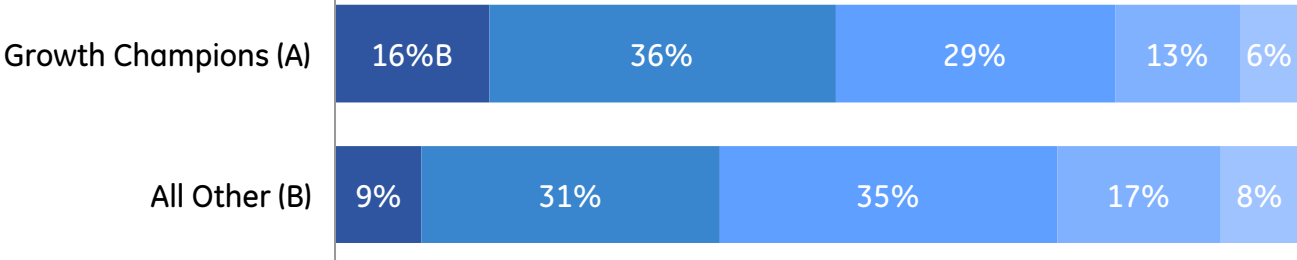
Investing in equipment & facilities



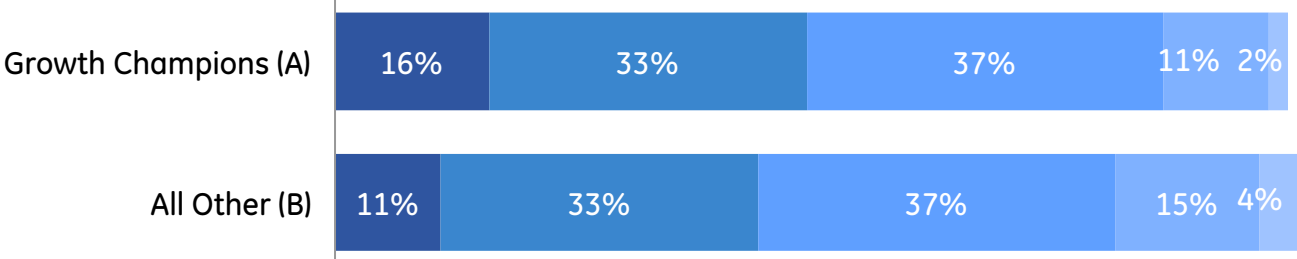
Investing in training & education



Setting formal quarterly growth objectives



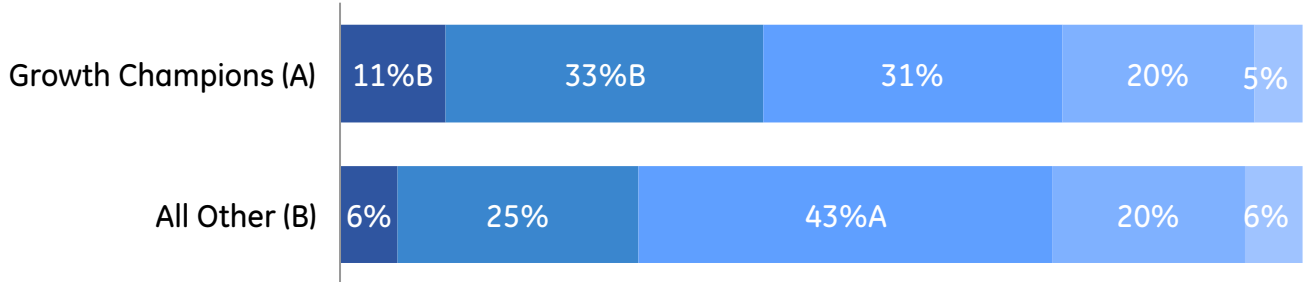
Having a formal pricing strategy



Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316
 Q.13a Please rate your company's performance on each of the following.

Company's Performance on Operational Excellence Activities (5/5)

Having a diversified funding strategy



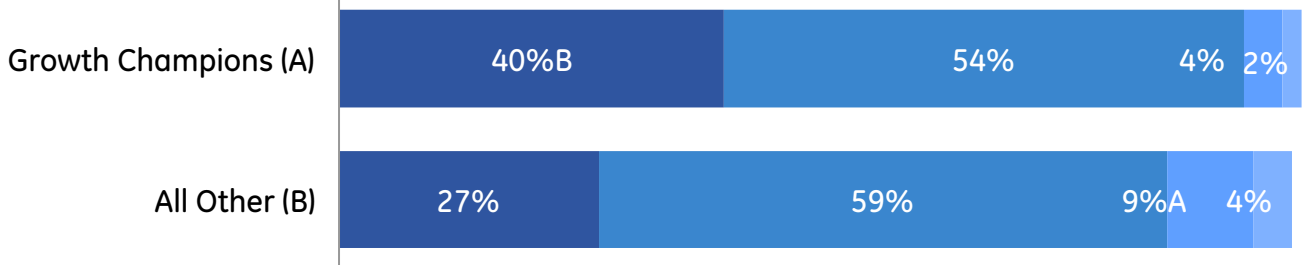
Letters indicate significant differences between groups at the 90% confidence level.
Base Sizes: Growth Champions; N=131; All Other; N=1316
Q.13a Please rate your company's performance on each of the following.

Operational Excellence Activities Post Financial Crisis (1/5)

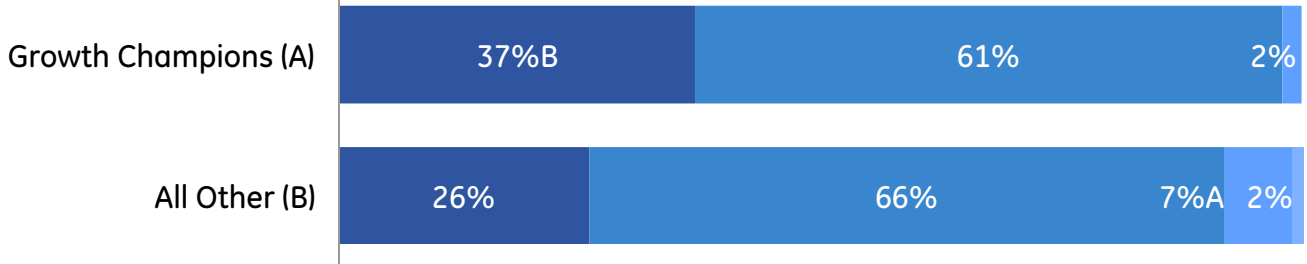
Having a long-term growth strategy in place covering the next 3 to 5 years



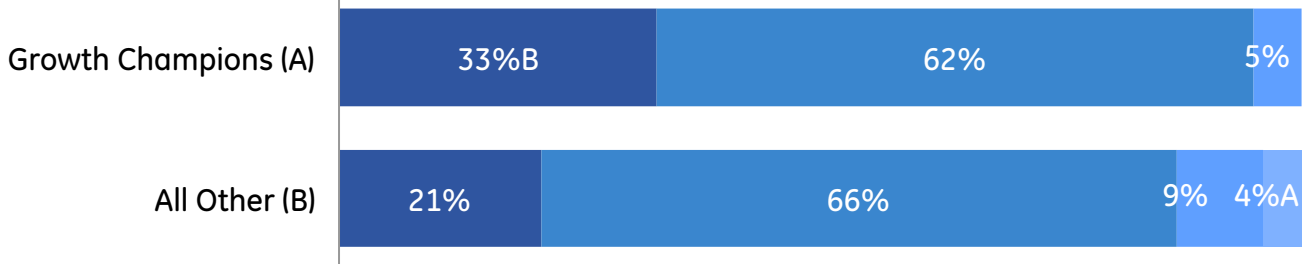
Investing in innovation & new product development



Setting formal annual growth targets for each fiscal year



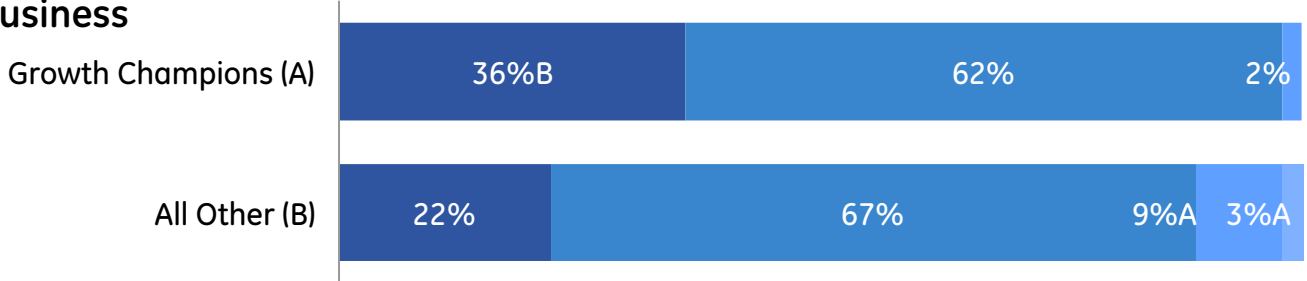
Basing variable employee compensation on the ability of the business to meet growth targets



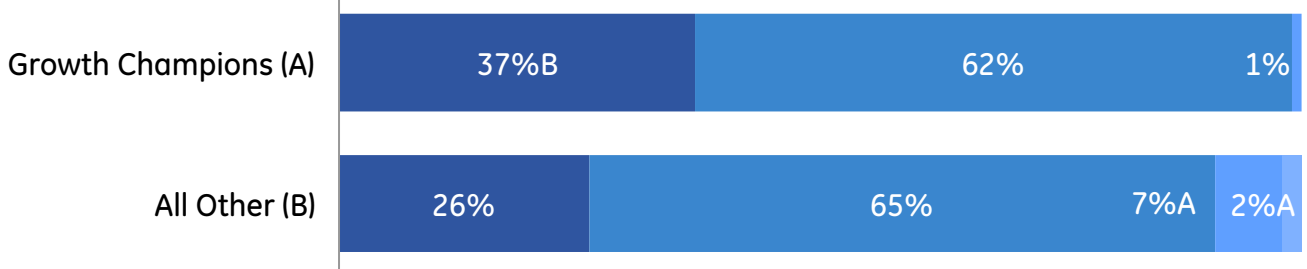
Ranked off: Rated Excellent/Very Good
 Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316
 Q.13b Is your company putting greater or lesser emphasis on each of the following post financial crisis?

Operational Excellence Activities Post Financial Crisis (2/5)

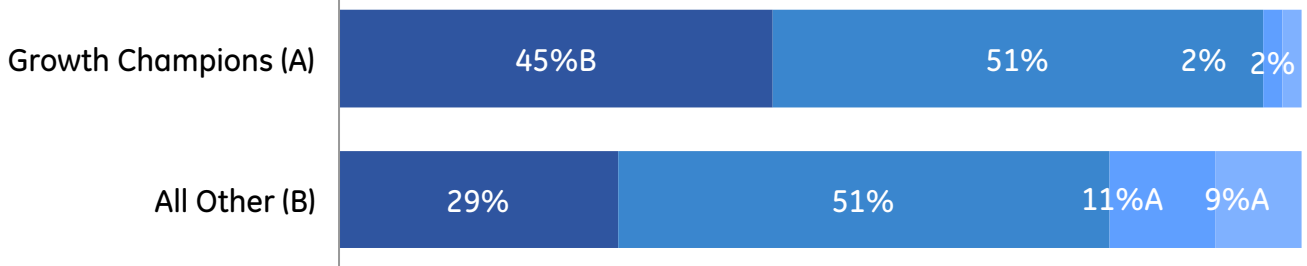
Having a formal process for communicating growth targets through the business



Having a formal process to track progress toward specific growth targets



Exploiting new opportunities in fast growing foreign markets



Basing variable executive compensation on the ability of the business to meet growth targets



Ranked off: Rated Excellent/Very Good
 Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316
 Q.13b Is your company putting greater or lesser emphasis on each of the following post financial crisis?

Operational Excellence Activities Post Financial Crisis (3/5)

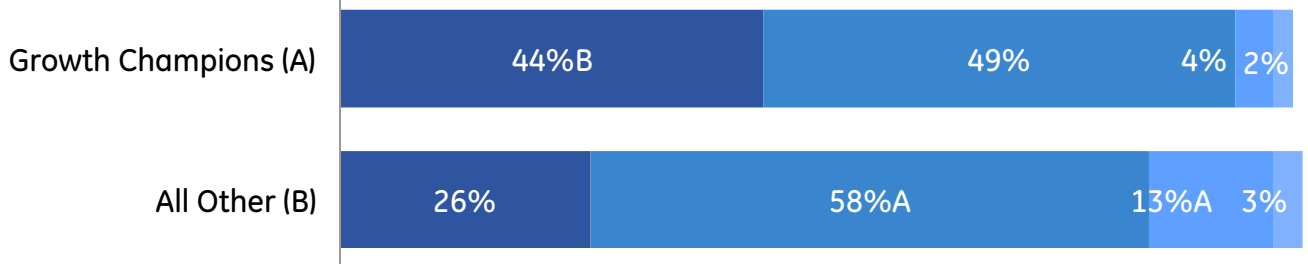
Formal employee performance reviews



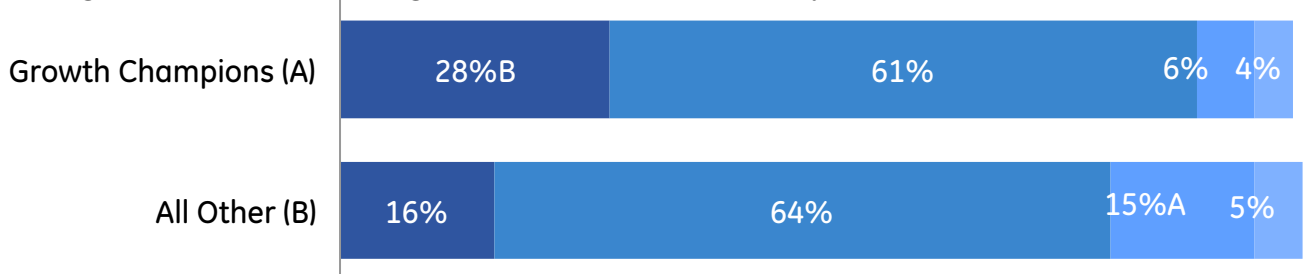
Investing in systems and business processes



Investing in sales & marketing activities (trade shows, events, sponsorships)



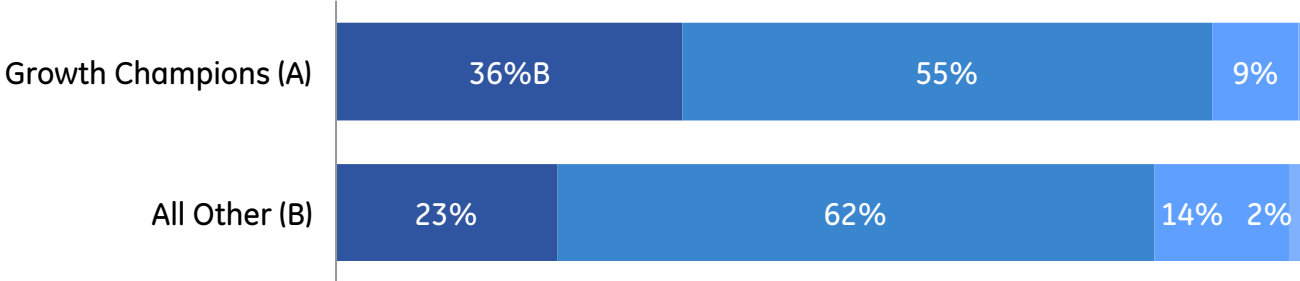
Having dedicated funding for research & development



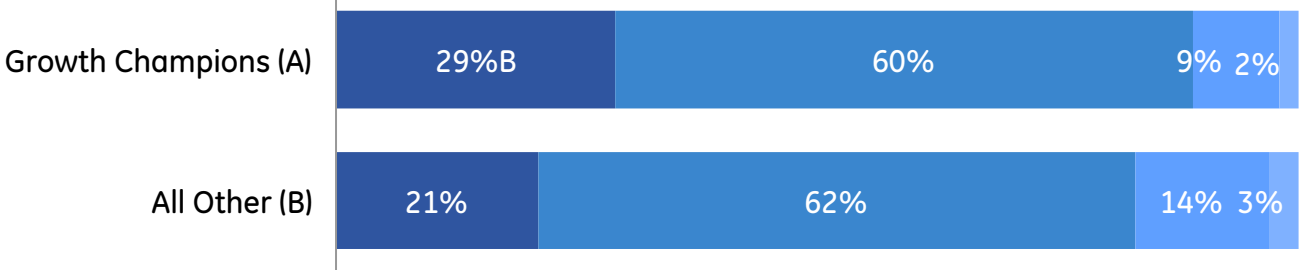
Ranked off: Rated Excellent/Very Good
 Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316
 Q.13b Is your company putting greater or lesser emphasis on each of the following post financial crisis?

Operational Excellence Activities Post Financial Crisis (4/5)

Investing in equipment & facilities



Investing in training & education



Setting formal quarterly growth objectives



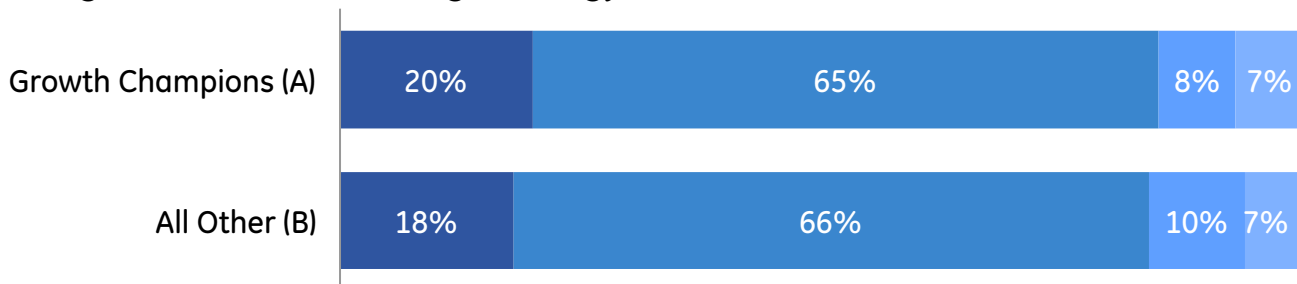
Having a formal pricing strategy



Ranked off: Rated Excellent/Very Good
 Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316
 Q.13b Is your company putting greater or lesser emphasis on each of the following post financial crisis?

Operational Excellence Activities Post Financial Crisis (5/5)

Having a diversified funding strategy



■ Greater Emphasis ■ Same Emphasis ■ Less Emphasis ■ Not Important To Company

Ranked off: Rated Excellent/Very Good

Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: Growth Champions; N=131; All Other; N=1316

Q.13b Is your company putting greater or lesser emphasis on each of the following post financial crisis?

Degree of Challenge for Various Employee Activities (1/3)

Grooming future leaders of your organization



Attracting employees with the right set of skills



Being able to provide health benefits to our employees



Providing career paths for employees



Attracting top managerial talent



■ High Degree of Challenge
 ■ Moderate Degree of Challenge
 ■ Little or No Challenge
 ■ Don't Know

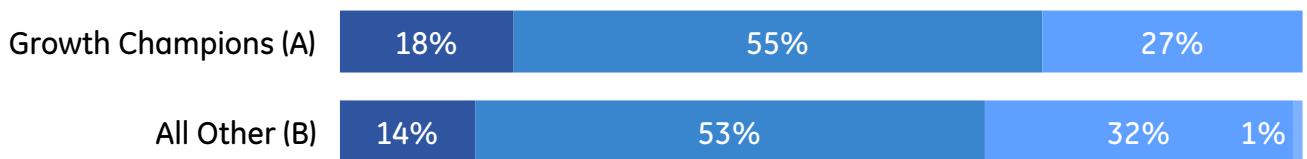
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316
 Q.14 To what degree is each one of the following a challenge to you and your organization?

Degree of Challenge for Various Employee Activities (2/3)

Keeping talented employees



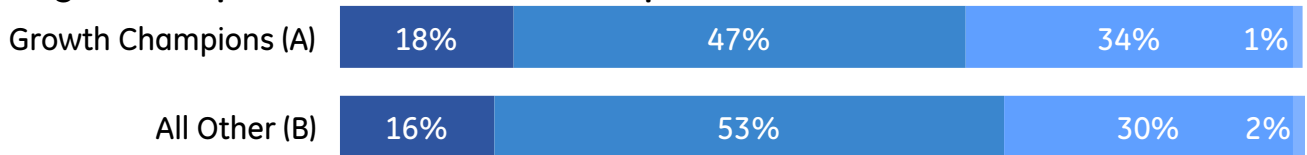
Providing adequate training



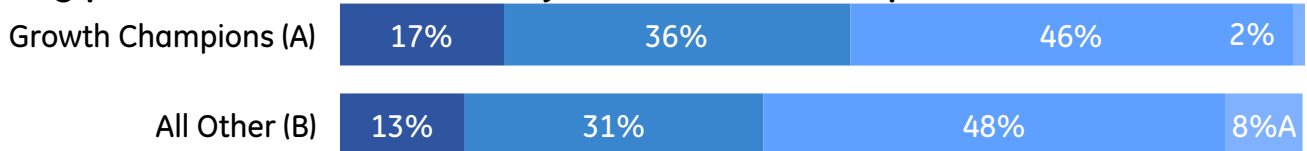
Providing competitive benefits packages



Being able to provide for variable compensation



Being pressured or threatened by international competition

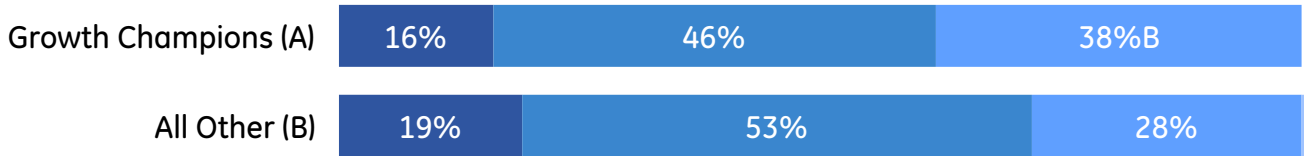


■ High Degree of Challenge
 ■ Moderate Degree of Challenge
 ■ Little or No Challenge
 ■ Don't Know

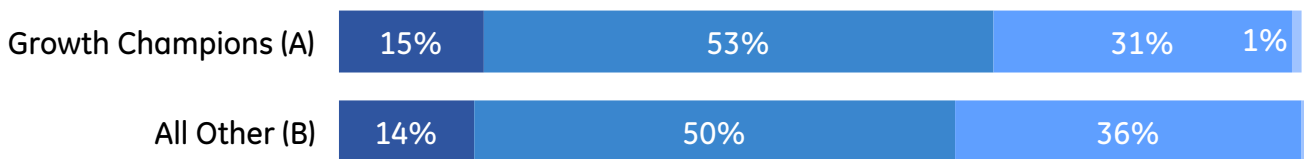
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316
 Q.14 To what degree is each one of the following a challenge to you and your organization?

Degree of Challenge for Various Employee Activities (3/3)

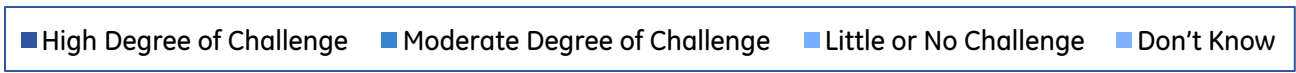
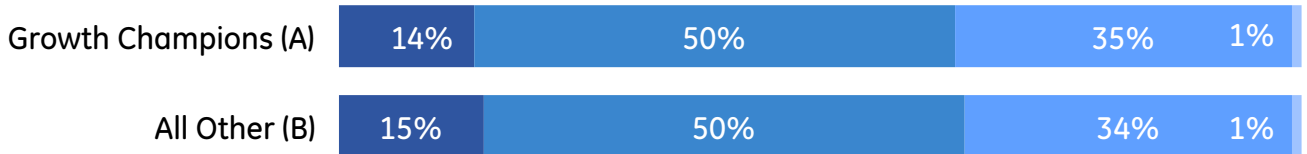
Providing competitive wages



Being able to attract staff or line workers to a company our size



Keeping up-to-date with the latest management techniques



Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316
 Q.14 To what degree is each one of the following a challenge to you and your organization?

Most Important Challenges Related to Government Policy % of Total Unaided Mentions (1/2)

	Mid Market Growth	
	Growth Champions (131) %	All Other (1316) %
Base: Total Respondents	(A)	(B)
Most Important Business Challenge (Net)	86	86
Economy (Subnet)	62	63
Taxes (Sub-Subnet)	37	40
General Business Taxes (Sub-Sub-Subnet)	4	6
Business taxes/they have increased/are too high (unsp)	1	3
Payroll/Employment Taxes (Sub-Sub-Subnet)	3	4
Tax rates/taxes/lower taxes/they have increased/are too high (unsp)	26	24
Tax law changes/complexity of tax laws	2	3
Healthcare (Sub-Subnet)	25	23
Healthcare (unsp)	11	11
Healthcare reform/Obamacare	5	6
Healthcare costs	5	4
Healthcare regulations	4	3
General Economy (Sub-Subnet)	15	15
Funding	4	4
Interest rates	3	2
Government debt	3 ^B	1
Economy	2	3
Cost (Sub-Subnet)	7	7
Cost (unsp)	5	3
High cost of government permits/fees	2	2
Budget	3	5

Table continues ♦

Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

Q.15 Thinking about the government policies that most impact your business, please list the most important challenges as they relate to government policy.

Most Important Challenges Related to Government Policy % of Total Unaided Mentions (2/2)

	Mid Market Growth	
	Growth Champions	All Other
Base: Total Respondents	(131)	(1316)
	%	%
	(A)	(B)
Regulations (Subnet)	34	34
Regulations	9	11
Excessive/increased regulations	5	5
Changes/reforms in regulations	3	4
Policies (Subnet)	27^B	18
Trade Policies (Sub-Subnet)	19^B	11
Restrictive foreign/free trade policy	5	4
Anti business policies	5	3
Tax policy	5 ^B	2
General Policies (Sub-Subnet)	14^B	9
Energy policy	3	1
Labor Issues/Laws (Subnet)	13	10
Labor laws	2	3
Political Environment (Subnet)	8	11
Bureaucracy/Red tape	2	3
Government intervention	1	3
Environmental (Subnet)	4	10^A
Environmental regulations	3	5
Miscellaneous Challenge		
Unions/union rules	4 ^B	2
Immigration	3 ^B	1

Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

Q.15 Thinking about the government policies that most impact your business, please list the most important challenges as they relate to government policy.

Most Important Challenges Related to Industry Regulation

% of Total Unaided Mentions (1/2)

	Mid Market Growth	
	Growth Champions	All Other
Base: Total Respondents	(131)	(1316)
	%	%
	(A)	(B)
Most Impact Industry Regulation (Net)	74	76
Economy (Subnet)	36	35
Taxes (Sub-Subnet)	12	15
Tax law changes/complexity of tax laws	5	9
Healthcare (Sub-Subnet)	11	9
Health care (unspecified)	3	4
Health care regulation	3 ^B	1
General Economy (Sub-Subnet)	10	10
Import/export duties/tariff	4	2
Cost (Sub-Subnet)	8	9
Price/cost (unspecified)	2	2
Labor Issues/Laws (Subnet)	18	14
OSHA	5	4
Increased in labor laws/regulations	3	3
Environmental (Subnet)	9	9
EPA (Environmental Protection Agency)	4	3
Environmental regulations/policies	2	4

Table continues ♦

Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

Q.16 Thinking about the specific industry regulations that most impact your business, please list the most important challenges as they relate to industry regulation.

Most Important Challenges Related to Industry Regulation % of Total Unaided Mentions (2/2)

	Mid Market Growth	
	Growth Champions (131) % (A)	All Other (1316) % (B)
Base: Total Respondents		
Competition (Subnet)	5	3
Competition (unspecified)	4 ^B	1
Transportation (Subnet)	5^B	2
Immigration	3 ^B	1
Energy/Fuel (Subnet)	5^B	2
Energy regulations	3 ^B	1
Policies (Subnet)	3	5
Trade Policies	2	3
General Policies	2	3
Finance/Banks	3	4
Political Environment	2	7 ^A
Miscellaneous Regulations		
Change in regulations (unspecified)	5	4
FDA regulations	3	2
SEC/Securities and Exchange Commission	2	2
Licensing	1	2

Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

Q.16 Thinking about the specific industry regulations that most impact your business, please list the most important challenges as they relate to industry regulation.

Degree of Challenge for Various Regulations (1/2)

The complexity of government regulations



The cost of compliance



Maintaining regulatory compliance



Keeping up with changing regulation



Complying with new health insurance requirements



■ High Degree of Challenge
 ■ Moderate Degree of Challenge
 ■ Little or No Challenge
 ■ Don't Know

Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316
 Q.17 To what degree is each one of the following a challenge to you and your organization?

Degree of Challenge for Various Regulations (2/2)

The cost of navigating the tax structure



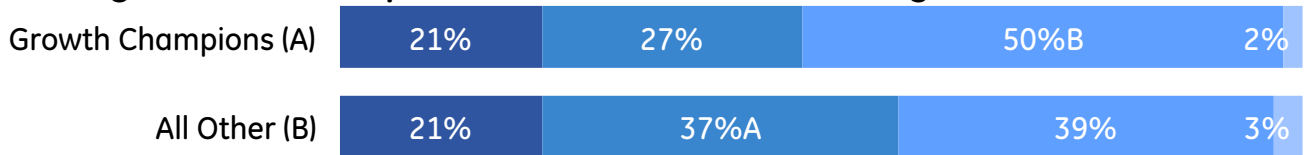
Having access to regulators and hearing that your voice is heard



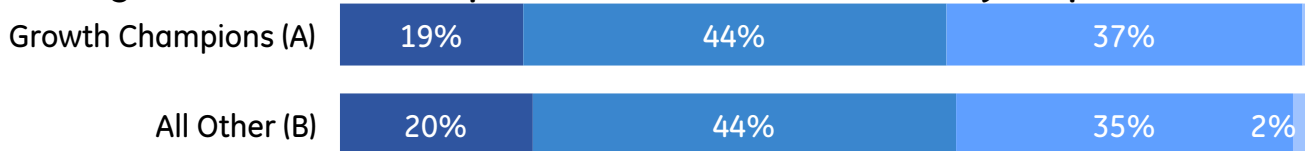
Being able to take advantage of tax breaks



Ensuring we are in compliance with environmental regulation



Ensuring that we are in compliance with Health and Safety Requirements

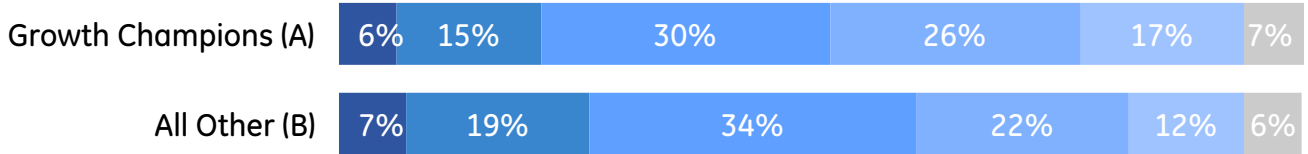


■ High Degree of Challenge
 ■ Moderate Degree of Challenge
 ■ Little or No Challenge
 ■ Don't Know

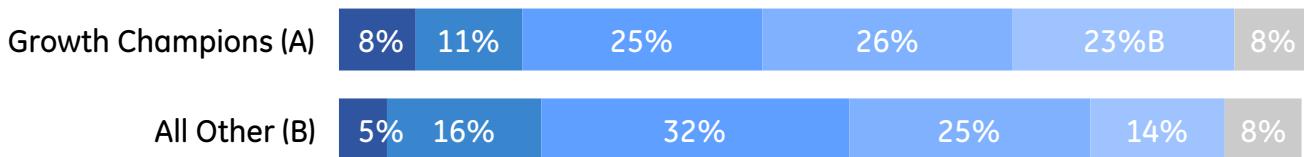
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316
 Q.17 To what degree is each one of the following a challenge to you and your organization?

Regulatory Parties Have Company's Best Interest in Mind

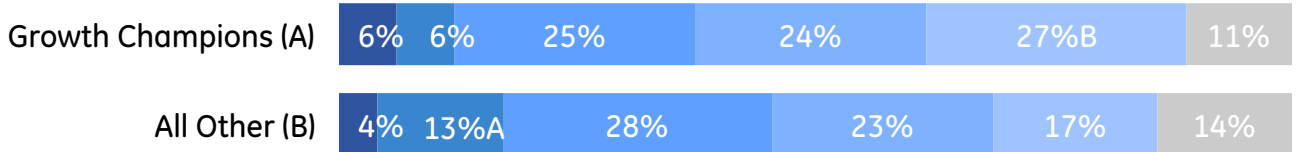
Local government officials



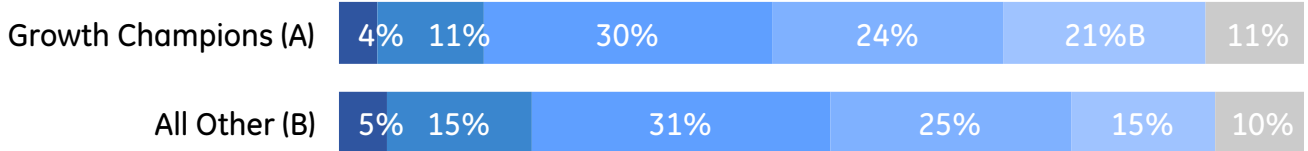
State government officials



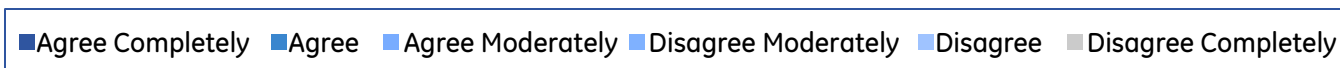
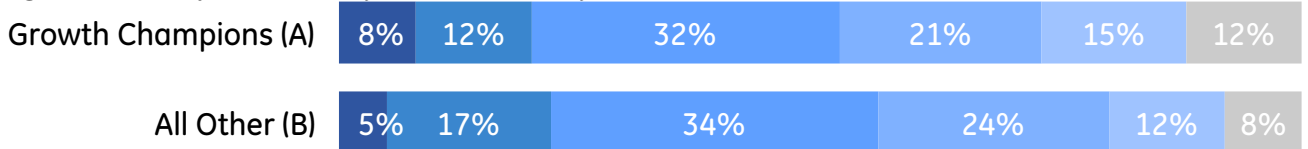
Federal elected officials



Federal agencies with whom you deal



Regulators specific to your industry



Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316
 Q.18 To what extent do you agree or disagree that each of the following has your company's or your industries best interest in mind?

Most Important Issues Anticipated in Coming Year % of Total Unaided Mentions (1/2)

	Mid Market Growth	
	Growth Champions (131) % (A)	All Other (1316) % (B)
Base: Total Respondents		
Finances (Net)	44	41
Cash flow/cash flow management issues	20	18
Availability of/access to capital/funds	11	13
Capital for growth/expansion	6 ^B	2
Availability of/access to credit	5 ^B	3
Accounts receivable/AR collections	4	5
Difficulty in obtaining loans	4	2
Foreign exchange value	3	1
Cost/Price (Net)	24	30
Cost of capital/funds	5	4
Cost/rising cost of raw materials	4	4
Cost control/containment	4	3
Costs/rising costs (unsp)	2	5
Cost/rising cost of fuel/gas	2	3
Cost/rising cost of goods/commodities	2	3
Growth/Expansion (Net)	21^B	15
Revenue growth/profitability issues	9	10
Lack of growth/expansion	9 ^B	5
Lack of international trade	3 ^B	*
Healthcare (Net)	11	15
Cost of healthcare	6	7
Health insurance/cost of health insurance	2	4
Healthcare (unsp)	2	3

Table continues ♦

Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

Q.19a Thinking specifically about your company's finances, please list the 3 most important issues facing your company in the coming year.

Most Important Issues Anticipated in Coming Year % of Total Unaided Mentions (2/2)

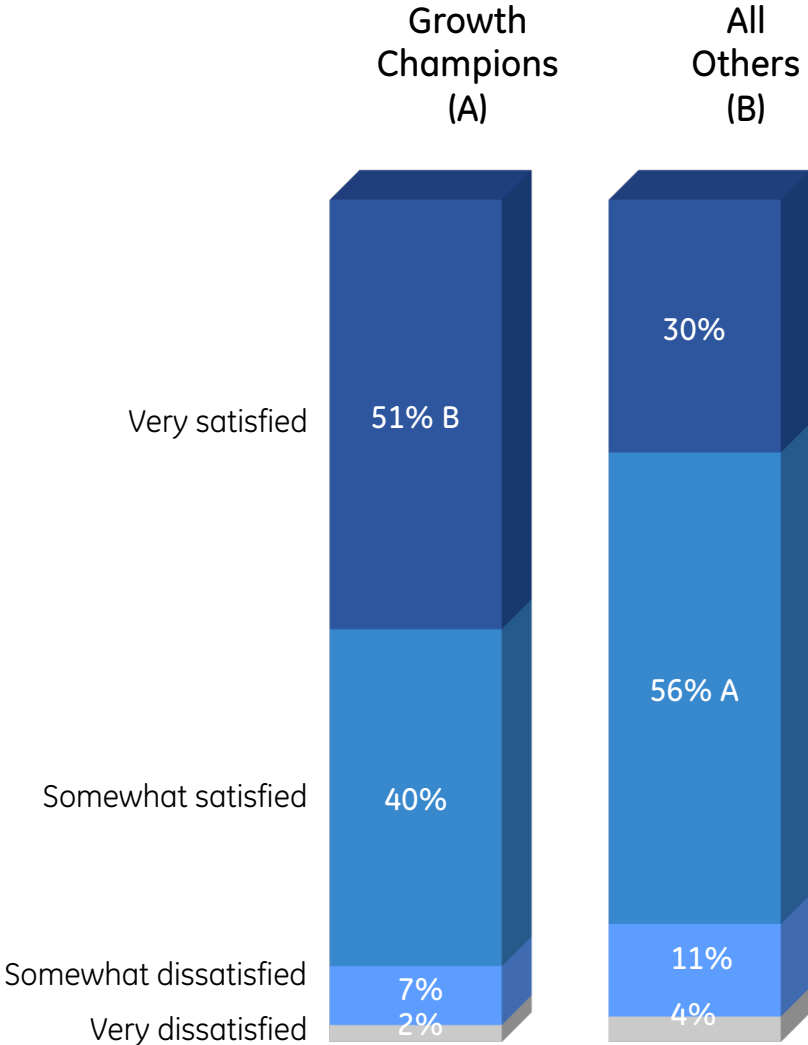
	Mid Market Growth	
	Growth Champions	All Other
Base: Total Respondents	(131)	(1316)
	%	%
	(A)	(B)
Economy (Net)	11	10
Economy (unsp)	3	3
Inflation	3 ^B	1
Economic challenges/conditions	2	3
Taxes (Net)	11	8
Taxes/taxation	6	6
Interest Rates (Net)	10	6
Interest rates (unsp)	8 ^B	4
High/rising interest rates	1	2
Labor/Employee Issues	9	13
Sales (Net)	7	11
Sales/New sales (unsp)	7	6
Reduction in sales	1	3
Debt (Net)	6	7
Debt/bad debts	3	4
Regulations (Net)	4	6
Regulations (unsp)	1	2
Investments	4	3
Innovation/Product Innovation	3	3
Performance	3	2
Competition	2	3

Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

Q.19a Thinking specifically about your company's finances, please list the 3 most important issues facing your company in the coming year.

Satisfaction with Company's Balance Sheet



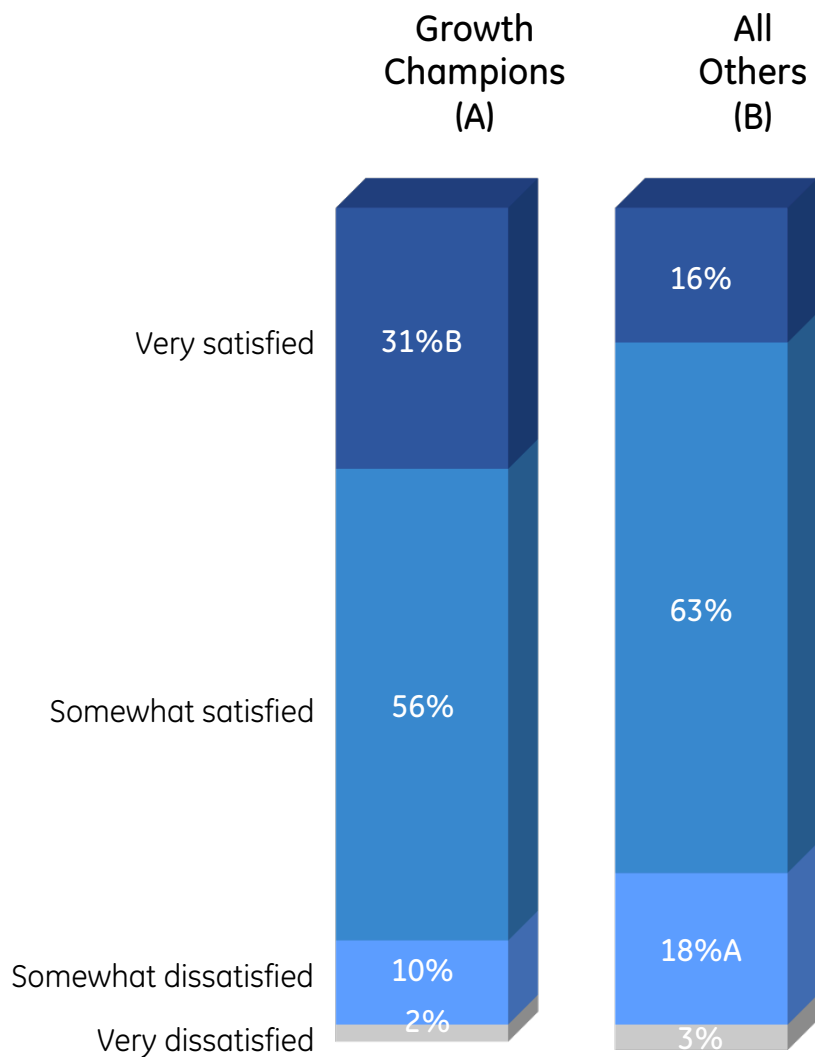
Letters indicate significant differences between groups at the 90% confidence level.
Base Sizes: Growth Champions; N=131; All Other; N=1316
Q.20 Overall, how satisfied are you with your company's balance sheet?

Reasons for Satisfaction with Company's Balance Sheet

	Mid Market Growth	
	Growth Champions (131)	All Other (1316)
Base: Total Respondents	% (A)	% (B)
Positive (Net)	70^B	56
Performance (Subnet)	39^B	30
Good/strong/balanced balance sheet	20	18
Good/high profitability	11	8
Growth/increase in sales	7 ^B	3
Have met our plan/targets	4 ^B	1
Finances (Subnet)	32^B	24
No/less debts	17 ^B	10
Good cash reserves/cash flow	15	11
Liabilities/Assets	4	5
Company	3	3
Negative (Net)	31	42^A
Finances (Subnet)	18	18
High/too much debt	5	6
Poor capital	5 ^B	2
Low cash reserves/cash flow	3	4
High cost control/expenses	2	2
Performance (Subnet)	5	8
Insufficient/low profits	5	8
Liabilities/Assets (Subnet)	5	3
Need more equity	5 ^B	1
Miscellaneous Negative		
Could be better/room for improvement	2	9 ^A

Top Mentions (3%+) are shown.
 Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316
 Q.20a Why do you say that?

Satisfaction with Company's Ability to Meet Outside Pressures



Letters indicate significant differences between groups at the 90% confidence level.
Base Sizes: Growth Champions; N=131; All Other; N=1316

Q.23 Overall, how satisfied are you with your company's ability to meet these outside pressures?

Reasons for Satisfaction with Company's Ability to Meet Outside Pressures

	Mid Market Growth	
	Growth Champions (131) % (A)	All Other (1316) % (B)
Base: Total Respondents		
Positive (Net)	48	44
Company (Subnet)	11	11
Has been around for a long period of time	5	2
Good/strong management	2	3
Economy	8 ^B	4
Staff (Subnet)	4	4
Good staff	3	2
Finance	2	4
Miscellaneous Positive		
Good performance	16	12
Competitive/beat competitors	5 ^B	2
Ability to meet pressures	4	5
Negative (Net)	44	45
Government (Subnet)	8	5
No control over government/government unpredictable	4	2
Government regulations	3	3
Company (Subnet)	5	6
Small company size	3 ^B	1
Cost (Subnet)	5	4
High cost/price	3	2
Competition (Subnet)	4	4
Competition/increased competition (unsp)	2	4
Finances (Subnet)	3	4
Cash flow/cash flow management	3	1
Miscellaneous Negative		
Inability to control	5	6
Could be better/room for improvement	4	6

Top Mentions (3%+) are shown.

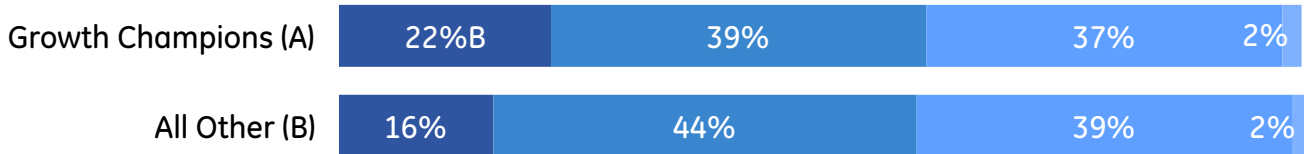
Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: Growth Champions; N=131; All Other; N=1316

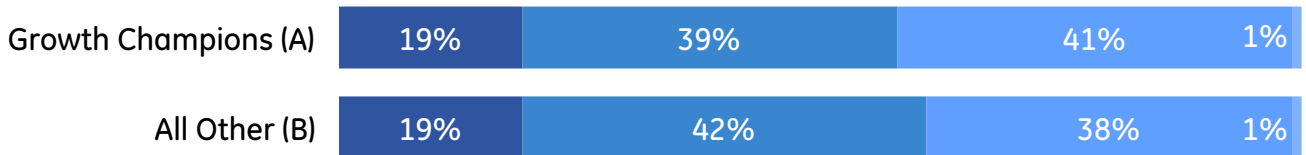
Q.23a Why do you say that?

Degree of Challenge for Effective Financial Management (1/4)

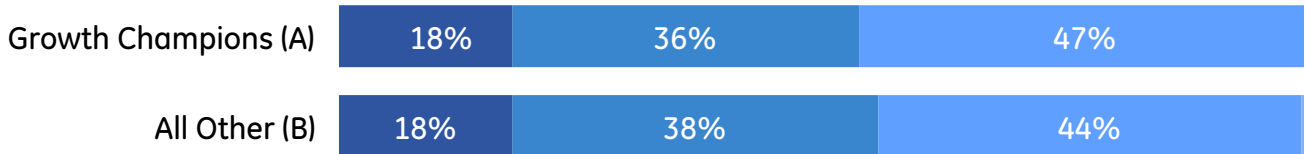
Having access to providers who know our business



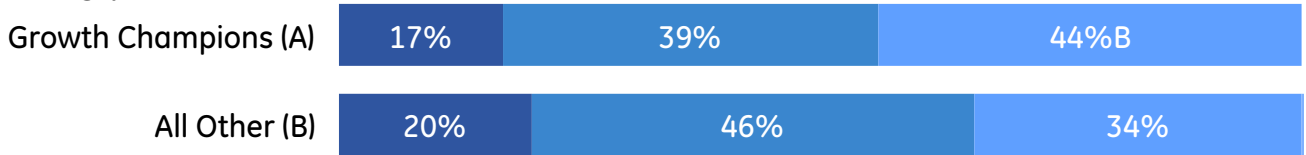
Ensuring that we are sufficiently capitalized to take advantage of opportunities that may arise



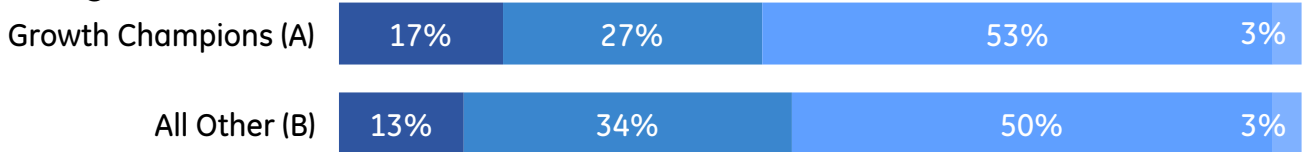
Having sufficient working capital



Having predictable cash flow



Getting the attention of lenders

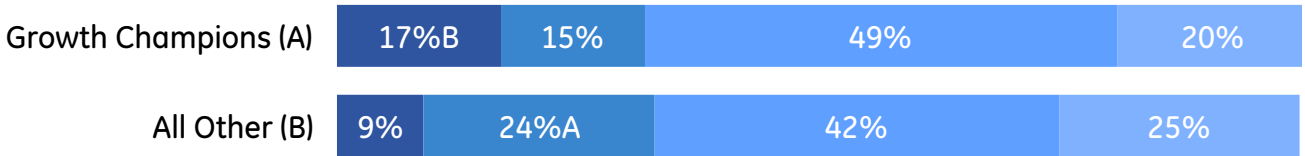


■ High Degree of Challenge
 ■ Moderate Degree of Challenge
 ■ Little or No Challenge
 ■ Don't Know

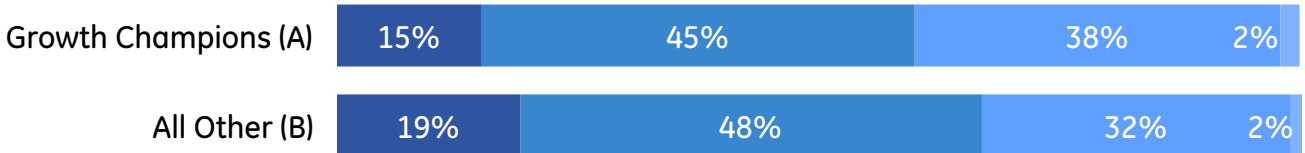
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316
 Q.21 To what degree is each one of the following a challenge to you and your organization?

Degree of Challenge for Effective Financial Management (2/4)

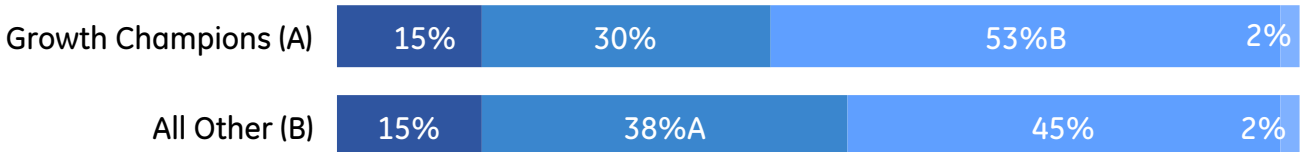
Being able to secure capital in foreign markets



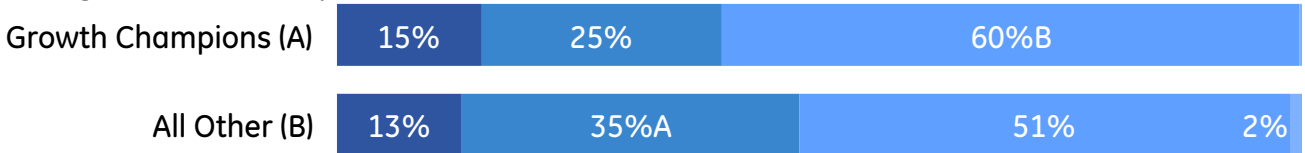
Ensuring we get the most advantageous terms



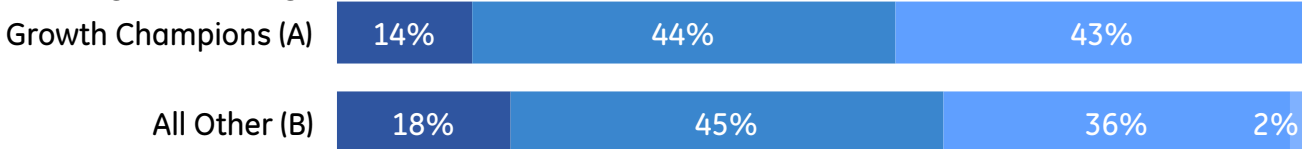
Qualifying for the funding we require



Having access to key decision makers at the banks with whom we work



Ensuring that we get lowest cost of funds



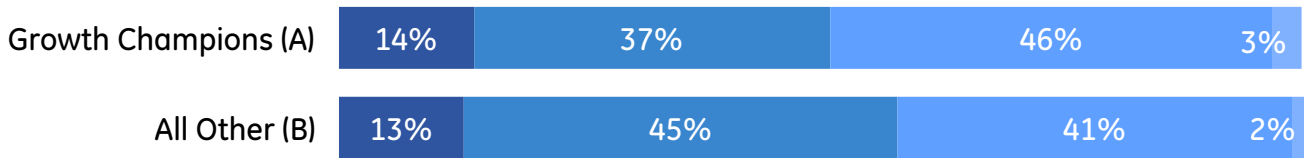
■ High Degree of Challenge ■ Moderate Degree of Challenge ■ Little or No Challenge ■ Don't Know

Letters indicate significant differences between groups at the 90% confidence level.
Base Sizes: Growth Champions; N=131; All Other; N=1316

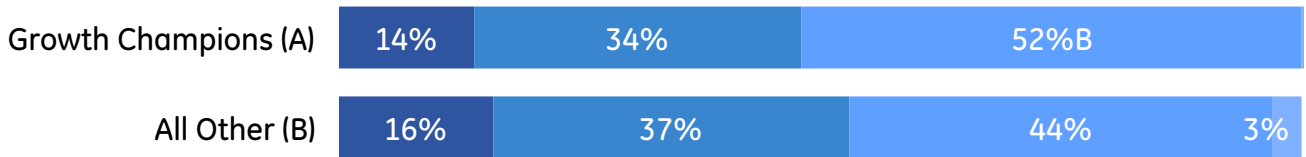
Q.21 To what degree is each one of the following a challenge to you and your organization?

Degree of Challenge for Effective Financial Management (3/4)

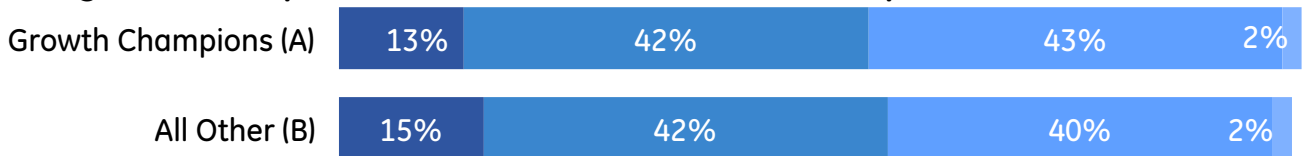
Having access to vendors and suppliers who act as business partners



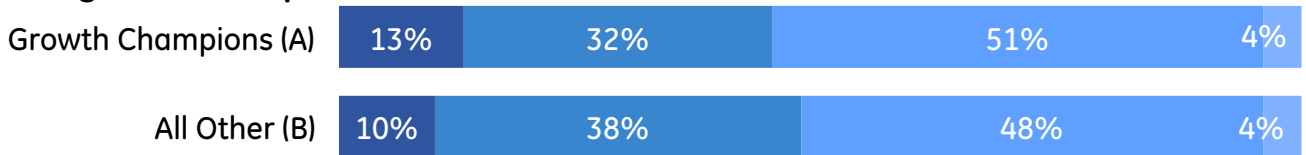
Having proper access to the capital markets



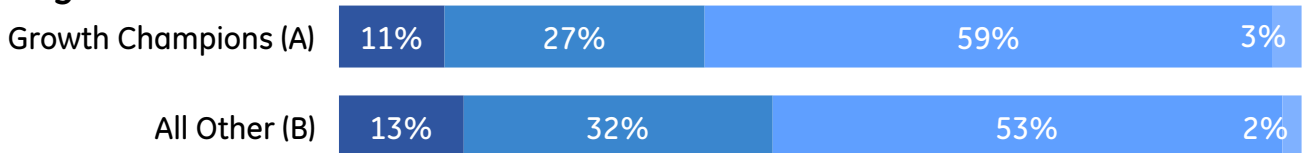
Having access to providers who are focused on companies like us



Having access to providers who can act as advisors



Being able to service our debt levels

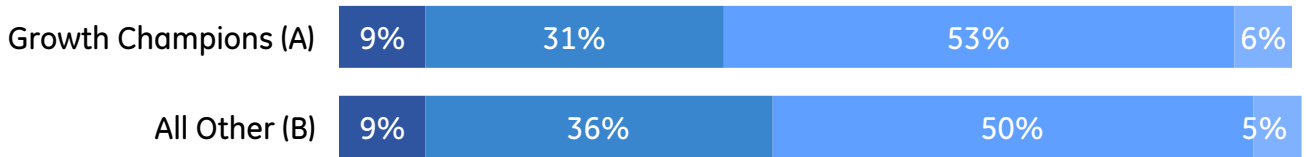


■ High Degree of Challenge
 ■ Moderate Degree of Challenge
 ■ Little or No Challenge
 ■ Don't Know

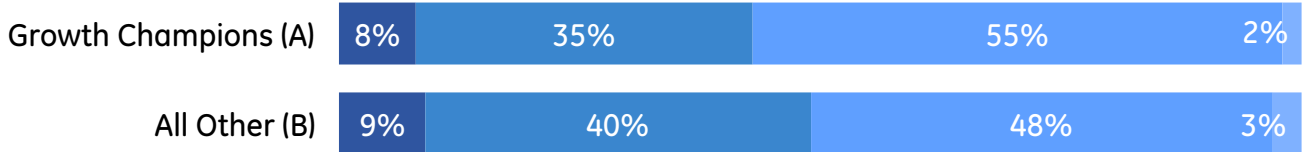
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316
 Q.21 To what degree is each one of the following a challenge to you and your organization?

Degree of Challenge for Effective Financial Management (4/4)

Navigating the application process



Having access to sophisticated cash management tools



■ High Degree of Challenge ■ Moderate Degree of Challenge ■ Little or No Challenge ■ Don't Know

Letters indicate significant differences between groups at the 90% confidence level.
Base Sizes: Growth Champions; N=131; All Other; N=1316

Q.21 To what degree is each one of the following a challenge to you and your organization?

Most Important Challenges Related to Outside Pressures % of Total Unaided Mentions (1/2)

	Mid Market Growth	
	Growth Champions	All Others
Base: Total Respondents	(131) % (A)	(1316) % (B)
Competition (Net)	27	30
Competition/increased competition (unsp)	19	21
Foreign competition	4	3
Competitive pricing	2	4
Cost (Net)	23	17
Cost of commodities/goods	6B	3
Cost/rising costs (unsp)	5	3
Cost/rising cost of raw materials	4	3
Cost/rising cost of fuel/gas	3	3
Regulations (Net)	21	17
Government regulations/policy	11B	6
Regulations/compliance (unsp)	6	7
Labor/Employee Issues (Net)	10	12
Attracting talented/quality employees	6	4
Employee retention	1	3

* Less than 0.5%.

Top Mentions (3%+) are shown.

Letters indicate significant differences between groups at the 90% confidence level.

Q.22 Thinking about your company, please list the most important challenges you have as they relate to the outside pressures your company faces. Please list up to five challenges.

Most Important Challenges Related to Outside Pressures % of Total Unaided Mentions (2/2)

	Mid Market Growth	
	Growth Champions (131) %	All Others (1316) %
Base: Total Respondents	(A)	(B)
Consumers/Customers (Net)	9	9
Customer satisfaction	3	2
Economy (Net)	8	18A
Economic challenges/conditions	1	5A
Economy (unsp)	2	5
Market/market conditions	3	3
Finances (Net)	8	12
Availability of/access to capital/funds	6	6
Growth/Expansion (Net)	8	6
Revenue growth/profitability issues	3	1
Healthcare (Net)	7	7
Health insurance/cost of health insurance	4	4
Government/Political Issues (Net)	5	4
Government intervention/Lack of government support	3	1
Taxes (Net)	3	6
Taxes/High taxes	1	4A
Environmental	-	3A

* Less than 0.5%.

Top Mentions (3%+) are shown.

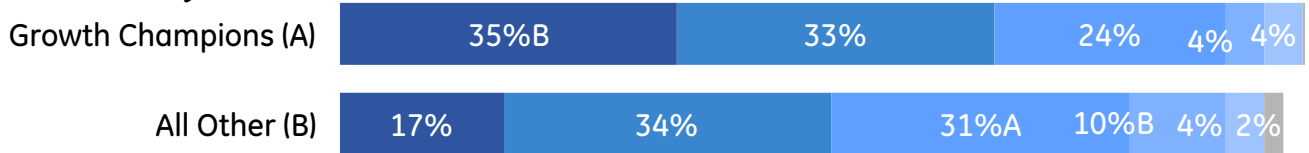
Letters indicate significant differences between groups at the 90% confidence level.

Q.22 Thinking about your company, please list the most important challenges you have as they relate to the outside pressures your company faces.

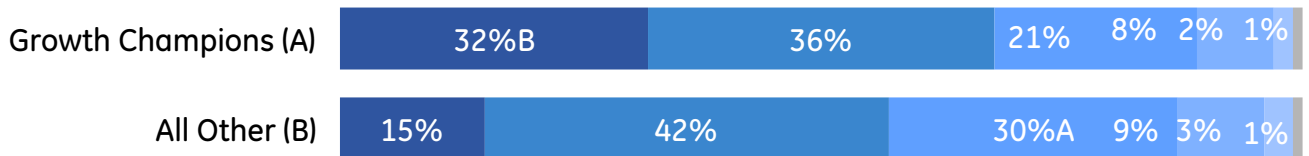
Please list up to five challenges.

Outside Pressures Company Faces (1/2)

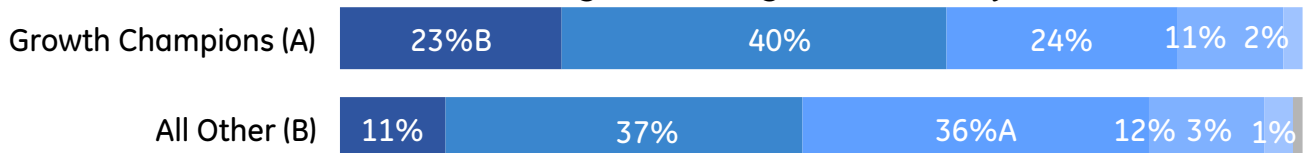
We have a balance sheet that is strong enough to withstand a downturn in the economy



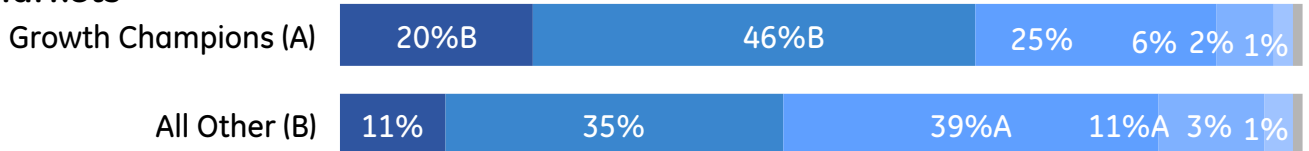
Our management team has the skill set to meet the challenges we face



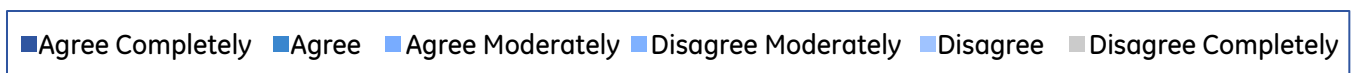
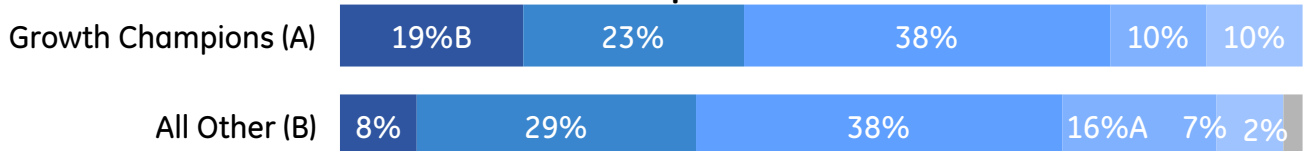
Our size allows us to take advantage of changes when they occur



Our company is properly positioned to take advantage of changes in our markets



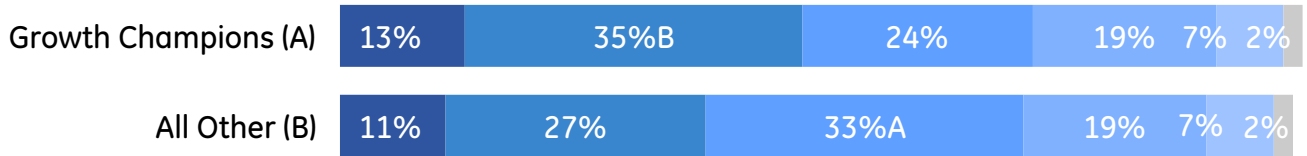
Our size allows us to withstand outside pressures



Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316
 Q.24 To what extent do you agree or disagree with each of the following?

Outside Pressures Company Faces (2/2)

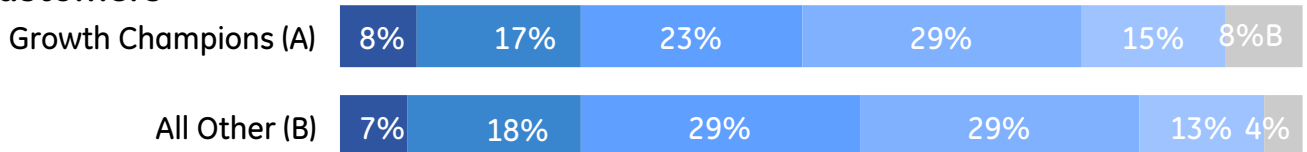
The type of customer we serve is changing



We find it hard to forecast changes in demand for our products or services



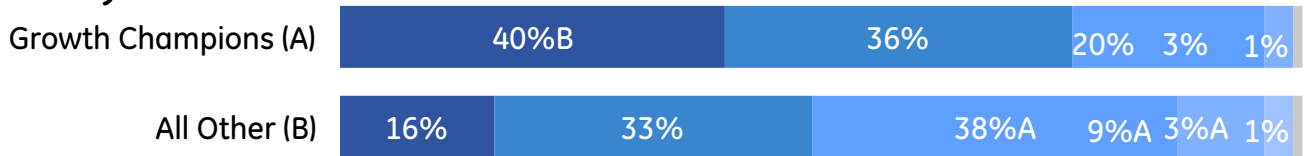
We are struggling to adapt to new ways of communicating with our customers



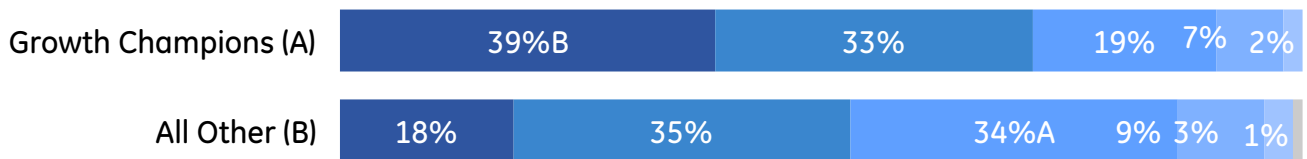
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316
 Q.24 To what extent do you agree or disagree with each of the following?

Corporate Attitudes (1/5)

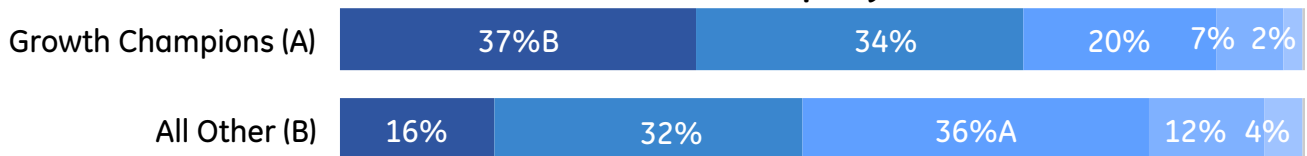
Our company has sustained the economic crisis better than other in our industry



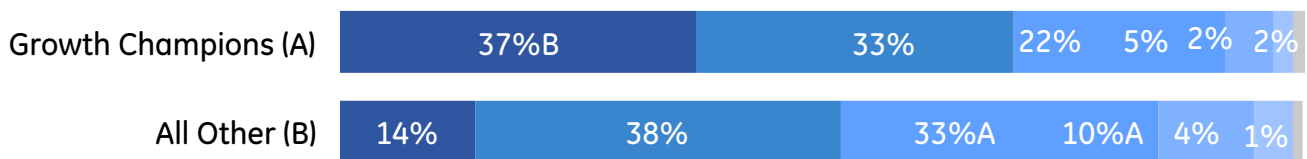
We are recognized as leaders in our industry



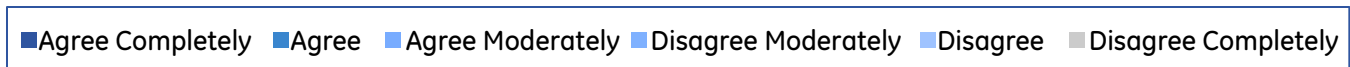
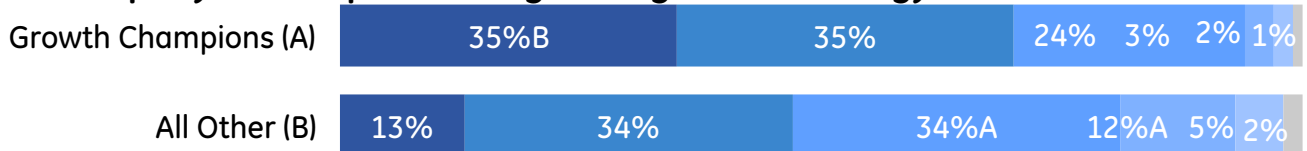
We consider ourselves to be an innovative company



We are able to adjust to market conditions because we are less bureaucratic



Our company has a specific long term growth strategy

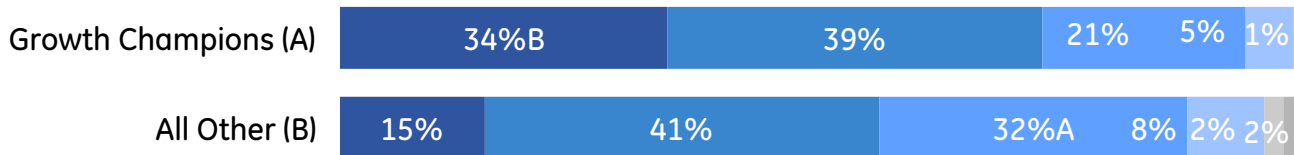


Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316

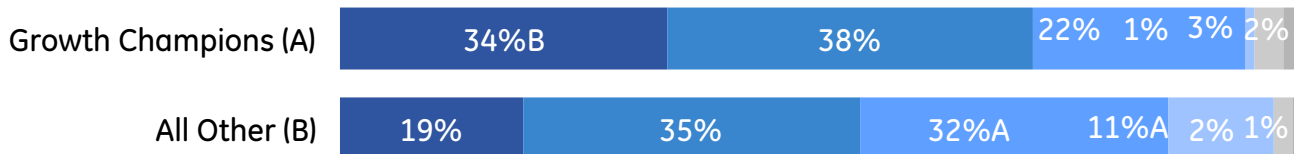
Q.25 To what extent do you agree or disagree with each of the following. Please note that some will be positive and some will be negative. Please read each one carefully and indicate how much you agree or disagree that the statement describes your company.

Corporate Attitudes (2/5)

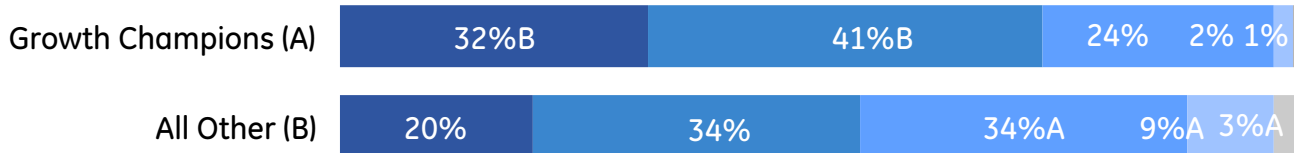
Our management structure gives us the ability to quickly take advantage of opportunities when they arise



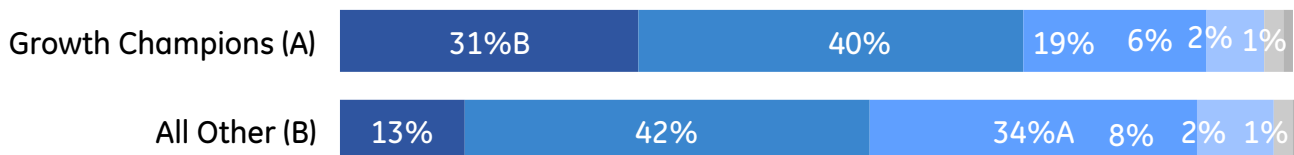
We have to grow to remain competitive



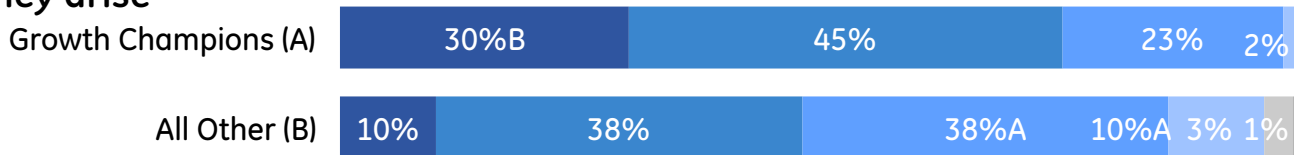
Companies like ours are the backbone of American Business



We actively seek to manage our growth



Our size gives us the ability to quickly take advantage of opportunities when they arise



■ Agree Completely ■ Agree ■ Agree Moderately ■ Disagree Moderately ■ Disagree ■ Disagree Completely

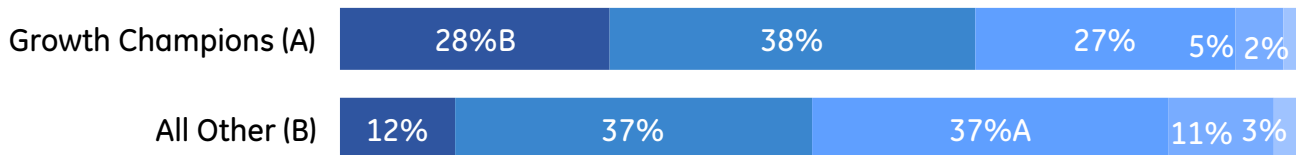
Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: Growth Champions; N=131; All Other; N=1316

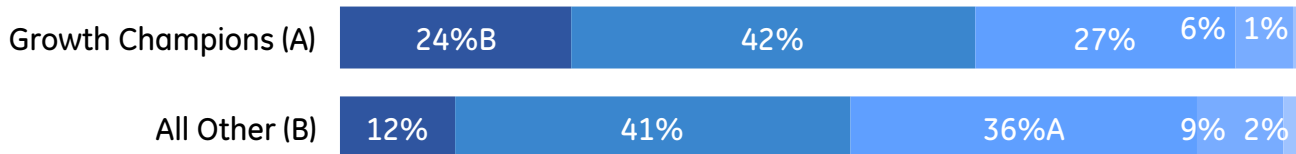
Q.25 To what extent do you agree or disagree with each of the following. Please note that some will be positive and some will be negative. Please read each one carefully and indicate how much you agree or disagree that the statement describes your company.

Corporate Attitudes (3/5)

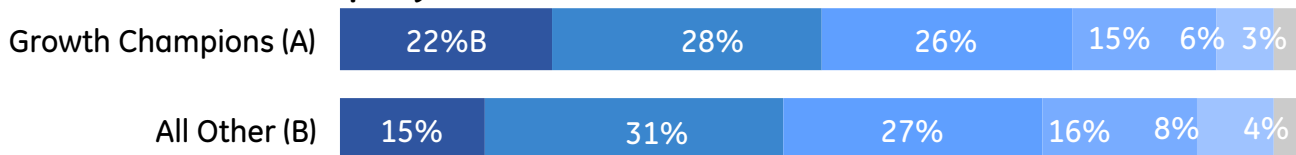
Companies our size have unique advantages



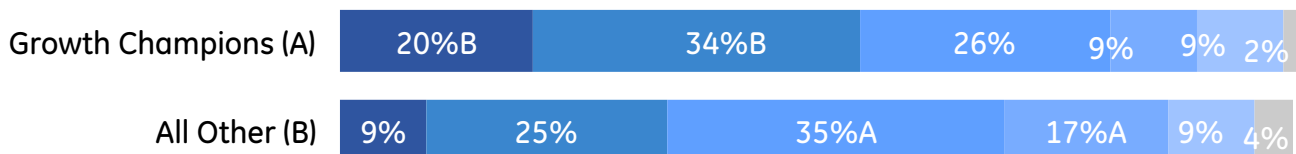
As a leader, I feel I have the right tools to make business decisions



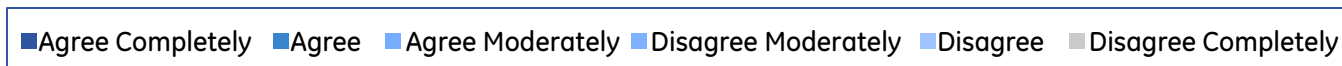
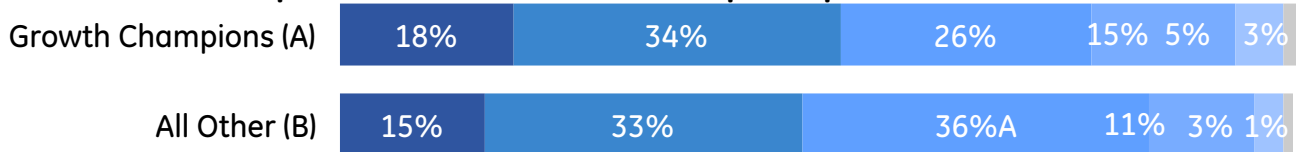
We consider our company to be a small business



We have a digital strategy



We feel that companies our size are under price pressure

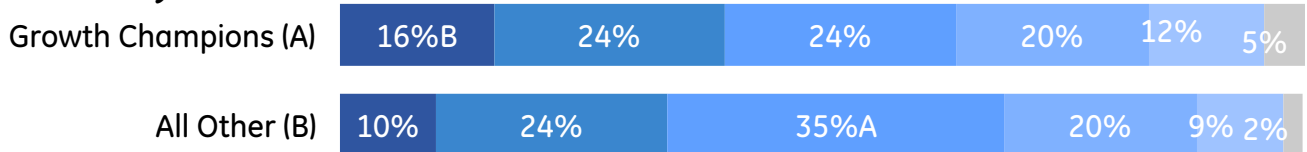


Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316

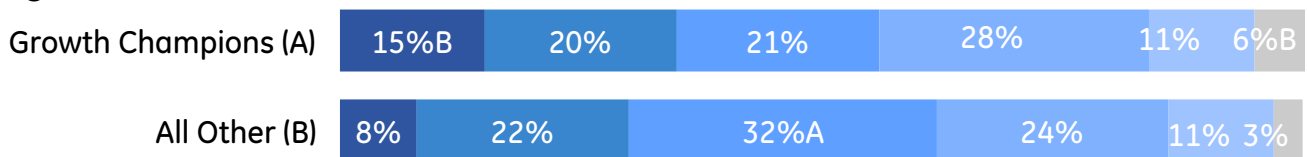
Q.25 To what extent do you agree or disagree with each of the following. Please note that some will be positive and some will be negative. Please read each one carefully and indicate how much you agree or disagree that the statement describes your company.

Corporate Attitudes (4/5)

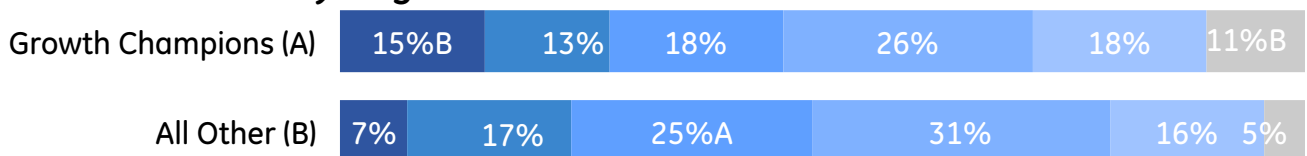
Companies like ours have to work harder to get the attention of the financial community



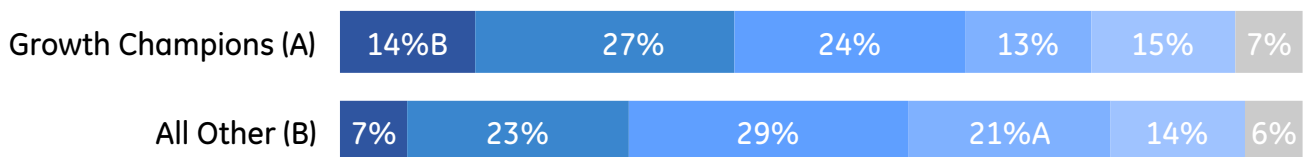
We feel that companies our size are squeezed by companies that are both larger and smaller than us



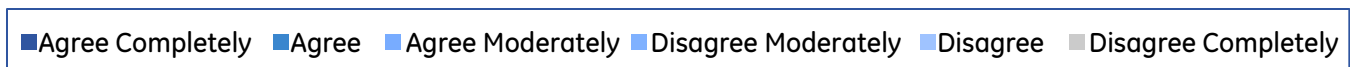
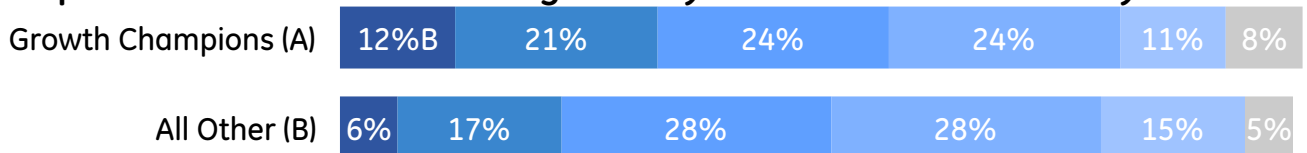
We don't want to change the way we manage the company even if it threatens our ability to grow



We have a social media strategy



Companies our size are not recognized by the financial community

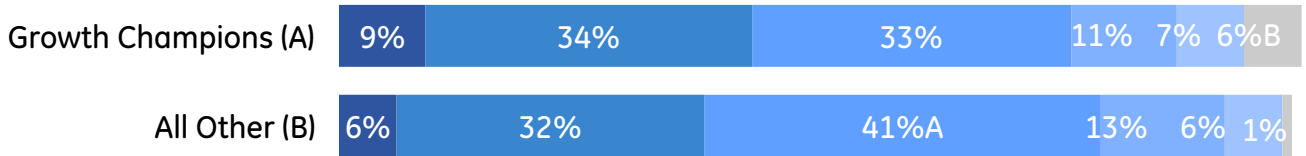


Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316

Q.25 To what extent do you agree or disagree with each of the following. Please note that some will be positive and some will be negative. Please read each one carefully and indicate how much you agree or disagree that the statement describes your company.

Corporate Attitudes (5/5)

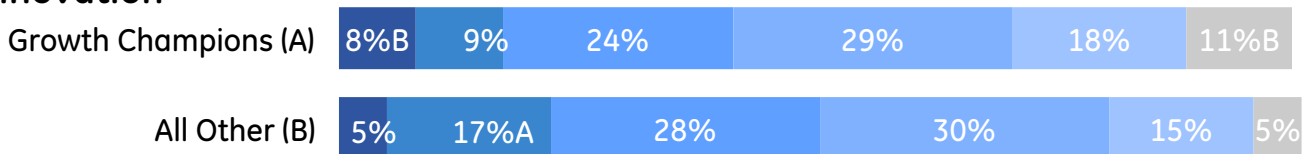
We consider ourselves to be in the middle market



Companies our size are disadvantaged as compared to larger organizations



We feel that companies our size don't have the resources to invest in innovation



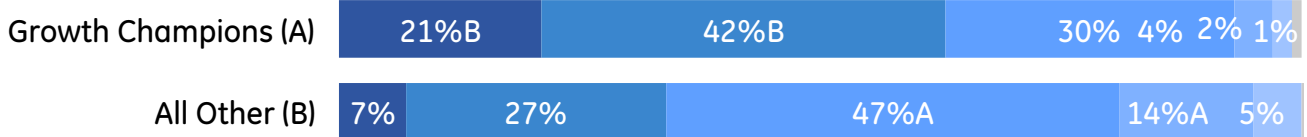
Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: Growth Champions; N=131; All Other; N=1316

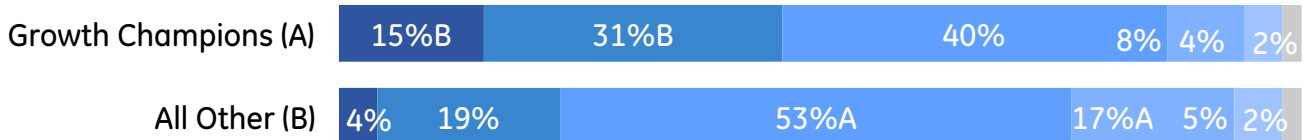
Q.25 To what extent do you agree or disagree with each of the following. Please note that some will be positive and some will be negative. Please read each one carefully and indicate how much you agree or disagree that the statement describes your company.

Confidence Statements

Growing demand for your goods or services



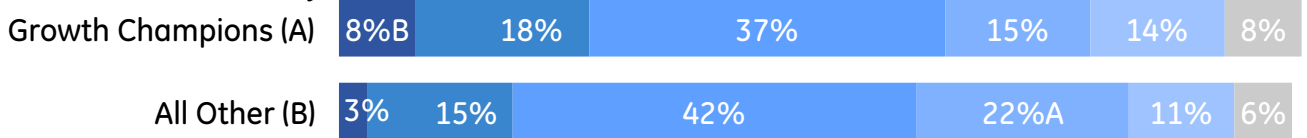
Confidence in our industry vertical



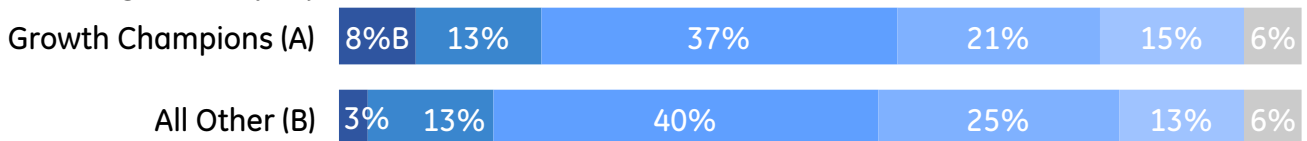
Local Economy



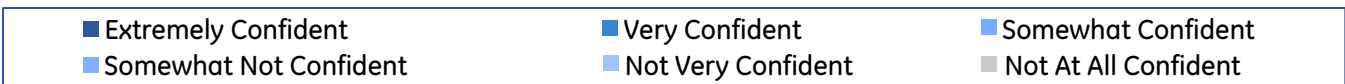
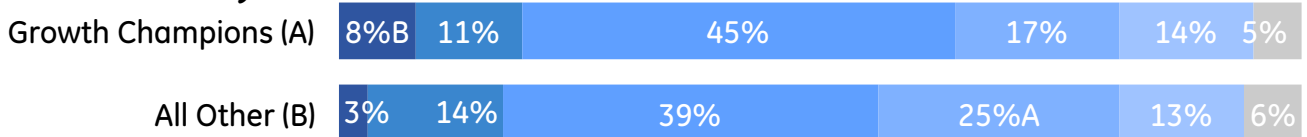
Overall US economy



Declining Unemployment



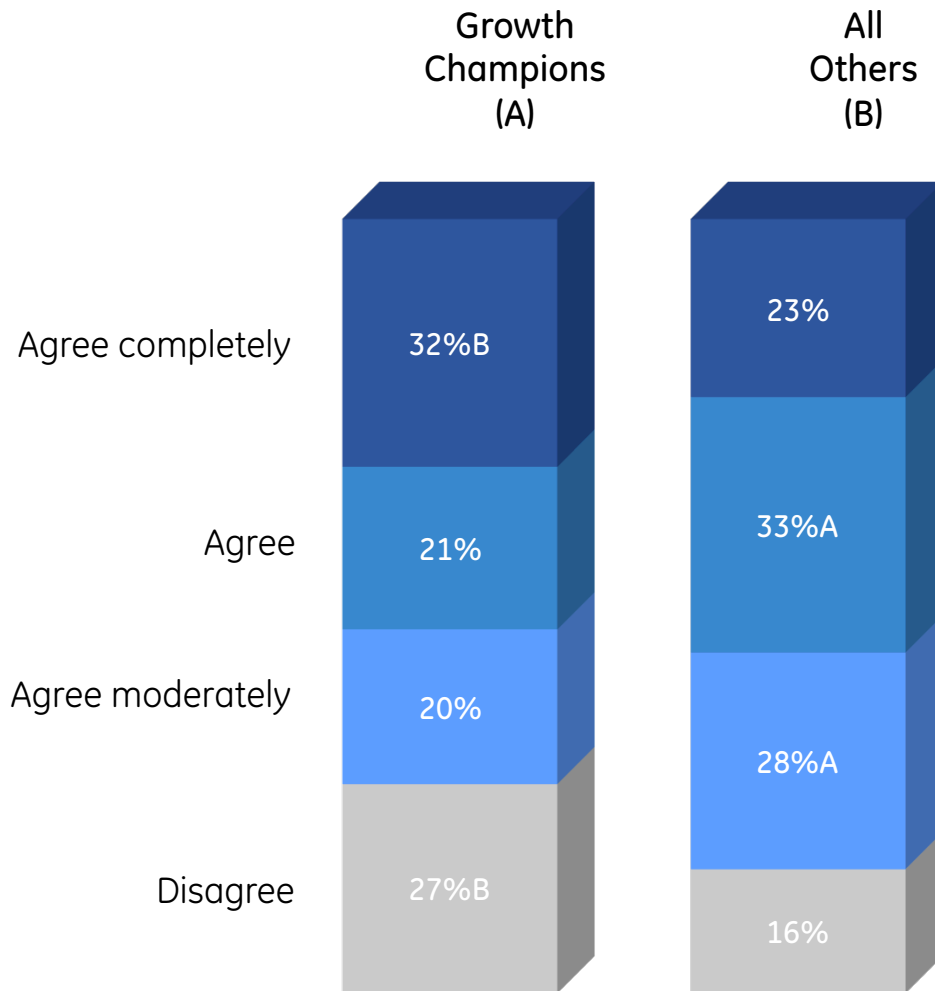
Global economy



Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316
 Q.26 How confident are you in each of the following?

Fiscal Policy Is a Concern in Company's Ability to Grow

% Agreement

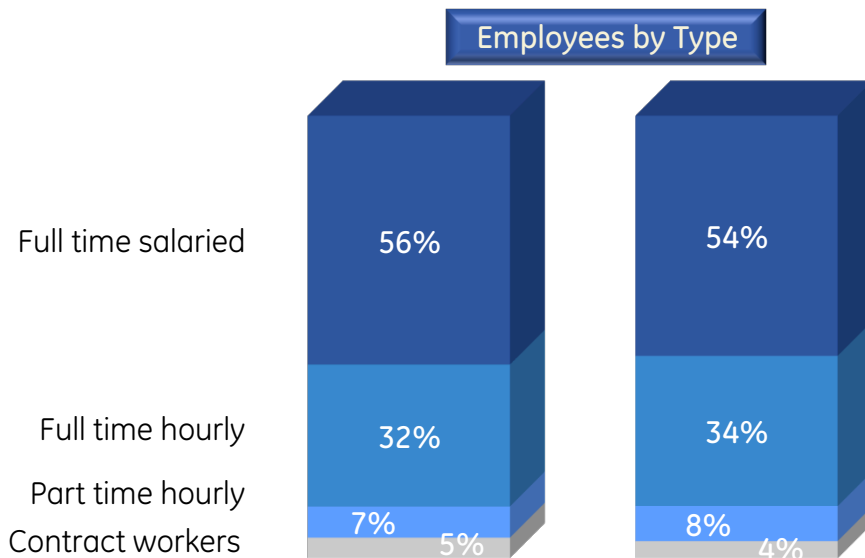
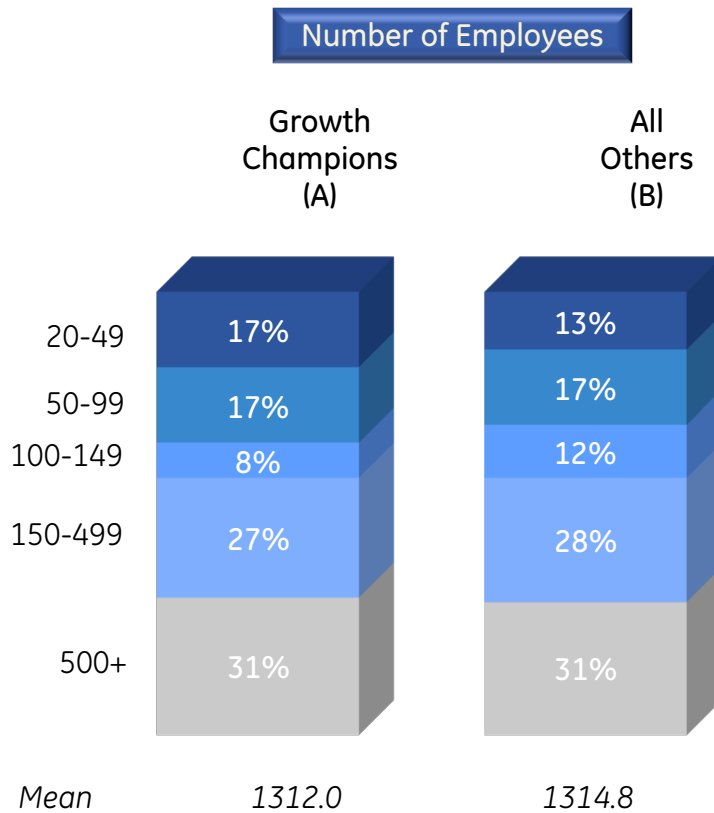


Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: Growth Champions; N=131; All Other; N=1316

Q.27 To what extent do you agree or disagree that the outlook on fiscal policy (rising debt levels) is a concern in your businesses ability to grow?

Number of Employees/Employees by Type



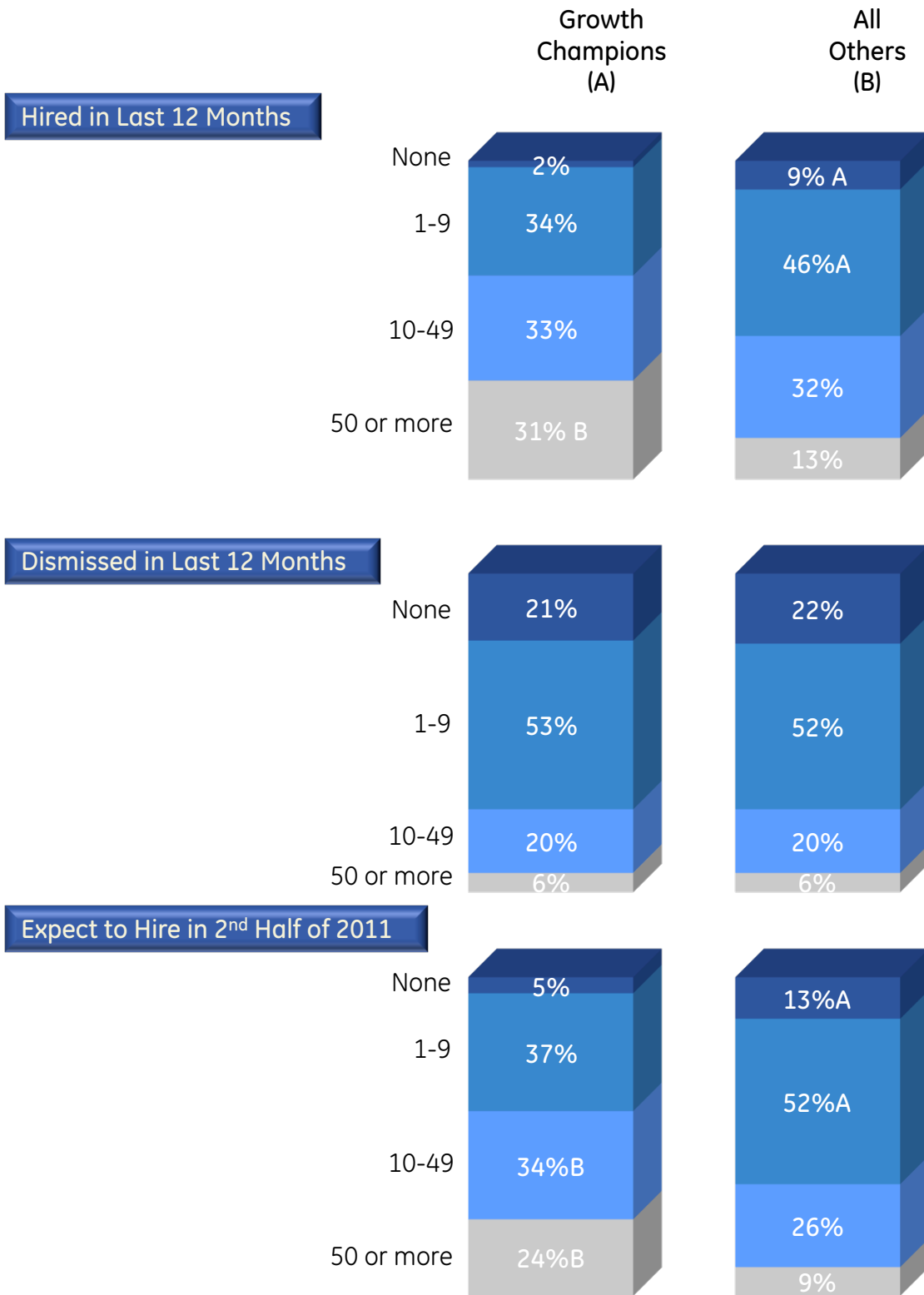
Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: Growth Champions; N=131; All Other; N=1316

Q.S7 Including yourself, how many employees (full time and part time) currently work at your company across all locations?

Q.1 You indicated that a total of (INSERT NUMBER OF EMPLOYEES) work at your company. Of those, what percentage falls into each of the following categories?

Number of Employees Hired/Dismissed/Expect to Hire



Letters indicate significant differences between groups at the 90% confidence level.

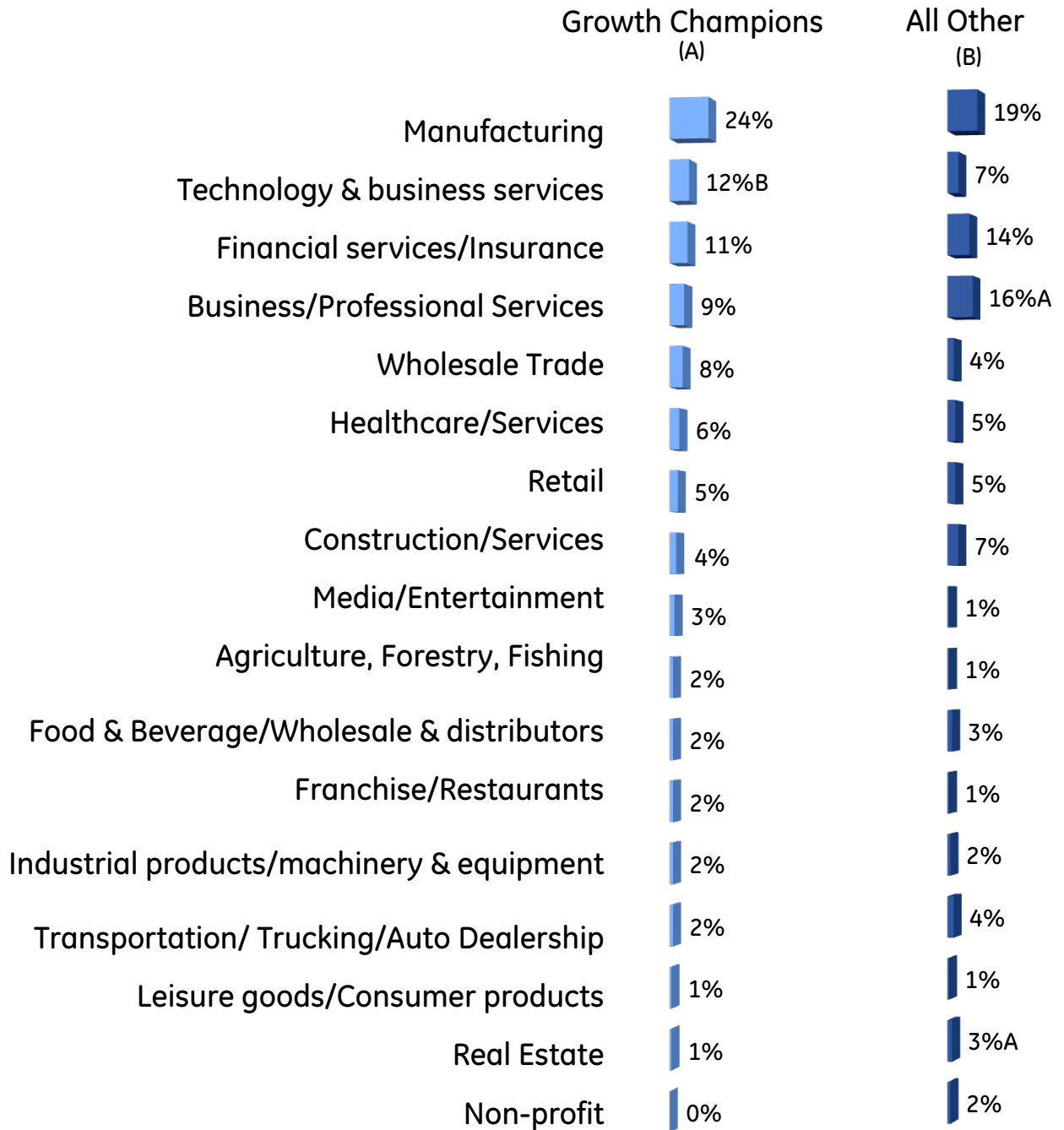
Base Sizes: Growth Champions; N=131; All Other; N=1316

Q.C1 How many employees have you hired in the last 12 months? (Select one answer.)

C1-2. How many employees have you either had to fire or layoff in the last 12 months? (Select one answer.)

C1-3. In the second half of 2011 how many employees do you expect to hire?

Industry

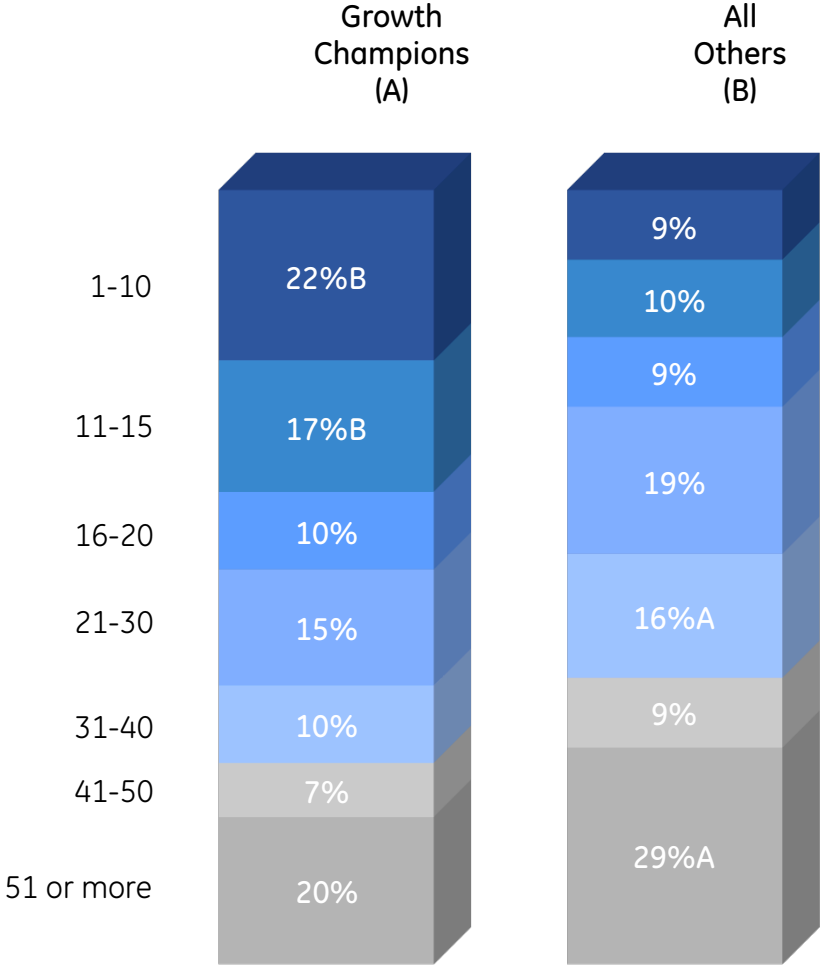


Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: Growth Champions; N=131; All Other; N=1316

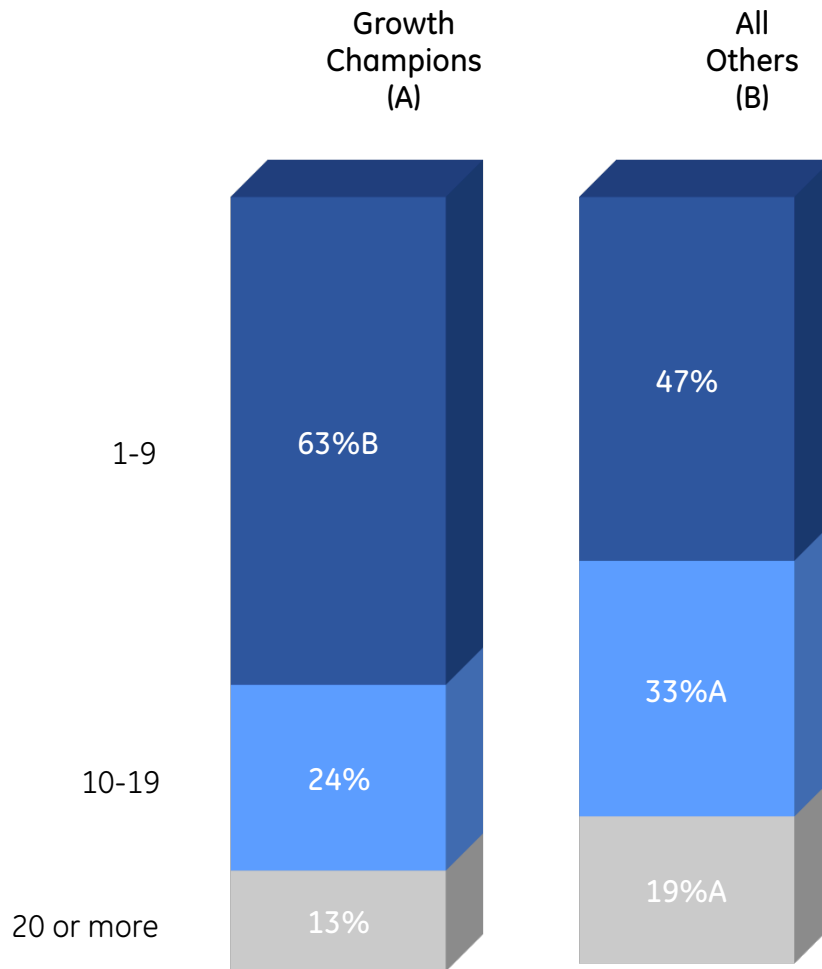
Q.2 Which one of the following best describes the type of industry your company is engaged in?

Number of Years Since Business Established



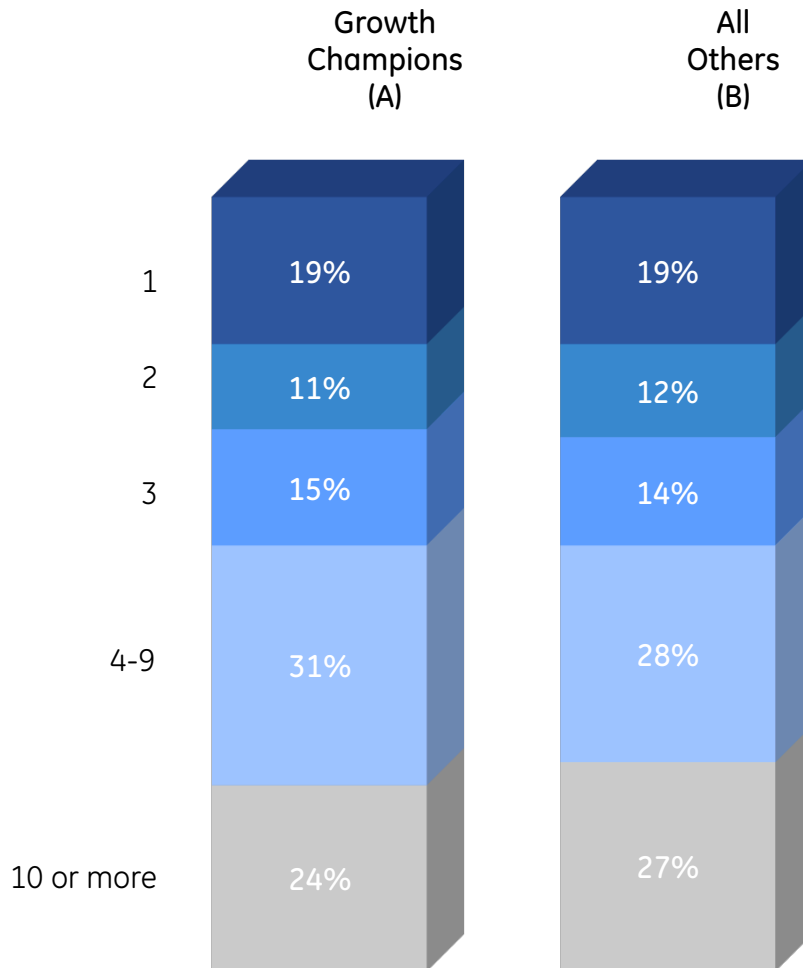
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316
 Q.6a When was the business established?

Number of Years Worked at Company



Letters indicate significant differences between groups at the 90% confidence level.
Base Sizes: Growth Champions; N=131; All Other; N=1316
Q.S3 How long have you worked at your company?

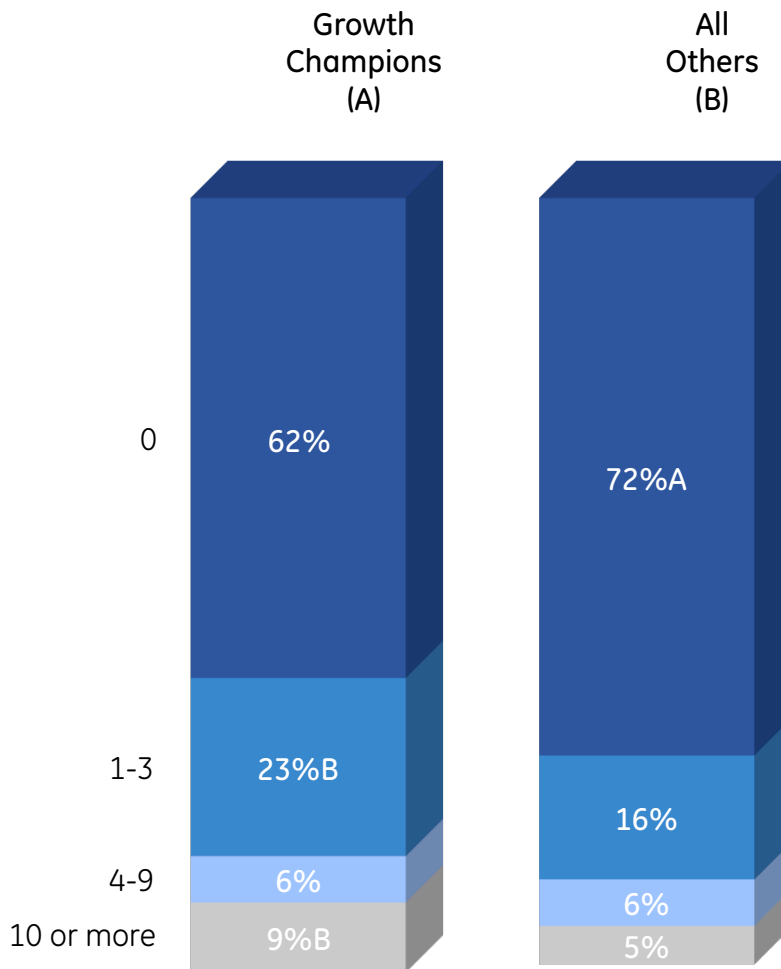
Number of Locations



Letters indicate significant differences between groups at the 90% confidence level.
Base Sizes: Growth Champions; N=131; All Other; N=1316

Q.3 How many locations, including your headquarters, does your business operate?

Number of Locations Outside U.S.



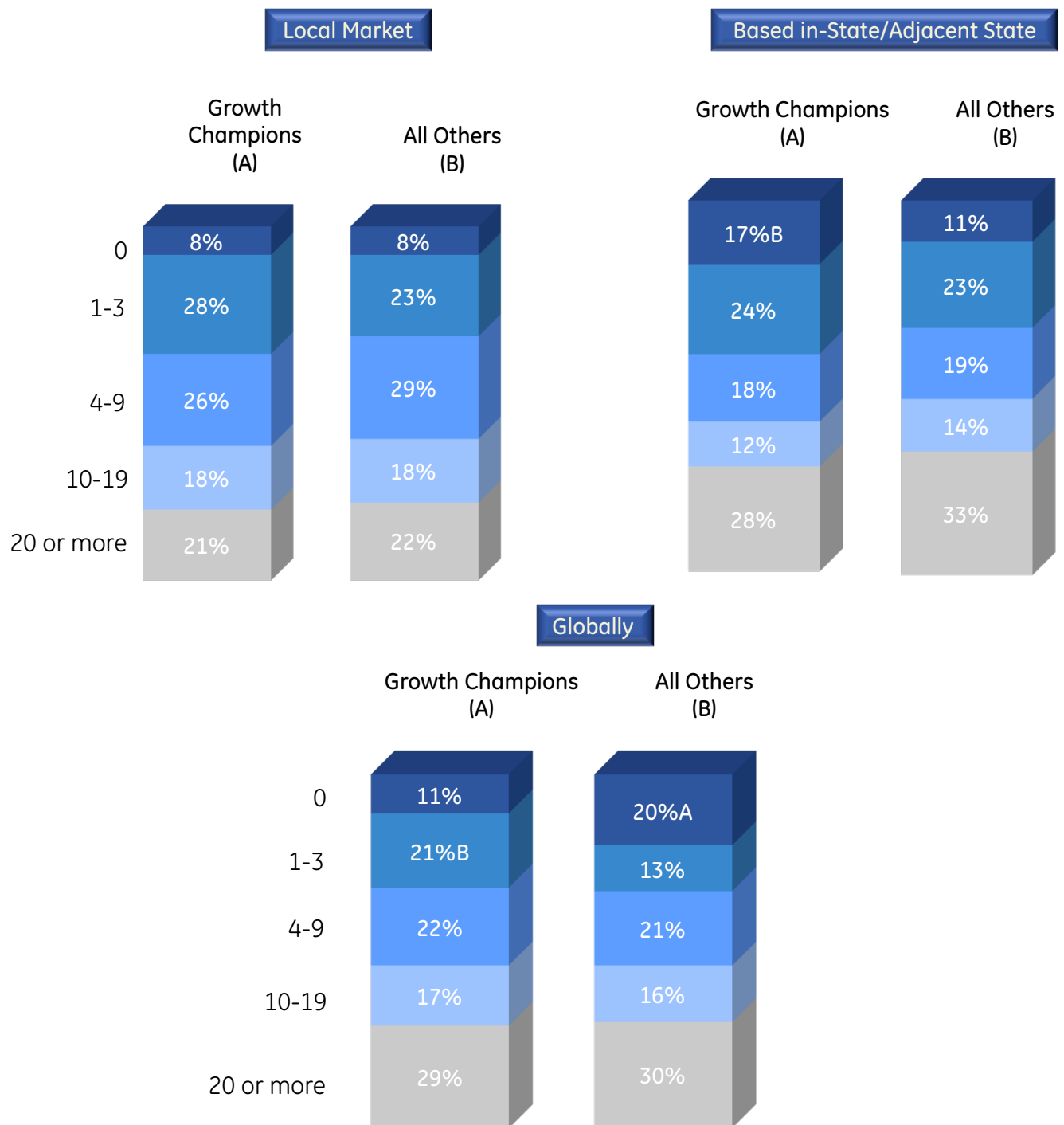
Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: Growth Champions; N=131; All Other; N=1316

Q.4a Are any of these locations outside of the United States?

Q.4b How many locations does your business operate outside of the United States?

Number of Direct Competitors in Market



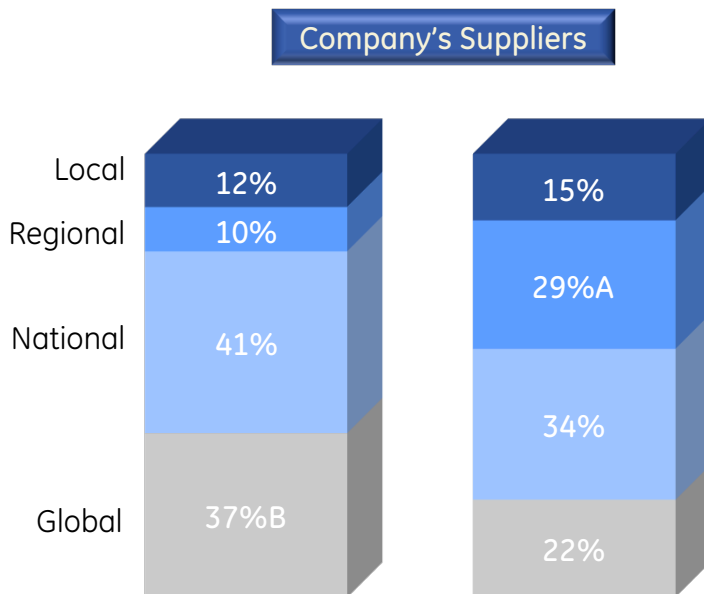
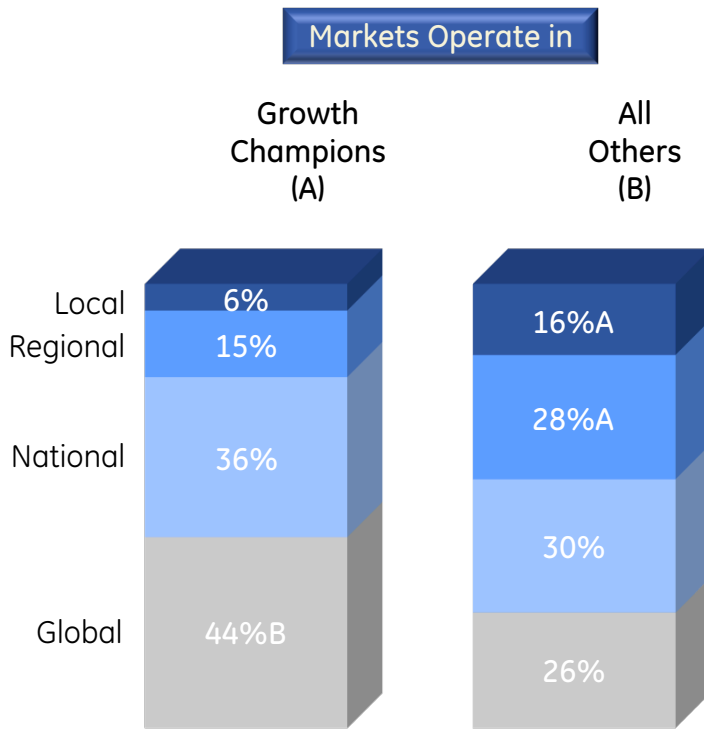
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316

Q.4b1 How many direct competitors do you have based in your local market?

Q.4b2 How many direct competitors do you have that are based in your state, or adjacent states?

Q.4b3 Thinking globally how many direct competitors do you concern yourself with?

Markets Operate In/Company's Suppliers



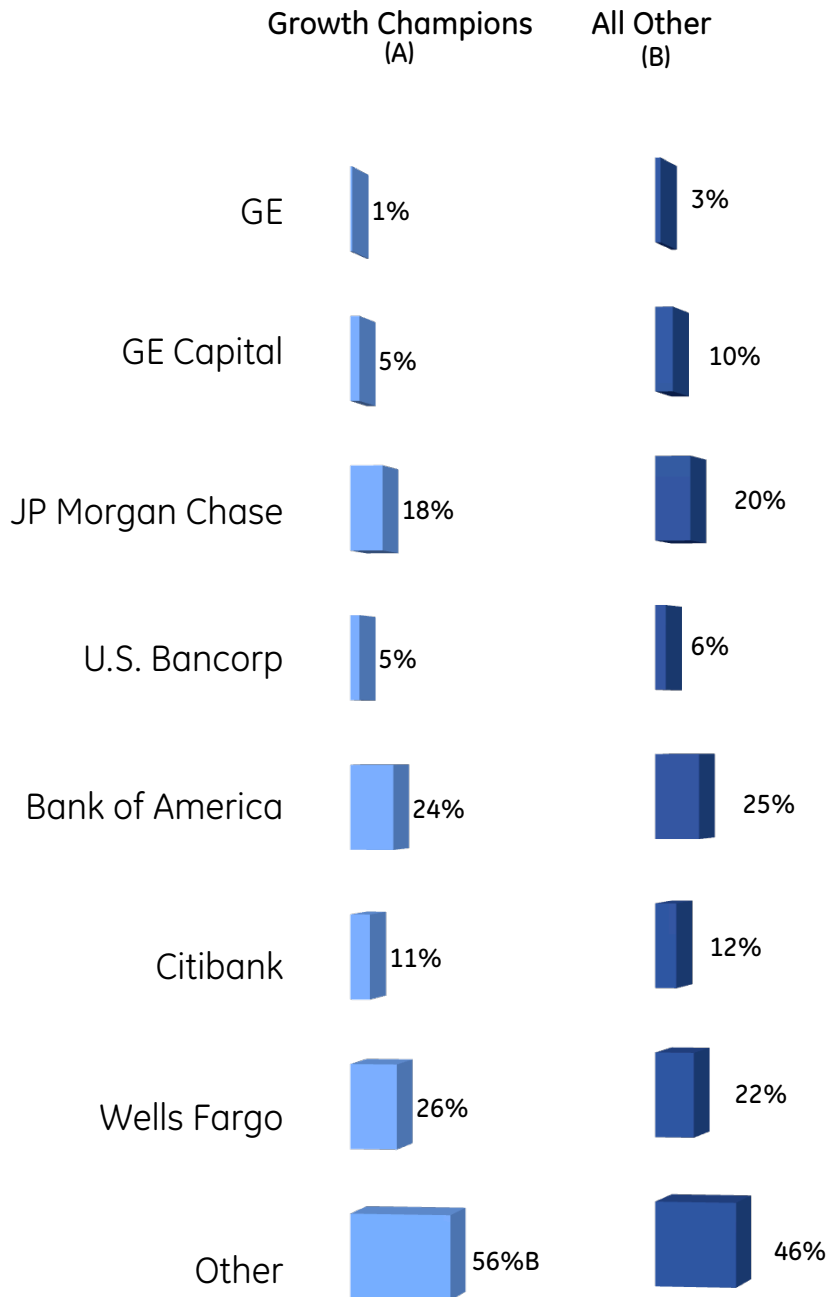
Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: Growth Champions; N=131; All Other; N=1316

Q.C3 Which of the following best describes you're the markets in which you operate? (Select one answer.)

Q.C4 Which of the following best describes your suppliers?

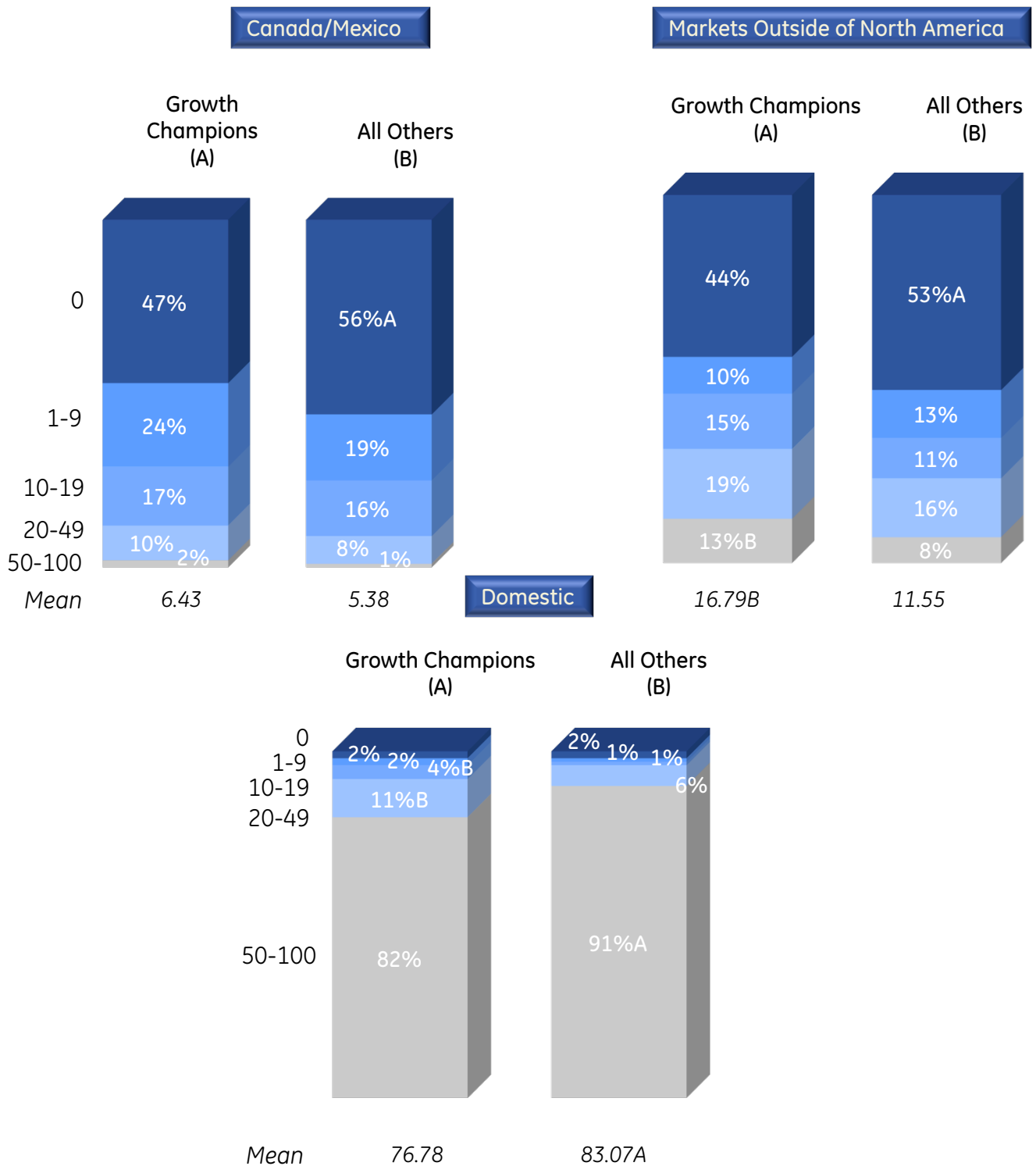
Company's Financial Providers



Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316

Q.C5 Which of the following financial providers does your company currently use?

Geo Source of Revenues

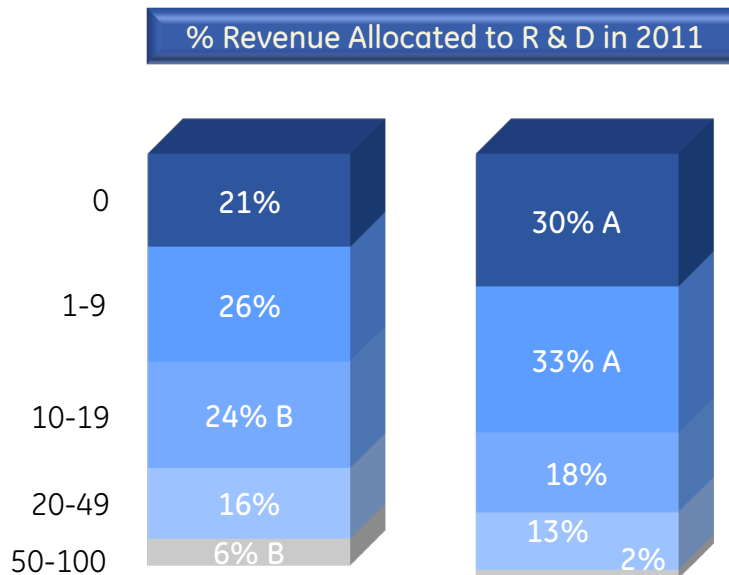
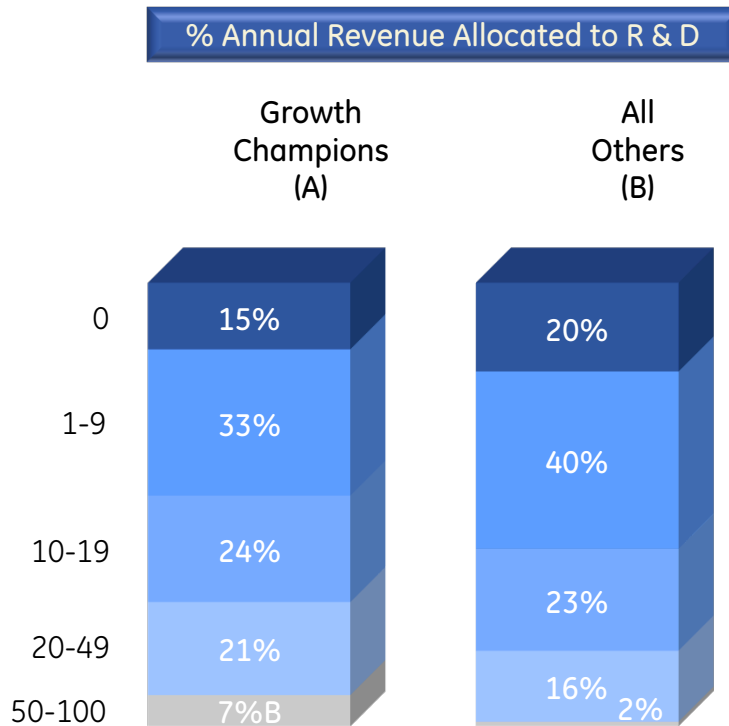


Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316

Q.4a1 What percentage of your revenues comes from either Canada or Mexico?

Q.4a2 What percentage of your revenues comes from markets outside of North America?

Percent of Revenue Allocated to R & D



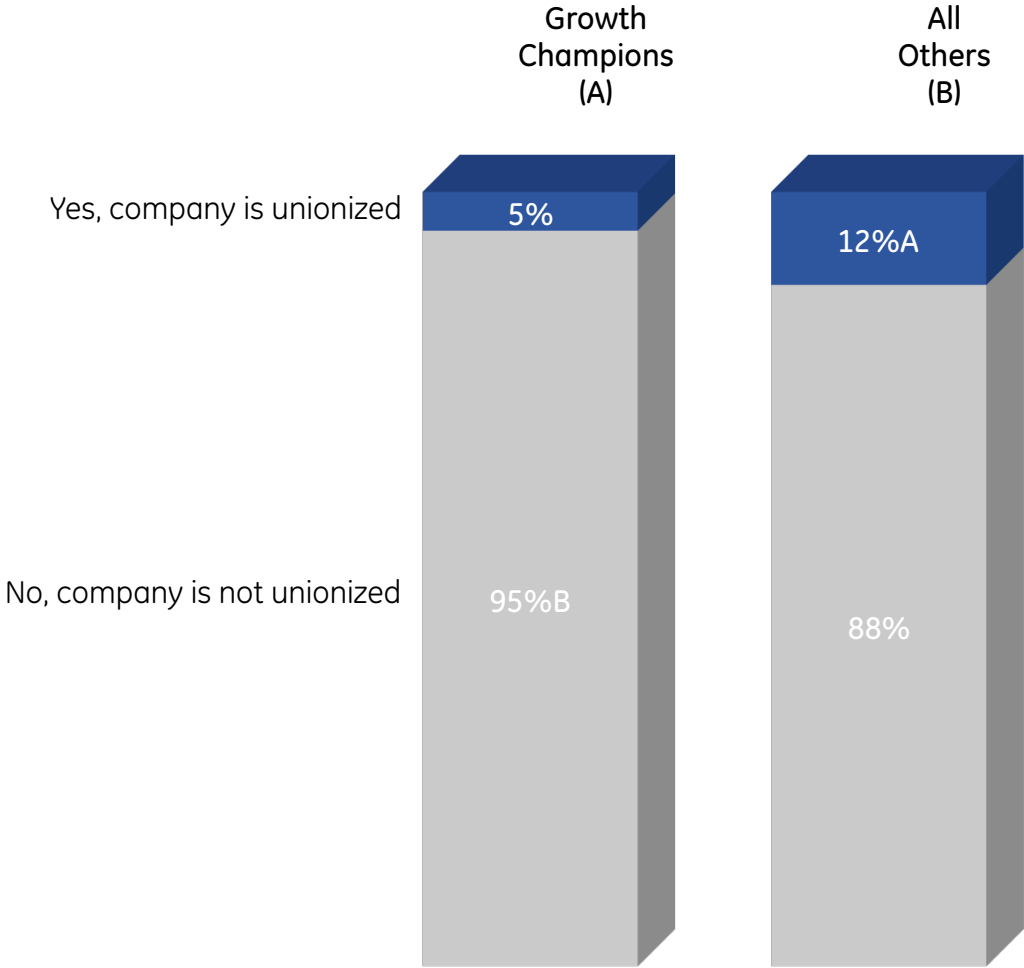
Letters indicate significant differences between groups at the 90% confidence level.

Base Sizes: Growth Champions; N=131; All Other; N=1316

Q.6b Thinking about your investment in research and development, what percent of your annual revenue is spent on R&D?

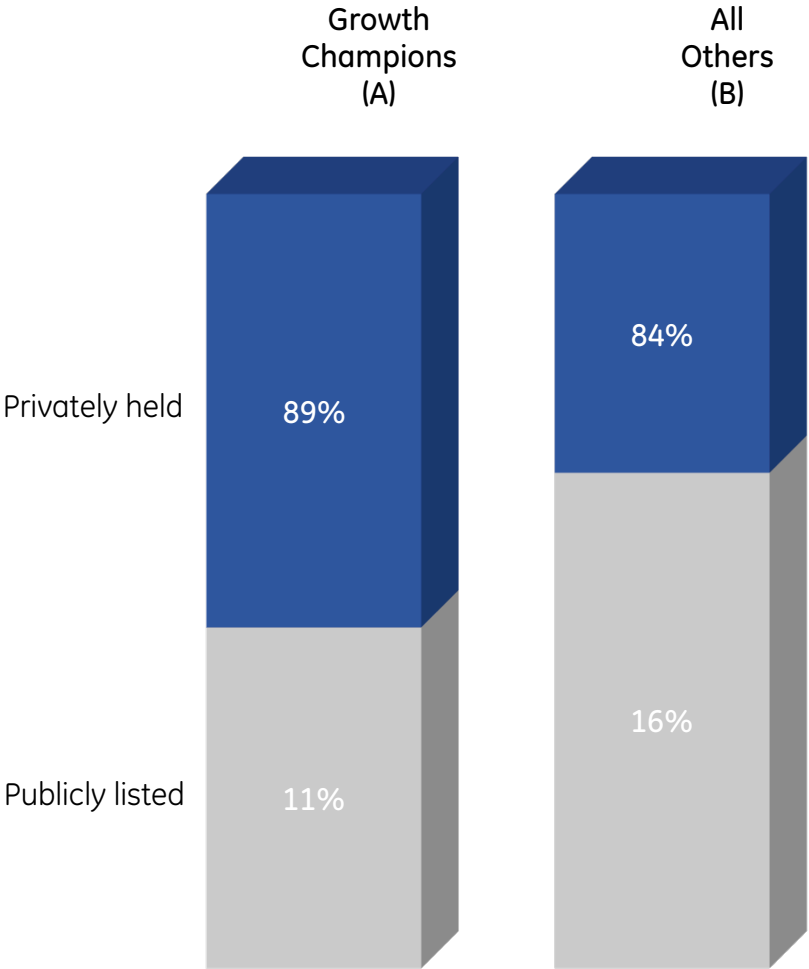
Q.C1-4 For 2011, what percentage of total company revenues is allocated for research & development?

Whether Company is Unionized



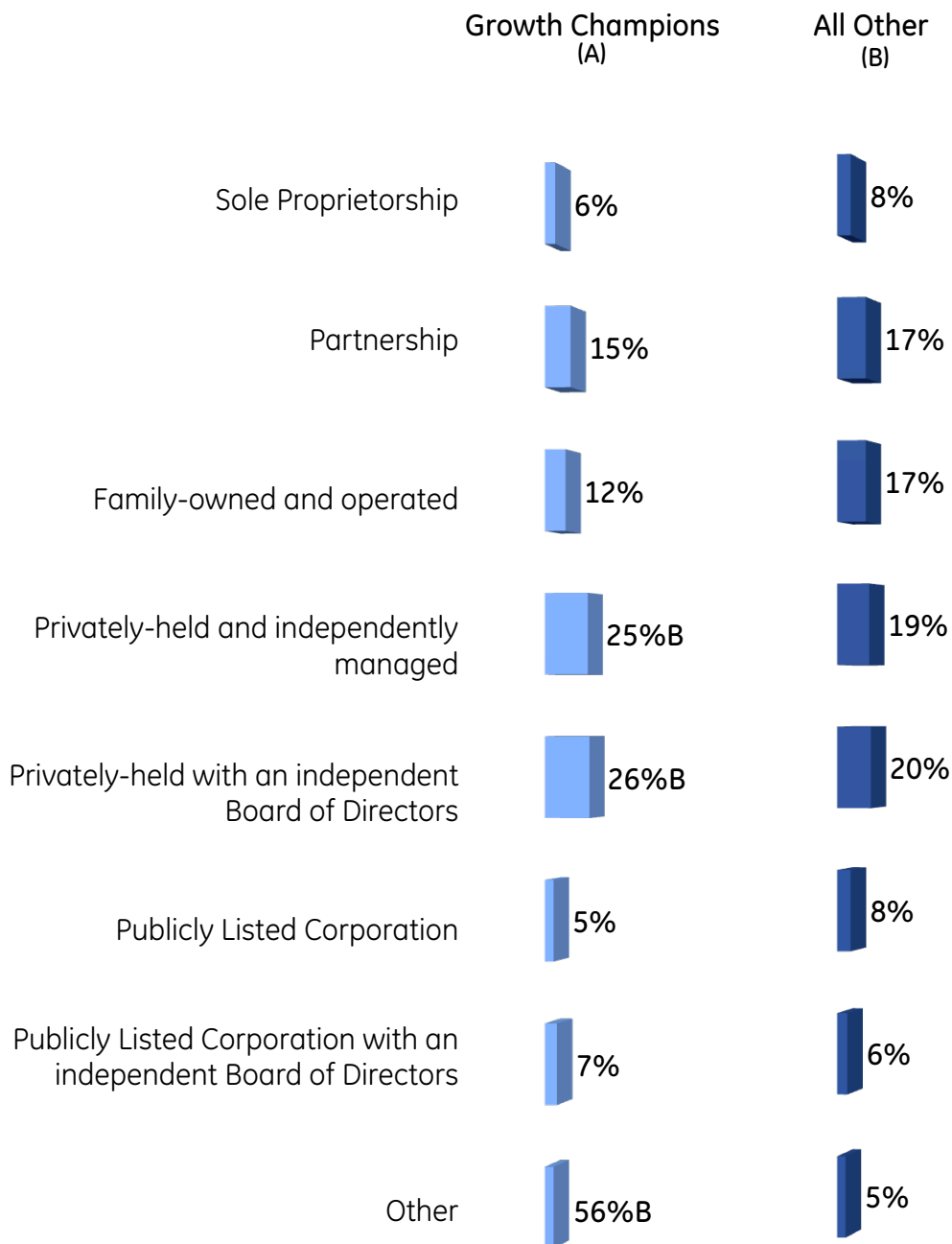
Letters indicate significant differences between groups at the 90% confidence level.
Base Sizes: Growth Champions; N=131; All Other; N=1316
Q.C2 Is your company unionized?

Whether Company is Privately Held or Publicly Listed



Letters indicate significant differences between groups at the 90% confidence level.
Base Sizes: Growth Champions; N=131; All Other; N=1316
Q.5a Is your company....?

Company's Management Structure



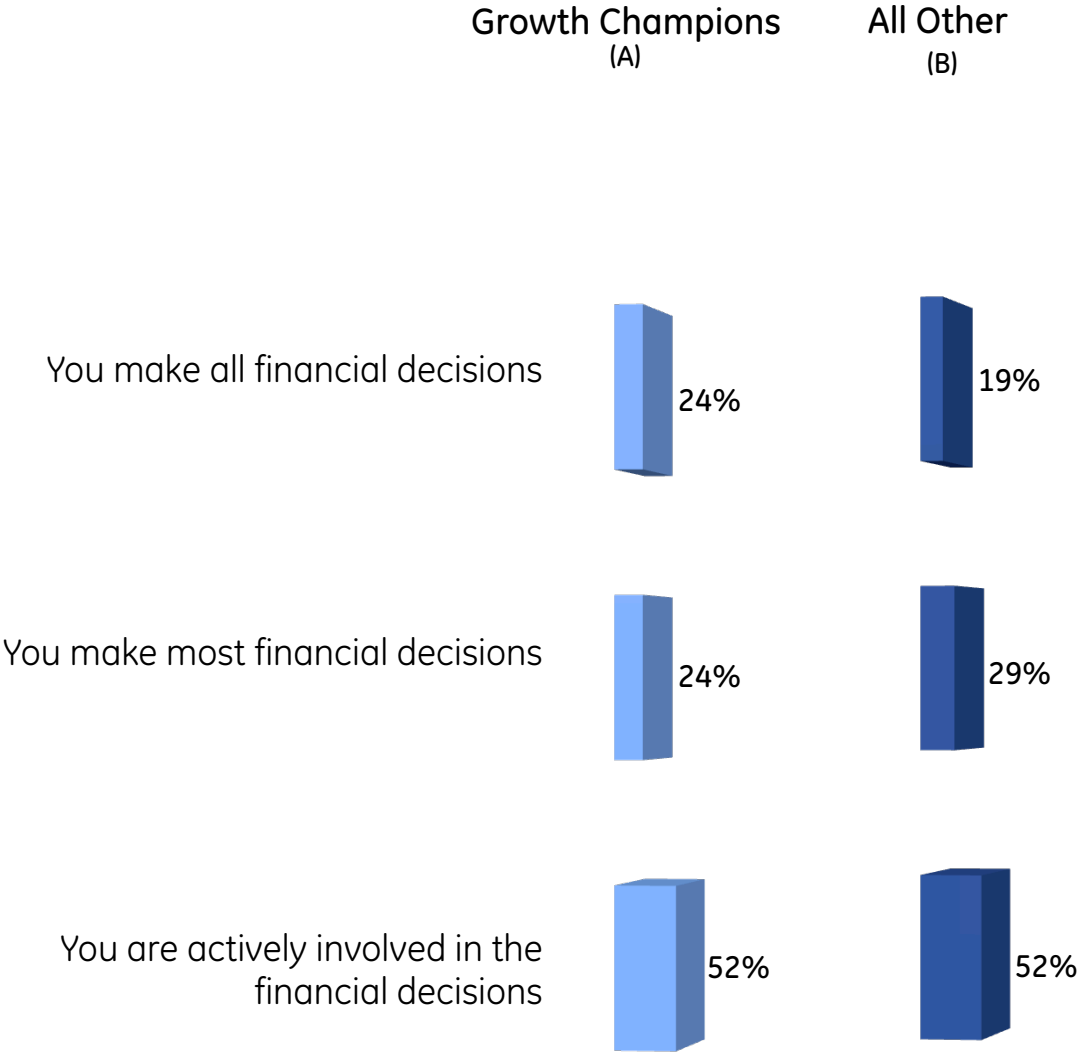
Letters indicate significant differences between groups at the 90% confidence level.
 Base Sizes: Growth Champions; N=131; All Other; N=1316
 Q.C5b Which of the following best describes your management structure?

Job Title

	Mid Market Growth	
	Growth champions	All Others
Base: Total Respondents	(131)	(1316)
	%	%
	(A)	(B)
Owner	8	6
Partner	4	7
Chairman	1	*
CEO (Chief Executive Officer)	12 ^B	7
CFO (Chief Financial Officer)	19	21
COO (Chief Operations Officer)	4	6
Managing Director	3	7 ^A
President	9 ^B	5
Executive Vice President	20	16
Other C-level Executive	10	13
Other Company Officer	8	8
Principal	2	2

* Less than 0.5%.
 Letters indicate significant differences between groups at the 90% confidence level.
 Q.S4 What is your title at your company?

Financial Decision Making Responsibility



Letters indicate significant differences between groups at the 90% confidence level.
Base Sizes: Growth Champions; N=131; All Other; N=1316
Q.S5 Which of the following best describes your role in the financial decisions for your company?

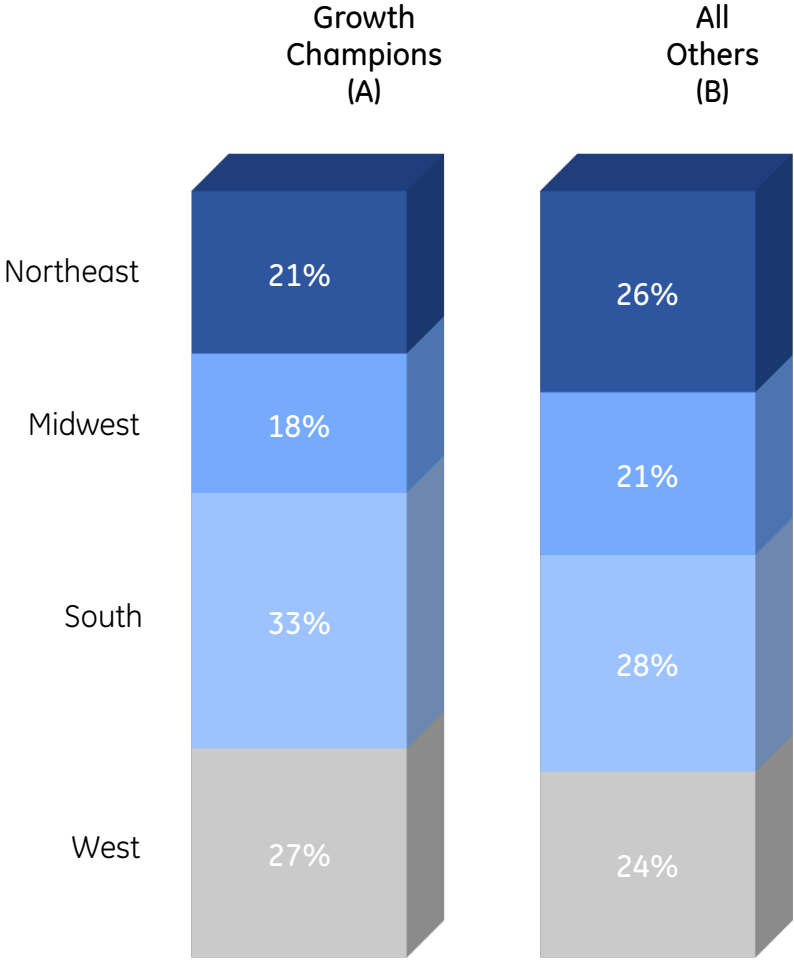
Annual Revenue

	Mid Market Growth	
	Growth Champions	All Others
Base: Total Respondents	(131)	(1316)
	%	%
	(A)	(B)
\$5 million to less than \$10 million	--	--
\$10 million to less than \$50 million	45	55
\$50 million to less than \$1 billion	55	45
\$1 billion or more (1250)	--	--

Letters indicate significant differences between groups at the 90% confidence level.

Q.S6 Which of the categories below best describes your company's total annual revenue for the most recent fiscal year?

Region Headquartered



Letters indicate significant differences between groups at the 90% confidence level.
Base Sizes: Growth Champions; N=131; All Other; N=1316
Q.C6 In what state is your headquarters located?



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