



NATIONAL CENTER FOR
THE MIDDLE MARKET

FIVE YEARS OF FUELING
**THE ENGINE
OF GROWTH**

ANNUAL REPORT 2016

IN COLLABORATION WITH



THE OHIO STATE UNIVERSITY
FISHER COLLEGE OF BUSINESS



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DEAR FRIENDS,

Since 2011, the National Center for the Middle Market (NCMM) has served as the leading voice and advocated for the U.S. Middle Market — the segment of the economy that propels our country forward.

This past year provided us with an opportunity to look back on all the NCMM has accomplished in five years. It also marked the establishment of new partnerships that will continue our mission of providing middle market knowledge, leadership and innovative research to companies, policymakers and other key stakeholders.

This year we proudly welcomed SunTrust Banks, Inc., Grant Thornton LLP, and Cisco Systems as NCMM sponsors. These organizations share the center’s vision, and their support will go a long way in ensuring that the NCMM continues to provide critical insights and analyses that drive growth, increase competition and create middle market jobs.

Collaboration with our partners throughout the past year was instrumental in a number of outreach initiatives, including our Winning in the Americas Global Summit. The event, conducted in collaboration with The Ohio State Center for International Business Education and Research, along with Columbus 2020, connected middle market companies with thought leaders and executives. Together, they explored key facets of exporting in the Americas, including risk, culture, taxes, supply chain, modes of entry, technology and governmental policy.

As it has since its inception, the NCMM continues to facilitate the valuable exchange of ideas between executives at middle market companies and researchers from around the world. Along with the quarterly Middle Market Indicator, we issued a special report on Britain’s “Brexit,” which contained the first and only data detailing the impact of the vote on middle market companies.

Additionally, we launched our Cybersecurity Resource Center, which provides content and tools to help middle market companies analyze their cybersecurity risk level, develop training processes, and select and deploy technologies to prevent, respond to, and recover from cyberattacks.

The following pages provide additional detail on the important progress the NCMM made in 2016. I look forward to another year of continued collaboration with our partners and constituents as we work to advance and elevate the U.S. middle market.

Sincerely,

ANIL K. MAKHIYA

Dean and John W. Berry, Sr. Chair in Business

The Ohio State University Max M. Fisher College of Business

A MESSAGE FROM OUR SPONSORS:

Nearly a year ago, our companies saw a unique opportunity to align with a premier research center at a world-class educational institution to build awareness about a vital segment of our national economy.

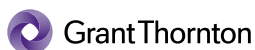
Our support of the National Center for the Middle Market was born out of mutual interest in seeing the continued development of the incredibly important U.S. middle market, a key driver of growth and opportunity in our national economy. As an estimated 60 percent of new jobs are created within the middle market, this segment remains a significant source of sustainable employment.

Leveraging the strength and quality of The Ohio State University, we are excited to continue our contributions to the research and educational mission of the NCMM while providing our clients and partners with the middle market data, insights and thought leadership that help to build strong businesses.

Together, we are amplifying the incredible power, unique insights and valuable tools the NCMM is providing to middle market leaders, companies, and policy makers. We know you share our sentiment in looking forward to a lasting, productive partnership with the NCMM as we work together to strengthen the middle market — the market that moves America.



MARK A. CHANCY
Wholesale Banking Executive
SunTrust Banks, Inc.



JIM BRADY
Chief Operating Officer
Grant Thornton LLP



JEFF SHARRITTS
Senior VP of U.S.
Commercial Sales
Cisco Systems





Fueling the Engine

Five short years ago, the notion of an American middle market—an economic segment made up of companies that can neither be defined as small businesses or big enterprises, but that operate between the two—was vague at best.

Today, however, the middle market is the focus of national, regional, and local conversations about the U.S. economy. Researchers, economic development leaders, media professionals, politicians, and business students not only know what the middle market is; they are increasingly compelled to focus attention on this segment and to play their part in ensuring the middle market's continued success. The leaders of mid-sized businesses, too, have discovered their identity—the strengths they uniquely have, the challenges they uniquely face, and the importance they have to the nation's economy and competitiveness.

In short, the middle market has earned its due respect and is now well established as the engine of economic growth that it so clearly is. As the National Center for the Middle Market celebrates its five-year anniversary, we are energized by the market's evolution from obscurity to acclaim. And we are focused on the transformation our organization has undergone along the way. The Center has moved beyond building awareness of the importance of this critical economic sector into serving as a key catalyst for fueling and tuning the “engine of growth,” ensuring the middle market's peak performance.

Our mission is to ensure that the middle market's contributions to the U.S. economy are fully realized—realized in the sense that we help companies in the sector perform at their best. And realized in the sense that we help the business community, public sector, media, and scholars recognize the middle market's vital role.

In fulfilling its mission, the Center works to:

- + Track the performance of middle market companies—their revenue, profitability, job creation, investment plans, and other activities
 - + Produce research tied to middle market growth drivers along with insights and practical recommendations for elevating performance in areas such as sales, exporting, and talent management
 - + Establish connected communities of middle market leaders to promote shared learning in key metropolitan areas across the country
 - + Support top-quality academic research into issues of particular relevance to middle market companies
 - + Engage future growth leaders by providing new and meaningful opportunities for students to connect with middle market companies
 - + Advance our innovative model for academic/private sector partnerships
 - + Ensure the middle market enjoys due attention from policymakers at the national, state, and local levels
 - + Keep the media supplied with the information and insights it needs to amplify the middle market story
-

The National Center for the Middle Market remains the nation's first and foremost expert on the middle market. Beyond serving as a source of knowledge, the Center will continue to play an increasingly active, hands-on role in facilitating the growth of our economy's most powerful segment.

ABOUT THE CENTER



VISION

We ensure the vitality and robustness of middle market companies are fully recognized as fundamental to our nation's economic outlook and prosperity.



MISSION

We help middle market companies grow by developing—through a broad network of partnerships—extraordinary content, vital supportive networks and communities, and valuable programs that improve their competitiveness and performance.

CENTER RELATIONSHIPS



MIDDLE MARKET COMPANIES

Fostering growth, increasing competitiveness, developing leaders, and fueling job creation



ECONOMIC DEVELOPMENT ORGANIZATIONS

Offering insights to grow middle market companies through research and events



ACADEMIC RESEARCHERS

Offering opportunities to undertake meaningful, journal-quality research relevant to middle market companies



STUDENTS

Providing information and access to stable, rewarding career destinations in the middle market



POLICYMAKERS

Supplying data, perspective, and critical insights on middle market issues that shape policy and regulation



MEDIA AND THOUGHT LEADERS

Serving as a trusted source of middle market research, data, and thought leadership



The Center's History

- 2011** ● **OCTOBER**
 - + NCMM founded by The Ohio State University Fisher College of Business and GE Capital
 - + Released *The Market that Moves America*
 - + Hosted the first National Middle Market Summit

- 2012** ● **MARCH**
 - + Released the first Middle Market Indicator (MMI)
- APRIL**
 - + Hosted first Executive Education program for middle market leaders

- 2013** ● **FEBRUARY**
 - + Held first Student Summit
- MARCH**
 - + Released first regional MMI data

- 2014** ● **APRIL**
 - + Established Congressional Caucus for Middle Market Growth
- SEPTEMBER**
 - + Offered the first Middle Market course at The Ohio State University
- OCTOBER**
 - + Published the first study on Ohio's middle market

- 2015** ● **OCTOBER**
 - + Held first face-to-face executive briefing at the White House

- 2016** ● **MARCH**
 - + Announced SunTrust as the Center's new primary sponsor and Cisco Systems and Grant Thornton as supporting sponsors
- AUGUST**
 - + Launched the Middle Market Association at The Ohio State University
- DECEMBER**
 - + Opened the first Cybersecurity Resource Center

- 2017** ● **JANUARY**
 - + Released the 20th edition of the Middle Market Indicator

2016 CENTER ACCOMPLISHMENTS

In 2016, the Center's initiatives were directly aimed at fueling growth for middle market companies by providing new insights and opportunities for companies to address key issues and develop their competitive advantages.



4

RESEARCH PROJECTS
ON KEY MIDDLE
MARKET ISSUES



4

NEW ISSUES OF
THE MIDDLE
MARKET INDICATOR



14

INDUSTRY &
ORGANIZATIONAL
PARTNERS



29

MIDDLE MARKET
EVENTS REACHING
7,500 ATTENDEES



6

MAJOR METROS
ENGAGED



100

BUSINESS STUDENTS
ENGAGED



1st

RESOURCE CENTER
FOR CYBERSECURITY



\$180k

IN NEWLY APPROVED
ACADEMIC RESEARCH
GRANTS



BRIEFINGS FOR MEMBERS
OF CONGRESS & THEIR
STAFFS ON CYBERSECURITY



The Middle Market: America's Engine of Growth

Quarter after quarter, the U.S. middle market outpaces both small business and the S&P 500 in terms of revenue and employment growth. Although the middle market represents just 3% of all U.S. companies, it accounts for a third of U.S. private sector gross domestic product (GDP) and jobs. It is the engine that is driving the U.S. economy as well as local and regional economies all across the country, consistently outpacing both small and big business in top-line growth and job creation.

The National Center for the Middle Market defines the U.S. middle market as companies with annual revenue between \$10 million and \$1 billion. The middle market spans all geographic regions, industry segments, and ownership types, including publicly and privately held companies, family-owned businesses, partnerships, and sole proprietorships.

While middle market organizations are diverse in their purpose and structure, leaders of these companies share several important concerns related to talent issues, growth and expansion, government policy and regulations, information security, and financing, among other topics. By addressing these issues through new research, partnerships and events that bring middle market leaders together, and outreach to policymakers and media channels, the Center is helping to keep the engine running at full speed, so that this dynamic market can continue to shape the way America works, grows, and competes.

U.S. MIDDLE MARKET IMPACT

 **33%**

OF PRIVATE
SECTOR GDP



3rd

LARGEST
GLOBAL ECONOMY



60%

OF ALL NEW
JOBS CREATED



MORE THAN

\$10 TRILLION

IN ANNUAL REVENUE



1/3

OF U.S. JOBS —
APPROXIMATELY

45.6 MILLION

U.S. MIDDLE MARKET DEFINED



200k

BUSINESSES IN ALL
INDUSTRY SEGMENTS
& GEOGRAPHIES



REPRESENTING

3.0%

OF ALL U.S. COMPANIES



ANNUAL REVENUES
RANGING FROM

\$10M-\$1B



Telling the Middle Market's Story of Growth

Over the past five years, The National Center for the Middle Market has become the go-to source of information on the middle market for members of both the national and local media. The Center has built relationships with more than 90 broadcasters, publications, and digital media outlets that help disseminate research and insights, building greater awareness and appreciation of the powerful middle market's role in overall economic growth.

In 2016, the middle market enjoyed some of its strongest media coverage to date, including a Wall Street Journal interview with the Center's Executive Director, Thomas A. Stewart, and national coverage of the Center's proprietary Brexit research and its anticipated impact on middle market companies.

FIVE-YEAR IMPACT

 **1.15M**
WEBSITE PAGE VIEWS

 **14**
TIER-ONE PUBLICATIONS

 **160+**
MEDIA HITS

 **162k**
NEWSWIRE VIEWS

 **36k**
CONTENT DOWNLOADS

 **260MM**
MEDIA IMPRESSIONS

KEY MEDIA





Bloomberg

The Economist

Bloomberg Businessweek

The Washington Post

POLITICO

YAHOO!
FINANCE

CRAIN'S
NEW YORK BUSINESS

THE WALL STREET JOURNAL.

Inc.



THE WALL STREET JOURNAL 2ND ANNUAL MIDDLE MARKET EXECUTIVE CONFERENCE MAY 24, 2016

The Wall Street Journal hosted its second annual executive conference focused exclusively on America's middle market this past spring in Washington, D.C. To kick off a full day of programming and networking designed for the 175 C-suite middle market executives in attendance, Wall Street Journal Associate Editor John Bussey interviewed the Center's Executive Director, Thomas A. Stewart, about the top issues that middle market companies face.

The interview highlighted proprietary research prepared for the event. The Center also played a role in developing the program agenda and will be helping to shape the content for the third annual event to be held in spring 2017.

INTERVIEW HIGHLIGHTS

"The biggest issue that middle market companies have on their mind in the year to come is finding talent."

"The middle market is not represented in policy circles. It's one of the reasons that we helped create the Congressional Caucus for Middle Market Growth to try to get attention for that."

For the full interview, visit <http://www.wsj.com/articles/tom-stewart-on-the-pulse-of-the-middle-market-1464833040>.

BREXIT RESEARCH MEDIA COVERAGE

When the UK voted to leave the European Union on June 24, 2016, the Center quickly responded by surveying middle market leaders to determine what effect this decision would have on the mid-sized companies that fuel the U.S. economy. The survey was conducted as an add-on to the Center's quarterly Middle Market Indicator to specifically investigate the expected impact on business investments, purchasing plans, and exporting and importing activity for all middle market companies and manufacturers in particular.

The Center's Brexit research is the first and only source of data on Brexit's impact outside of Wall Street. The Center published a special report to highlight the anticipated consequences and benefits for middle market companies, and that report was well received and well covered by several key news outlets.

BREXIT COVERAGE HIGHLIGHTS

OSBORNE SEEKS TO REASSURE WALL STREET OVER BREXIT CONCERNS

Financial Times

U.S. MAY BENEFIT FROM A DROP IN U.K. INVESTMENT, SURVEY SHOWS

Bloomberg Brief

BREXIT COULD BE BAD NEWS FOR MIDDLE MARKET COMPANIES

Chief Executive

U.S. MIDDLE MARKET SET TO EXIT UK, ACCORDING TO POLL

Middle Market Growth

BREXIT: FOR ABLs, THERE'S LITTLE TO FEAR

ABL Advisor

Fostering Growth through Exploration of Critical Middle Market Issues

Producing new research, through both academic grants and partnerships with practitioners, has always been fundamental to the mission of the National Center for the Middle Market. As the leading source of innovative research on U.S. middle market companies, the Center has funded over \$2 million in academic research projects and published 15 white papers since 2012.

Our research framework focuses on six top middle market issues: talent, strategy and growth, operational excellence, governance and finance, policy and economy, and globalization. With the help of researchers from top academic institutions as well as dedicated practitioners from middle market businesses and leading professional organizations, each new study explores the topic with the goal of generating findings and practical insights that can help middle market businesses understand and better tackle their challenges. Ultimately, the research goal is to help facilitate adoption of best practices that can help companies to grow stronger and faster.

In 2016, the Center worked closely with academic and business partners to ensure better alignment between research projects and the issues middle market executives face. Prior to developing research surveys, our partners provided valuable insights for framing questions designed to get to the heart of the challenges executives and leaders contend with every day. By taking greater care on the front end to develop research that is not only accurate, but applicable, the Center has made strides in producing findings with greater relevance and more impact for the companies we serve.

Academic Research

PARTNERING WITH THE WORLD'S TOP RESEARCH INSTITUTIONS

With the help of the Academic Advisory Board, the Center selected and funded six new academic research projects for 2016. The Center awarded a total of \$180,000 in grant funding. Esteemed faculty from The Ohio State University Fisher College of Business, The John Glenn College of Public Policy, Catholic University of Eichstaett-Ingolstadt, Cornell University, Duke University, Erasmus University, Washington University-St. Louis, and the University of Cambridge will lead this year's research initiatives with the goal of developing journal-quality research findings.

RESEARCH FOCUS AREAS

- + TALENT
- + STRATEGY & GROWTH
- + OPERATIONAL EXCELLENCE
- + GOVERNANCE & FINANCE
- + POLICY & ECONOMY
- + GLOBALIZATION

FUNDED ACADEMIC RESEARCH PROJECTS FOR 2016

FEDERAL PROCUREMENT AND THE MIDDLE MARKET: EXAMINING COMPETITION, SUBSIDIES, & GROWTH

FOCUS AREA Policy & Economy

RESEARCHERS

- + **Trevor L. Brown**, Ph.D., John Glenn College of Public Affairs—The Ohio State University
- + **Amanda M. Girth**, Ph.D., John Glenn College of Public Affairs—The Ohio State University

ABSTRACT

The study will research claims that middle market firms may be at a disadvantage when competing for federal contracts, providing insights to the middle market leaders and procurement policy makers.

RESURRECTING THE SIZE EFFECT: FIRM SIZE, PROFITABILITY SHOCKS, & EXPECTED STOCK

FOCUS AREA Governance & Finance

RESEARCHERS

- + **Kewei Hou**, Fisher College of Business—The Ohio State University
- + **Mathijs A. van Dijk**, Rotterdam School of Management—Erasmus University

ABSTRACT

This research will provide insight to firms that guides financial and operating policies which mitigate the effects of adverse profitability shocks, and for consideration of accessing public equity markets.

CORPORATE CASH MANAGEMENT

FOCUS AREA Governance & Finance

RESEARCHERS

- + **John R. Graham**, Fuqua School of Business—Duke University & NBER
- + **Mark T. Leary**, Olin School of Business—Washington University—St. Louis & NBER

ABSTRACT

This study aims to deepen understanding of how firms make cash holding decisions, what the key determinants are, and how those factors depend on the economic environment faced by the firm.

THE EFFECTS OF EQUITY LENDING ON THE CORPORATE POLICIES OF PUBLICLY-LISTED MIDDLE MARKET FIRMS

FOCUS AREA Governance & Finance

RESEARCHERS

- + **Murillo Campello**, Cornell University & NBER
- + **Pedro A. C. Saffi**, University of Cambridge—Judge Business School

ABSTRACT

Middle market firms often face financial difficulties to raise enough capital and can have valuable investment opportunities that end up not being exploited. This project aims to shed light on the extent of this challenge.

MANAGING PRODUCTIVITY OF VALUE-ADDED SERVICES IN THE MANUFACTURING INDUSTRY: A COMPARISON OF THE U.S. MIDDLE MARKET

FOCUS AREA Strategy & Growth

RESEARCHERS

- + **Shashi M. Matta**, The Ohio State University
- + **Jens Hogreve**, Catholic University of Eichstaett-Ingolstadt
- + **Mirjam Dobmeier**, Catholic University of Eichstaett-Ingolstadt

ABSTRACT

Through comparison of middle market firms in the U.S. and Germany, this study will provide recommendations to overcome the challenges of service transmission.

WHETHER CREDIT RATINGS FROM MAJOR CREDIT AGENCIES RELY MORE HEAVILY ON QUALITATIVE OR QUANTITATIVE INFORMATION

FOCUS AREA Governance & Finance

RESEARCHERS

- + **Samuel B. Bonsall**, Fisher College of Business—The Ohio State University
- + **Kevin Koharki**, Olin Business School—Washington University in St. Louis

ABSTRACT

This research will address the question of whether credit ratings for middle market firms are more reliant on qualitative information than ratings for larger firms.

ACADEMIC RESEARCH PARTNERS



RESEARCH IMPACT SINCE 2012



19

TOP RESEARCH INSTITUTIONS



38

ACADEMIC RESEARCH PROJECTS



63

ACADEMIC RESEARCHERS



\$2 MILLION

IN FUNDING



10

IN-DEPTH TOPICAL RESEARCH STUDIES PUBLISHED

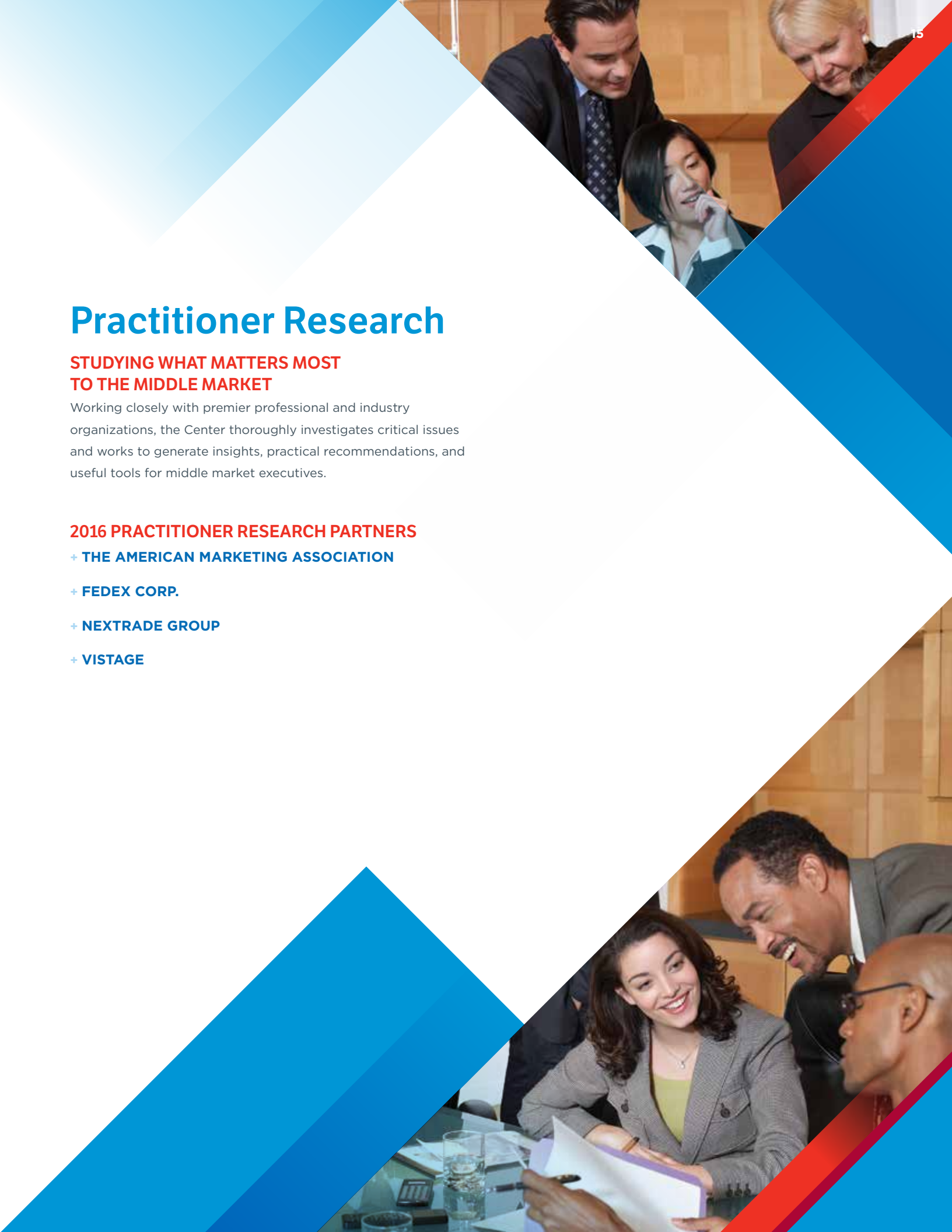
Practitioner Research

STUDYING WHAT MATTERS MOST TO THE MIDDLE MARKET

Working closely with premier professional and industry organizations, the Center thoroughly investigates critical issues and works to generate insights, practical recommendations, and useful tools for middle market executives.

2016 PRACTITIONER RESEARCH PARTNERS

- + THE AMERICAN MARKETING ASSOCIATION
- + FEDEX CORP.
- + NEXTRADE GROUP
- + VISTAGE



2016 PRACTITIONER RESEARCH PROJECTS

TALENT



The Force Is with You

BUILDING A HIGHLY EFFECTIVE SALES ORGANIZATION

ACADEMIC RESEARCH ADVISOR

+ **Dr. Greg Marshall**, Rollins College Crummer Graduate School of Business

PRACTITIONER RESEARCH PARTNER

+ **The American Marketing Association**

OVERVIEW

Sales play a critical role in the success of any middle market organization. This research project explored how the best performing middle market businesses structure their sales teams; their preferred methods for hiring, developing, and compensating the sales staff; and the technologies they leverage to facilitate sales.

GOAL

Provide executives with a solid framework for sales success that can be used to improve sales force effectiveness, develop a successful sales culture, and ultimately enhance overall company performance.

KEY FINDING

Sales quotas, commission-based sales staffs, and formal mentoring and coaching are hallmarks of high-growth firms.

GLOBALIZATION



Winning in the Americas

MIDDLE MARKET TRADE & INVESTMENT IN NORTH, CENTRAL & SOUTH AMERICA

ACADEMIC RESEARCH ADVISOR

+ **Kati Suominen**, UCLA Anderson School of Management; Center for Strategic and International Studies (CSIS)

PRACTITIONER RESEARCH PARTNER

+ **FedEx Corp.**
+ **Nextrade Group**

OVERVIEW

The Americas are the most important international market for U.S. middle market companies, with Canada and Mexico ranking as the first and second most important trading partners. The Center surveyed 400 C-level middle market executives in the U.S., as well as 100 executives in Canada and in each of five Latin American countries, to identify and compare trade and investment activities in the Western Hemisphere.

GOAL

Understand risks and opportunities related to middle market international trade in the Americas and provide insights for how companies might capitalize on exploiting international growth opportunities.

KEY FINDING

The most internationalized middle market exporters and importers tend to be the fastest-growing companies. The fastest-growing companies do business in many markets in Latin America; slower-growing firms are likelier to trade with Canada and Mexico only.

GET MORE FINDINGS, INSIGHTS & RECOMMENDATIONS

Visit the Center's Knowledge Center at middlemarketcenter.org to download full research reports and white papers.

TALENT



Mastering Talent Planning

A FRAMEWORK FOR SUCCESS

ACADEMIC RESEARCH ADVISOR

- + **Dr. Larry Inks**, The Ohio State University Fisher College of Business
- + **Dr. Raymond Noe**, The Ohio State University Fisher College of Business

PRACTITIONER RESEARCH PARTNER

- + **Vistage**

OVERVIEW

Talent planning plays an essential role in ensuring that companies have the highest quality people in critical roles, and that they have a plan in place to fulfill their talent needs as the company grows and changes. The research looked closely at how middle market businesses approach talent planning and assessed the strengths and challenges in the talent planning space.

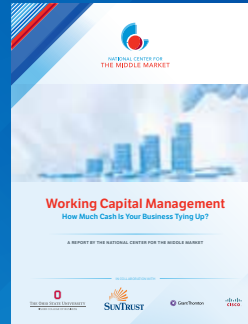
GOAL

Identify the importance and prevalence of various talent planning activities among middle market firms, including the fastest growing and best performing businesses, and provide a practical talent planning framework for aligning talent planning with company strategy and enhancing the robustness of talent planning processes and policies.

KEY FINDING

The single most important thing middle market companies lack is a systematic framework for talent planning, which can help formalize processes and coordinate multiple talent planning activities, leading to improved overall company performance.

GOVERNANCE & FINANCE



Working Capital

HOW MUCH CASH IS YOUR BUSINESS TYING UP?

ACADEMIC RESEARCH ADVISOR

- + **Dr. Jay Wellman**, The Ohio State University Fisher College of Business

OVERVIEW

Solid working capital management practices are paramount to a company's ability to run its business, stay competitive, take advantage of opportunities, and maximize its value. This study investigated how middle market firms approach working capital management and compared their attitudes and practices to those as publicly-traded mid-sized organizations.

GOAL

Determine if middle market companies are leaving cash on the table when it comes to working capital management, and identify opportunities and best practices that can help companies free up more cash for running their businesses or increasing the value of their enterprise.

KEY FINDING

While most middle market companies believe they are doing well when it comes to working capital management and they are not running out of cash on a regular basis, benchmarking data demonstrate that companies are very likely tying up significant sums of money in less-than-optimal working capital management practices. For a company with \$100 million in revenue, the opportunity could amount to tens or hundreds of millions of dollars in extra cash.



Research Project Spotlight

WINNING IN THE AMERICAS MIDDLE MARKET TRADE & INVESTMENT IN NORTH, CENTRAL & SOUTH AMERICA

RESEARCH FOCUS AREA

Globalization

RESEARCH PARTNERS

ACADEMIC

- + **Kati Suominen**, UCLA Anderson School of Management; Center for Strategic and International Studies (CSIS)

PRACTITIONER

- + **FedEx Corp.** (NYSE: FDX) provides customers and businesses worldwide with a broad portfolio of transportation, e-commerce, and business services.
- + **Nextrade Group** is a Los Angeles-based research and platform company that helps leading governments, multilateral development banks, think tanks, trade associations, and corporations to propel trade and digitization in the 21st century global digital economy.

“... most U.S. companies have yet to fully exploit growth opportunities in the Americas—and middle market companies in particular are leaving money on the table by not taking sufficient advantage of opportunities to sell and buy in the Western Hemisphere.”

THE CRITICAL ISSUE

As past research by the Center and its partners has revealed, globalization is becoming an increasingly critical factor in the success of the U.S. economy as a whole. With only about half of middle market companies engaging in import and/or export activity, clear opportunity exists for companies to exploit growth opportunities abroad, and especially close to home in the Western Hemisphere.

In partnership with FedEx Corp and Nextrade Group, the Center closely examined current trade activity in the Americas among 400 middle market companies in the U.S., as well as among mid-sized businesses in Canada, Mexico, Brazil, Columbia, Chile, and Argentina. Looking at how U.S. businesses trade with their neighbors, and how those neighbors trade with us and amongst themselves, reveals some of the first meaningful insights about the middle market's existing trade and investment relationships in the Americas. The study identifies risks and opportunities as well as gaps in policy and access to support that may hold the middle market back. The research has resulted in recommendations and strategies that executives can follow to win more business in the Americas, foster growth, and improve overall company performance.

KEY RESEARCH REPORT TAKEAWAYS

THE UNITED STATES

- + Half of surveyed middle market companies in the U.S. export to foreign markets and half import.
- + The U.S. middle market sees most countries in the Americas—particularly Canada, the Caribbean, and Central America—as relatively easy to enter.
- + U.S. middle market companies carefully manage the risks of globalization.
- + U.S. middle market leaders give mixed reviews to the ecosystem of players that support their internationalization.

OTHER NORTH AMERICAN COUNTRIES

- + Mid-sized firms in the Americas are actively engaged in international trade.
- + Brazil, Argentina and Mexico exhibit slightly stronger engagement in international trade.
- + Most countries are more export oriented with the exception of Mexico.
- + North American countries trade primarily with their neighbors, but Europe and China are also important markets to some.
- + Mid-sized firms in the Americas most often trade with the U.S.

ALL NORTH AMERICAN COUNTRIES

- + Exports are expected to grow both within and outside of the Americas in 2017.
- + Middle market leaders hold a positive view of FTAs. NAFTA and MERCOSUR are the two most important FTAs in the areas.

RESOURCES

In addition to the full research report, the Center developed a series of infographics to quickly convey key information about middle market trade practices in the Americas and to show how U.S. companies compare to their peers in Canada, Mexico, Brazil, Columbia, Chile, and Argentina. To download the full report and infographics, visit www.middlemarketcenter.org.

VISUALS

U.S. MIDDLE MARKET COMPANY TRADE IN THE AMERICAS

<http://www.middlemarketcenter.org/infographics/middle-market-americas-trade-infographic>

REASONS AND BARRIERS FOR INTERNATIONAL TRADE IN THE AMERICAS

<http://www.middlemarketcenter.org/infographics/middle-market-export-import-barriers-infographic>

TELL US WHAT YOU WANT TO KNOW

Have a pressing question about the middle market? The Center is looking to partner with organizations interested in researching critical middle market issues that are key to their members or customers. To explore the opportunity, email the Center at middlemarketcenter@fisher.osu.edu.

Informing Decisions that Promote Growth

Middle market companies often find themselves being too big to qualify for special exemptions from public policy rules and regulations, but too small to maintain a compliance staff for understanding and leveraging those policies. As the leading advocate for the middle market, the National Center for the Middle Market actively engages in outreach to policymakers at the federal, state, and local levels. The Center's goal is to promote awareness among decision makers of middle market issues and to inform political discourse and policy decisions that can support middle market companies as they continue to grow and to drive the U.S. economy.

The Center continued to bring vital information to policymakers both through congressional briefings and special reports to ensure the needs of the middle market stayed top of mind during a highly partisan election year.

CONGRESSIONAL CAUCUS FOR MIDDLE MARKET GROWTH

Now in its third year, the Congressional Caucus for Middle Market Growth is a bipartisan Congressional Member Organization (CMO) that educates congress members and the public on the middle market's significant economic impact. The Center helped form the Caucus in 2014 in collaboration with the Association for Corporate Growth (ACG). The Caucus includes 16 representatives from 13 states.

2016 CAUCUS MEMBERS CO-CHAIRS

- + Rep. Steve Stivers (R-OH-15)
- + Rep. Jared Polis (D-CO-2)
- + Rep. Tom Rice (R-SC-7)
- + Rep. Kyrsten Sinema (D-AZ-9)

MEMBERS

- + Rep. Steve Chabot (R-OH-1)
- + Rep. Mike Conaway (R-TX-11)
- + Rep. Jim Cooper (D-TN-5)
- + Rep. Suzan DelBene (D-WA-1)
- + Rep. Sean Duffy (R-WI-7)
- + Rep. Bill Huizenga (R-MI-2)
- + Rep. Randy Hultgren (R-IL-14)
- + Rep. Robert Hurt (R-VA-5)
- + Rep. Tom MacArthur (R-NJ-3)
- + Rep. Carolyn Maloney (D-NY-12)
- + Rep. Mike Quigley (D-IL-5)
- + Rep. Pat Tiberi (R-OH-12)



CONGRESSIONAL BRIEFING: DIGITIZATION, CYBERSECURITY & THE MIDDLE MARKET



WASHINGTON, D.C.
APRIL 14, 2016

In the spring of 2016, the Center, along with other experts, briefed the Congressional Caucus for Middle Market Growth on digital utilization practices and cybersecurity threats facing middle market companies. The briefing highlighted findings from the Center's 2015 research report, *How Digital Are You? Middle Market Digitization Trends and How Your Firm Measures Up*, as well as Middle Market Indicator survey data specifically related to cybersecurity.

TOPICS

- + Overview of Cyber Policy
- + Cyber and the Private Sector
- + Trends in the Middle Market

SPEAKERS

- + **Vishal Chawla**, Cyber Risk Leader, Grant Thornton LLP
- + **Daimon Geopfert**, National Leader, Security & Privacy, RSM LLP
- + **Gary A. LaBranche**, CAE, FASAE, President & CEO, ACG Global
- + **Dr. Richard Schroth**, Executive Director, The American University's Kogod School of Business Cyber Governance Center
- + **Thomas A. Stewart**, Executive Director, National Center for the Middle Market

MIDDLE MARKET PERSPECTIVES ON GOVERNMENT SERVICES



A SPECIAL REPORT FROM THE NATIONAL
CENTER FOR THE MIDDLE MARKET

The Center took an election-year opportunity to ask middle market executives to evaluate the quality and impact of the government services they receive. The data reveal what's most important to middle market companies and how governments are doing when it comes to meeting the needs of this essential economic segment. The resulting report provides useful insights that regulators, policymakers, and civil servants can consider when deciding how to best serve these growing businesses.

KEY TAKEAWAYS

- + **The closer to home, the greater the satisfaction with the government services.** Middle market business leaders are more satisfied with the services provided by local governments than they are with state or federal services.
- + **Local government services deliver the greatest bang for the buck.** At the local level, 69% of companies believe they get at least some value from their local tax dollars, and almost a quarter say their money is very well spent.
- + **Middle market companies can mostly manage their regulatory burden, though they find it high.** Just 13% of middle market business leaders believe the regulatory burden is unmanageably high.
- + **Companies prefer interacting with local officials to interacting with Washington.** Only 44% of middle market executives say the work of federal government officials is up to snuff.
- + **Middle market companies struggle with the complexity of both regulations and taxation.** Given the choice, middle market companies across all revenue segments would elect to make taxes less complex rather than lower their bills.

Advancing Middle Market Growth Closer to Home

Over the past several years, the National Center for the Middle Market has advanced its metro area strategy, focusing in on middle market activity in major states and cities. By taking a local approach to researching and defining middle market activity, the Center is helping states and cities better understand the businesses and organizations that provide the jobs and drive economic growth in their areas.

THE MIDDLE MARKET COMMUNITY IN GREATER CLEVELAND

The Greater Cleveland Partnership (GCP)—one of the largest metropolitan chambers of commerce in the nation—has been a partner of the Center since the Center first opened its doors. Through this relationship, the Center has strengthened its presence and grown awareness of the middle market in the Greater Cleveland area by connecting with local businesses, media channels, and policymakers. The Center supplies the research and data that provides the fuel for ongoing media coverage and a variety of live events in the area, helping to keep the growing community of middle market stakeholders in Greater Cleveland connected and engaged.

In 2016, the Center's Managing Director, Douglas Farren, was invited to a seat on the GCP's new Middle Market Committee. The Committee is responsible for connecting and activating middle market organizations in Northeast Ohio, sharing information with its constituents on a variety of topics that are critical to the middle market, and shaping events including the annual Greater Cleveland Middle Market Forum. Having a seat at the table allows the Center to play an active role in all committee discussions and activities. Beyond sharing new research and insights, the Center has the unique opportunity to hear the needs and concerns of middle market companies in the area firsthand, which is critical to advancing the Center's metro strategy.

As in years past, the Center played an important role in the 2016 Greater Cleveland Middle Market Forum. The Center helped design and launch the event in 2012. In addition, the Center's Executive Director, Thomas A. Stewart, moderated a panel at Crain's Cleveland Business MidMarket Perspectives breakfast in November.

2016 GREATER CLEVELAND MIDDLE MARKET FORUM

MAY 12, 2016

In 2016, 175 middle market executives attended the GCP's premier middle market event. Representatives from the Center provided insights for the keynote address and panel discussions, and Center sponsor, SunTrust, attended this increasingly popular event.

Q1 2016 MIDDLE MARKET INDICATOR RESULTS

+ **Thomas A. Stewart**, Executive Director, National Center for the Middle Market

EXPORT READINESS PANEL DISCUSSION

+ **Prof. Oded Shenkar**, PhD, Academic Director, National Center for the Middle Market

RISK/CYBERSECURITY PANEL DISCUSSION

+ **Prof. Ralph T. Greco**, Director, Business Analytics Initiative, The Risk Institute, The Ohio State University Fisher College of Business

ATTRACTING TOP MANAGEMENT TALENT PANEL DISCUSSION

+ **Prof. Larry Inks**, PhD, Clinical Associate Professor of Management & Human Resources, The Ohio State University Fisher College of Business

CRAIN'S CLEVELAND BUSINESS MIDMARKET PERSPECTIVES



NOVEMBER 3, 2016

One hundred executives joined *Crain's Cleveland Business* to learn more about the thriving middle market sector and how their organizations can compete locally, succeed nationally, and impact globally. As part of the program, participants gained insight on how to work through the latest in government regulations that impact mid-sized businesses during a panel discussion featuring three local CEOs, moderated by the Center's executive director.

PANEL DISCUSSION: PLAYING NICE WITH UNCLE SAM

MODERATOR:

+ **Thomas A. Stewart**, Executive Director, National Center for the Middle Market

PANELISTS:

+ **Peter A. DiMarco**, Vice President, Tax Services Group, Meaden & Moore

+ **Brian D. Gale**, CEO/President, I.D. Images, LLC

+ **Steve Peplin**, CEO, Talan Products

CHICAGOLAND CHAMBER OF COMMERCE PRO-BUSINESS, PRO-CHICAGO



In 2016, the National Center for the Middle Market visited Chicago more than any other city, making new connections and strengthening existing relationships with organizations and mid-sized businesses in the area. The Center participated in a total of six events in the city over the course of the year, including the Chicagoland Chamber of Commerce Pro-Business, Pro-Chicago breakfast in November. As part of a series that supports the Chamber's Mid-Market Chicago initiative, the breakfast featured panels of local business leaders who have grown their companies in Chicago and continue to invest in the city and its people. Center Executive Director, Thomas A. Stewart, spoke about the middle market during the event's welcoming remarks.

PANEL DISCUSSION #1: WHY WE STAYED

PANEL DISCUSSION #2: WHY WE CAME



The Middle Market Indicator: Monitoring and Reporting Growth

The Middle Market Indicator (MMI) is the only comprehensive economic barometer on the health of the U.S. middle market. Since April 2012, the quarterly report has served U.S. media, business, and academic communities as well as policymakers by keeping these stakeholders current on key middle market growth indicators. In addition to tracking year-over-year revenue and employment growth, short- and long-term outlooks, economic confidence levels, plans for investments, and key challenges, the MMI takes a close look at company performance on several core equities, such as innovation, customer acquisition, talent, operational excellence, and access to capital. The report is based on a survey of 1,000 C-suite middle market executives.

In 2016, the National Center for the Middle Market released issues 17, 18, 19, and 20 of the MMI, representing our fifth year of data.

With each new release, stakeholders benefit from access to:

- + Year-over-year trend data on middle market revenue, employment, investment, confidence, and productivity
 - + Segmented data by industry, revenue size, region, and ownership structure
 - + Six state-specific reports profiling middle market performance and economic outlook in California, Florida, Illinois, Ohio, New York, and Texas
 - + Seven industry-specific reports detailing performance in the wholesale trade, retail trade, professional services, manufacturing, healthcare, financial services, and construction industries
-

INFORMING FUTURE RESEARCH

In addition, the Center uses the MMI survey as an opportunity to discover data on key topics that are important to middle market leaders. These insights help set the stage and shape the direction for future research projects, including those to be conducted and released in 2017.

In 2016, the MMI specifically looked at:

- + Middle market payment practices and preferences
 - + Use of and satisfaction with government services
 - + Cybersecurity
 - + Human resources recruiting and training practices
-





IN THE NEWS

MIDDLE MARKET INDICATOR HEADLINES

Media attention to the MMI continues to grow. In 2016, MMI reports earned 36 media placements resulting in more than 85 million verified impressions. Center officials participated in several interviews and met with the media in person on four separate occasions to discuss MMI results.

MIDDLE MARKET EXECUTIVES CAUTIOUSLY OPTIMISTIC ABOUT BUSINESS

Crain's Cleveland Business

MIDDLE MARKET ECONOMY DEMONSTRATES STABLE GROWTH; CHALLENGES PERSIST

ABL Advisor

MID-SIZED BUSINESSES ARE SEEING HIGHER REVENUE AND EXPANDING WORKFORCES

Inc. Magazine

MIDDLE MARKET REVENUE GROWTH QUICKENS, OUTLOOK BRIGHTENS, POLL SHOWS

Forbes

A REBOUND CONTINUES FOR MIDDLE-MARKET COMPANIES

Chief Executive Magazine

2016 MIDDLE MARKET TRENDS

IDENTIFIED BY THE MIDDLE MARKET INDICATOR

1Q 2016



69%

OF MIDDLE MARKET COMPANIES REPORTED POSITIVE REVENUE GROWTH



3.6%

EMPLOYMENT GROWTH OVER THE PAST 12 MONTHS



81%

OF MIDDLE MARKET LEADERS EXPRESSED CONFIDENCE IN THE LOCAL ECONOMY

2Q 2016



64%

OF MIDDLE MARKET FIRMS ENJOYED IMPROVED COMPANY PERFORMANCE



4.8%

ANTICIPATED REVENUE GROWTH FOR THE YEAR AHEAD



81%

OF MIDDLE MARKET COMPANIES EXPECTED TO ADD JOBS

3Q 2016



46%

OF MIDDLE MARKET BUSINESSES CONTEND WITH SHORT-TERM STAFFING CHALLENGES



6.3%

MIDDLE MARKET REVENUE GROWTH OVER THE PAST 12 MONTHS



64%

WILL INVEST CAPITAL

4Q 2016



5.4%

EMPLOYMENT GROWTH OVER THE PAST 12 MONTHS



65%

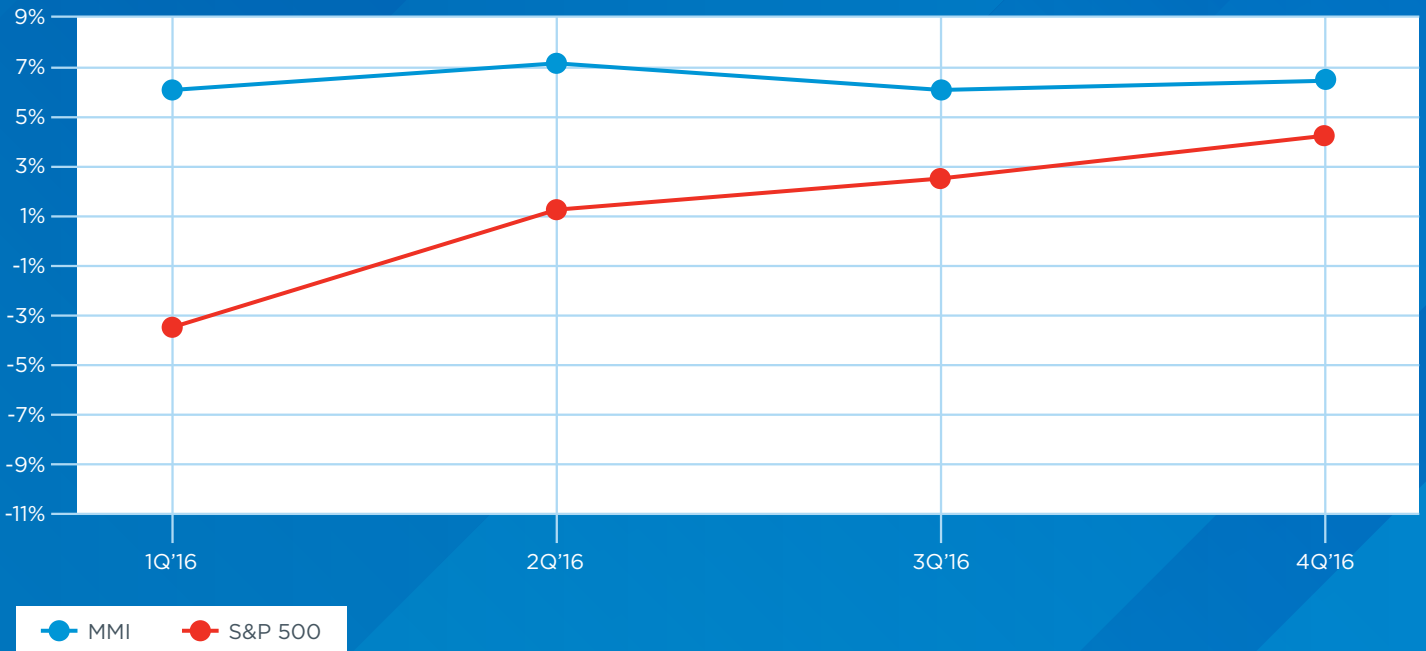
OF MIDDLE MARKET LEADERS ARE CONFIDENT IN THE GLOBAL ECONOMY



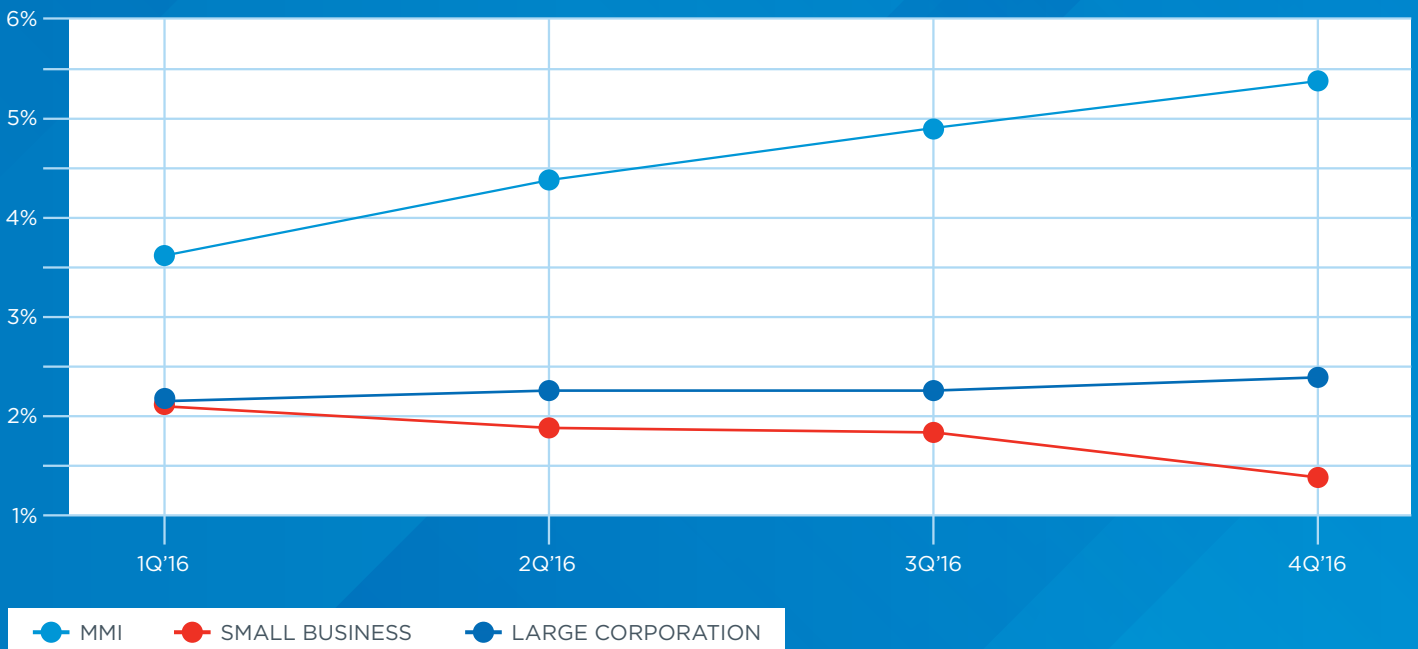
42%

OF FIRMS PLAN TO INTRODUCE A NEW PRODUCT OR SERVICE IN THE NEXT 12 MONTHS

ACTUAL REVENUE GROWTH



ACTUAL EMPLOYMENT GROWTH



STAY ON TOP OF MIDDLE MARKET GROWTH

Visit middlemarketcenter.org to download the latest Middle Market Indicator and infographic and view current trends. Be sure to subscribe for quarterly releases.

Engaging the Future Leaders of Growth

The middle market can often be overlooked by students in their coursework or future career aspirations; however, middle market companies continue to require new talent to support growth. The National Center for the Middle Market helps meet that need not only by educating, but also by actively involving business students in critical middle market issues and challenges. By providing unique, hands-on opportunities for students with middle market companies, the Center offers insight and connections that enhance the quality of students' education while bringing tangible value to middle market businesses.

In 2016, the Center was recognized for its innovative model for driving partnerships between universities and the private sector. In September, Dean Anil K. Makhija and Thomas A. Stewart, Executive Director of the Center, participated in an academic conference held at Rutgers University to explore the value created through industry collaborations with business schools. The Center was profiled as an example of how these relationships can be most effective.

“Over the last five years, The National Center for the Middle Market has proven to be a shining example of the power of collaboration between academia and industry.”

ANIL K. MAKHIJA

Dean and John W. Berry, Sr. Chair in Business, The Ohio State University Fisher College of Business



MIDDLE MARKET ASSOCIATION AT OHIO STATE

DRIVING ONGOING ENGAGEMENT BETWEEN STUDENTS AND COMPANIES

Officially established in the fall of 2016, The Middle Market Association at Ohio State was born out of business students' enthusiasm for staying connected to the middle market. Students at The Ohio State University, who were introduced to the middle market by participating in Center-sponsored activities such as the Middle Market Industry Cluster Program, Fisher Invitational Case Competition, and Middle Market Student Summit, wanted a way to learn more and stay involved with this critical economic segment.

The Association meets that need by providing educational events, guest speakers, site visits to middle market companies, and social activities. Members and guests of the Association gain a fuller understanding of the unique growth opportunities as well as challenges faced by mid-sized companies. Initially developed with business majors in mind, the Association currently has 17 members and will eventually evolve to include students from across campus in the effort to both learn about and support the middle market.

To learn more, visit the club's Facebook page at <https://www.facebook.com/MMAOSU/>.

"The Middle Market Industry Cluster Program was a great experience, and none of us were ready for it to end. The Association is really a unique opportunity to keep the experience going and to network with other students and business executives in a casual setting. How often do you get to sit down with leaders from businesses like Jeni's and ask questions about what the business world looks like and how you get into those key positions? It's really eye opening and insightful. Plus we're in the unique position to partner with the National Center for the Middle Market as a resource organization on campus. Not many student organizations have that level of support. We're very excited about growing our organization along with the Center."

GEENA RUDZKI

Middle Market Association President, The Ohio State University, Fisher College of Business, Business Administration, Marketing, Class of 2017

MIDDLE MARKET ASSOCIATION HIGHLIGHTS

 **17**
MEMBERS

 **5**
EVENTS IN FALL 2016

 OFFICIAL CHARTER
RECEIVED: **AUGUST**
2016



Middle Market Industry Cluster Program

UNIQUELY PREPARING STUDENTS FOR A FUTURE IN THE MIDDLE MARKET

The Middle Market Industry Cluster Program is part of a first-of-its-kind program at The Ohio State University designed to give undergraduate students an MBA-like learning experience while exploring an industry or economic segment. Business majors in their junior year participate in the program for a full academic year. During the fall semester, students attend presentations from middle market executives and make site visits to companies. In the spring, the students work in project teams on real business issues for those companies, presenting findings and recommendations at the end of the course. In 2016, the Center completed its second full year of the program and welcomed a new group of students in Fall semester to begin the third year.

2015-2016 MIDDLE MARKET INDUSTRY CLUSTER PROGRAM PARTICIPANTS



HOMAGE



RGBARRY
BRANDS



Ariens
COMPANY

CLUSTER PROJECT SPOTLIGHT: JENI'S SPLENDID ICE CREAMS BUSINESS CHALLENGE

Creating a formalized internship program to attract and engage young talent.

STUDENT TEAM

- + **Madison Daum**, Marketing & Logistics Major
- + **Ashley Keith**, Accounting & Economics Major
- + **Jordyn Mancini**, Marketing Major
- + **Heather Nielsen**, Finance Major

THE CORPORATE EXPERIENCE

ZOE SWITZER

Human Resources Leader, Jeni's Splendid Ice Creams

WHAT MOTIVATED JENI'S TO PARTICIPATE IN THE INDUSTRY CLUSTER PROGRAM?

A couple of things, really. First, we're a very community-oriented company, and OSU is such a critical part of our community. We wanted to support hands-on learning for the students. Second, the program provided a wonderful way for the students to get to better know Jeni's as a company, and hopefully love us even more. And finally, it's a way to perpetuate what's special about the middle market and to engage a new wave of smart thinkers who are committed to learning about this segment that we're a part of. It was really a win all the way around.

HOW DID THE PROGRAM HELP JENI'S SOLVE A BUSINESS CHALLENGE?

We had some hunches about what kinds of things are important to students when it comes to internships. Our project team did the research and put the data behind those assumptions, confirming some of our thinking while really rounding out our understanding of what is important in a meaty, substantial internship program. As a "foodie" company, we appreciate that our team gave us the whole recipe for creating an effective internship program, complete with solid suggestions and the research to back it up.

WHAT WAS YOUR BIGGEST TAKEAWAY FROM THE EXPERIENCE?

It made me really excited about the new generation of young people and how hard-working, smart, confident, and creative today's business students are. As a company, we benefited from their energy and their insights and the time and thought that went into the presentation. We very much enjoyed working with these students who clearly have so much potential.

THE STUDENT EXPERIENCE

JORDYN MANCINI

Marketing Major, The Ohio State University Fisher College of Business

WHAT MADE YOU DECIDE TO ENROLL IN THE MIDDLE MARKET INDUSTRY CLUSTER PROGRAM?

What interested me most was the opportunity to work with real companies on live business problems. I picked the Middle Market Cluster because of the great companies I knew would be involved.

WHAT DID YOU LEARN ABOUT THE MIDDLE MARKET?

It was really interesting to learn about how the middle market drives a large percentage of economic growth. One cool thing people might not know is that most sports teams are part of the middle market. We also learned about the culture in middle market companies; it's usually great, and people love their jobs. That has a lot of appeal for me as I consider my future career options.

WHAT WAS THE MOST VALUABLE PART OF THE EXPERIENCE?

It was great to work directly with top management, which I don't think is as common in larger companies. It was also exciting to see the impact our project could have. In a middle market company, everything you do has some sort of an effect. And it was really rewarding to be a part of something that may be eventually implemented and make a difference for the company.





2016 Fisher Invitational Case Competition

INTENSE COMPETITION. REAL BUSINESS RESULTS.

APRIL 7-9, 2016

Since 2012, the Center has sponsored the Fisher Invitational Big Ten Case Competition. Each year, this exciting event gives first-year MBA students from top business schools across the country a chance to go head-to-head with their peers to solve a live business case for a prominent middle market company. Students have just 24 hours to analyze and develop recommendations, which they present to a panel of business executives and company judges.

THE 2016 BUSINESS CASE: THE LIMITED

The Limited, founded by Les Wexner in 1963 in Columbus, Ohio, is an iconic women's fashion retailer offering high-quality, private-label apparel to sophisticated professionals. This year, market research revealed that the company did not have the market share it hoped for among Hispanic and African-American women. Looking for budget-conscious ideas to grow sales with these demographics, The Limited put this must-win challenge in front of some of the country's most talented MBA students.

Ten teams of four students each had the opportunity to tour two stores, hear from The Limited Chief Marketing Officer, and meet with the stores' merchandisers and members of the finance team. They took it from there, coming up with a variety of suggestions involving celebrating diversity, personally connecting with the target audience, and filling the role of fashion consultant. The teams fully explored their ideas and how they could be implemented, as well as the risks involved with their suggestions.

Ultimately, The Limited was most excited by ideas for diversifying its own team to better reflect its target market and by innovative, tech-based suggestions for expanding what they could sell in their stores without adding square footage.

CASE COMPETITION HIGHLIGHTS

 **24th**

ANNUAL CASE
COMPETITION

 **10**

TOP BUSINESS
SCHOOLS

 **36**

FIRST-YEAR
MBA STUDENTS

 **1st**

PLACE TEAM: THE OHIO
STATE UNIVERSITY

 **2nd**

PLACE TEAM:
PENNSYLVANIA
STATE UNIVERSITY

 **3rd**

PLACE TEAM: UNIVERSITY
OF IOWA

 **24 HOURS**

TO ANALYZE AND DEVELOP SOLUTIONS FOR A LIVE BUSINESS CASE

PARTICIPATING BUSINESS SCHOOLS

- + The Ohio State University
- + Pennsylvania State University
- + Purdue University
- + University of Illinois
- + University of Iowa
- + University of Maryland
- + University of Minnesota
- + University of Nebraska
- + University of Wisconsin
- + Washington University in St. Louis

THE RESULTS

“We received an infusion of fresh ideas, a unique view, and a different perspective for driving sales, all of which was refreshing for those of us who live this day in and day out. We are looking at potentially testing out a few of the ideas. Ultimately, we took away some very valuable ideas from super smart students, and we’re excited to see where that takes us.”

SHELLEY MCCRAY-MCKELVEY

AVP of Marketing and Client Insights, The Limited

CONNECT WITH TOP TALENT

Find out how your business can get involved with the Center’s student education initiatives, and see how the leaders of the future can make a difference for your organization today.

Contact the Center or visit middlemarketcenter.org.

Partnering for Greater Impact

From day one, the National Center for the Middle Market has actively pursued partnerships with national, regional, and local organizations that have a vested interest in the middle market's success. By joining forces with these entities, the Center reaches more middle market executives and stakeholders with critical content and programs. Partners also play an essential role in contributing to the Center's research efforts and offering new events and opportunities for the Center to get in front of its constituents.

In 2016, the Center developed three new partnerships with national organizations: the American Marketing Association, FedEx, and Vistage. In addition, as part of an overarching metro outreach strategy, the Center and its sponsors focused on developing partnerships at the local level. We started conversations and strengthened relationships with organizations in key cities including Cleveland, Chicago, Atlanta, and Dallas. Partnerships at the local level complement our national outreach efforts, allowing the Center to zero in and have a greater impact on the middle market businesses that lead growth in their respective cities.

2016 PARTNERSHIP HIGHLIGHTS

 **14**
PARTNERS

 **4**
RESEARCH INITIATIVES

 **14**
MARKETS VISITED

 **29**
EVENTS & PRESENTATIONS

 **7,500**
MIDDLE MARKET
STAKEHOLDERS REACHED

CENTER PARTNERS



MEET OUR PARTNERS

Visit the middlemarketcenter.org to learn more about our partners. Or contact the Center to learn how our organizations can work together to support middle market growth.



AMERICAN MARKETING
ASSOCIATION

Partner Spotlight: The American Marketing Association

With its 80th anniversary approaching, the American Marketing Association (AMA) is a well established, well known entity serving more than 3 million marketing professionals and 14 million sales professionals across the country. The AMA exists to shape marketing practice, and the organization has a long-standing devotion to the lifelong professional development of the individual marketer.

In recent years, AMA has been transforming itself as an organization to better meet the needs of a marketplace that is structurally much different today than it was a decade ago. As part of that transformation, the AMA has found its sweet spot in serving mid-sized companies, especially those between the \$50 million and \$1 billion range. Companies of this size are often just beginning to functionalize their marketing discipline and develop marketing departments, but they often lack internal resources and training infrastructure. The AMA can be an invaluable resource to these businesses as they define and develop a marketing function and capabilities for their firms.

A PARTNERSHIP BASED ON COMMON GROUND

As an alumnus of The Ohio State University, Russ Klein, President of the American Marketing Association, knew of the inception of the National Center for the Middle Market early on. In fact, he attended one of the Center's very first events. So when he was charged with leading the AMA's effort to better connect with marketers from mid-sized companies, he knew the Center would be a natural ally.

Initial conversations between the Center and the AMA confirmed what was "really a quite obvious alliance," says Klein. "It was as simple as reaching and saying, I've got a brand new pair of roller skates, and you've got a brand new key."

WORKING TOGETHER TO UNCOVER NEW DATA

The Center and the AMA began exploring the middle market through a sales and marketing lens to uncover specific challenges and best practices. Klein says there are clear differences that distinguish marketers and sales professionals in mid-sized organizations from their peers at larger companies. "They operate with fewer resources, wear more hats, and the list goes on," he says. "Our ability to hone in on those differences is what makes us valuable, relevant, and able to better connect with what's on the minds of professionals in middle market companies."

The research resulted in the Center's first major research report for the year (*The Force Is With You: Building a Highly Effective Sales Organization*). "Sales is historically overlooked in the context of marketing, and often seen as a nemesis, but in the classic sense, it's part of the sales discipline," says Klein. In sharing the research findings with its members, the AMA was clear to point out that the data suggest that more sales training, higher commissions, and closer relationships between sales and marketing may lead to increased corporate revenues. "These are insights that have real value to our members, and that is what we are always trying to put forward."

SHARING NEW FINDINGS ON AN ONGOING BASIS

"There's nothing more important than the relevance of your content," Klein contends. The AMA trusts the Center to provide content that speaks specifically to mid-sized marketer's needs. Beyond the joint research report, the AMA regularly shares the Center's research and insights in both the print and online versions of *Marketing News*, its flagship publication.

"As part of our transformation, we've moved away from being an original content creator to being a more aggressive curator, and the Center is an excellent partner for us on that front," Klein says. *Marketing News* staff writers maintain a great working relationship with the Center and leverage the Center's ongoing research for monthly stories and podcasts. "The Center helps us uncover those things that distinguish the middle market enterprise and, thereby, reveal insights into the needs and challenges of the marketer that other knowledge-based resources just don't cover."

A PROMISING FUTURE TOGETHER

"Both the Center and the AMA are in the early part of our journeys when it comes to supporting the middle market," Klein says. "So my view is that the opportunities going forward are endless. We're looking forward to what we can do together to continue to give our members relevant, useful information and insights that no one else is providing."



Growing Through Connections

Sharing content, insights, and thought leadership in a variety of forums helps create a lasting dialogue around the importance and contributions of middle market companies as well as their unique challenges. At the same time, events that bring middle market stakeholders together create networks and shared learning that can help pave the way to new and sustained growth.

In 2016, the National Center for the Middle Market and its sponsors hosted and participated in close to 30 conferences, summits, tradeshows, and other events relevant to the middle market, reaching more than 7,500 constituents in key middle market cities from New York to San Francisco. From serving as keynote speakers and panel moderators and members, to offering booth exhibitions at venues across the country, to hosting webinars on Middle Market Indicator findings and other Center research, the Center's robust events calendar provided countless engagement opportunities for executives, students, academics, and policymakers to come together to learn about and advance the middle market.



2016 EVENT HIGHLIGHTS

 **29**
EVENTS

 **7,500**
ATTENDEES

 **16**
KEY MIDDLE MARKET CITIES





Global Summit: Winning in the Americas

SEPTEMBER 15, 2016

COLUMBUS, OHIO

The Center, in partnership with The Ohio State University Center for International Business Education and Research (CIBER), hosted the Winning in the Americas Global Summit to share its latest research on trade and investment in the Western Hemisphere. The event attracted 75 business leaders who had the opportunity to hear a keynote address from a Washington insider as well as participate in three panel discussions featuring middle market executives and experts on critical issues related to middle market trade.

KEYNOTE SPEAKER

+ **Christina Sevilla**, PhD, Deputy Assistant, U.S. Trade Representative, Executive Office of the President

KEYNOTE PRESENTATION

Analyzing Emerging Risks, Trends and Opportunities

+ **Brett Bruen**, President, Global Situation Room, Inc.



PANEL ONE: WINNING IN THE AMERICAS RESEARCH AND NAVIGATING GLOBAL RISK MODERATOR & REPORT FINDINGS

- + **Thomas A. Stewart**, Executive Director, National Center for the Middle Market

PANELISTS

- + **Brett Bruen**, President, Global Situation Room, Inc.
- + **Mike Gasbarro**, President, Prime Equipment Group, Inc.
- + **Oded Shenkar**, Ford Motor Company Chair in Global Business Management at Fisher College of Business

PANEL TWO: KEY CONSIDERATIONS MODERATOR

- + **David Greenberger**, Associate Dean, Fisher College of Business

PANELISTS

- + **KC Conway**, Sr. Vice President, CRM & Chief Appraiser, SunTrust Banks, Inc.
- + **Eric Johnson**, International Tax Leader, Grant Thornton LLP
- + **Mark Klein**, Regional Director, U.S. Export-Import Bank, Chicago, IL
- + **Andy Shafran**, Vice President, International & Digital Business, Highlights for Children

PANEL THREE: NEXT STEPS/FUTURE MODERATOR

- + **Kenny McDonald**, President & Chief Economic Officer, Columbus 2020

PANELISTS

- + **Patrick Krissek**, Mexico Desk Officer, U.S. Department of Commerce, Office of North America
- + **Danielle Milam**, Executive Vice President - Latin America, Franklin International
- + **Gary Moore**, Former President & COO, Cisco; Executive in Residence, Fisher College of Business

JOIN THE CENTER IN A CITY NEAR YOU

Visit middlemarketcenter.org to learn about and register for upcoming events, or to get the highlights from our past events.

Helping the Middle Market Meet Big Challenges

More and more, cybersecurity is topping middle market executives' list of challenges. Recent research by the National Center for the Middle Market shows that 86% of companies believe cybersecurity is an important concern for their business, but just 45% have an up-to-date cyber risk strategy, and nearly one-third of firms have no strategy whatsoever.

To help address this issue, the Center launched its first ever online Resource Center in December 2016 to provide tools and resources middle market firms can use in their cyber risk planning efforts. The Cybersecurity Resource Center, located at cybersecuritycenter.middlemarketcenter.org, features content sourced from public and private sector experts, as well as academics, chosen for its excellence and relevance to the cybersecurity concerns of middle market companies. Center staff worked with an advisory team from the faculty of The Ohio State University Fisher College of Business and NCMM sponsors Cisco Systems, Grant Thornton, and SunTrust Banks to create the Resource Center. It is designed to become a go-to source of support as mid-sized firms analyze their cybersecurity risk level, develop training and processes, and select and deploy technologies in order to prevent, respond to, and recover from cyber attacks.

The new Cybersecurity Resource Center demonstrates the Center's commitment to providing middle market companies usable tools and immediately implementable resources that can help solve their challenges. The new Resource Center will be a model for future Center-hosted sites on other critical middle market topics.

CYBERSECURITY RESOURCE CENTER FEATURES

- + Cybersecurity self-assessment framework for determining a company's cyber risk level.
- + The Cisco Global Malware Heat Map to provide a real-time picture of where common threats are originating.
- + Informational videos and tutorials for solving specific cybersecurity challenges.
- + Breaking news articles on best business practices, industry trends, high-profile security breaches, and more.
- + A carefully chosen and curated selection of research reports and whitepapers from government agencies, technology companies, law and consulting firms, and elsewhere.

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THE MIDDLE MARKET

CYBERSECURITY RESOURCE CENTER

UNDERSTAND YOUR RISK

MANAGE THE HUMAN FACTOR

IMPLEMENT ROBUST PROCESSES

MAKE SMART TECHNOLOGY CHOICES

Cybersecurity in the Middle Market

Cybersecurity is the protection of information and systems from theft, damage and unauthorized access. Cyber criminals are their most likely to acquire data of organizations owned or controlled in the U.S. When sensitive data is exposed, it puts the firm at risk of financial damage, business disruption, data loss, and possible litigation. There is no one-size-fits-all solution for cybersecurity. The framework to manage cybersecurity is heavily managed in terms of people, processes, and technology. All three of them must be managed, monitored, tracked and often in sync. All of this must be tailored either on-site or understanding of your overall business goals.

UNDERSTAND YOUR RISK

It takes a holistic cybersecurity approach that goes beyond technical fixes. It takes a holistic risk-based approach that is centered on the business. The security professionals will be on the front lines of a security strategy. It is not just about protecting your data. It is about protecting your business. It is about protecting your reputation. It is about protecting your future. It is about protecting your customers. It is about protecting your employees. It is about protecting your investors. It is about protecting your partners. It is about protecting your community. It is about protecting your country. It is about protecting your world.

MANAGE THE HUMAN FACTOR
Learn how to identify, manage and control the human factor in your cybersecurity strategy.

IMPLEMENT ROBUST PROCESSES
Learn how to establish policies, procedures, and standards that your people can get right to work better.

MAKE SMART TECHNOLOGY CHOICES
Learn about existing threats and how to address them, managing digital innovation and managing cyber risks.

SPECIAL REPORT

Cybersecurity and the Middle Market

There is a clear need for the middle market to move beyond cybersecurity. It is about protecting your business. It is about protecting your reputation. It is about protecting your future. It is about protecting your customers. It is about protecting your employees. It is about protecting your investors. It is about protecting your partners. It is about protecting your community. It is about protecting your country. It is about protecting your world.

Self-Assessment: How well do you understand your risk?

Use this self-assessment to better understand your cybersecurity risk and to identify areas for improvement. It is a free tool that can help you assess your cybersecurity risk and to identify areas for improvement.

MALWARE SENDER THREAT MAP

Today's Top Malware Senders

China (38%)
Russia (25%)
United States (15%)
South Korea (10%)
India (8%)
Brazil (5%)
France (4%)
Germany (3%)
Japan (2%)
Canada (2%)

Software

2016 Research Digital Quarterly: Cyber Resiliency - The Digital IQ

As cybercriminals increasingly target middle market firms in sophisticated ways, it is important for these firms to understand the risks and to take steps to protect themselves. This report provides a comprehensive overview of the current state of cybersecurity in the middle market and offers a number of key recommendations for how to better protect and improve the security of your business.

[View Report](#)

Software

As social engineering activities increase, buyers beware of tech support scams

As the threat landscape continues to evolve, middle market firms must be vigilant in identifying and addressing the risks of social engineering. This report provides a comprehensive overview of the current state of social engineering in the middle market and offers a number of key recommendations for how to better protect and improve the security of your business.

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Software

Cyber Insurance Part I: A new industry for middle market firms

Cyber insurance is a critical component of a middle market firm's risk management strategy. This report provides a comprehensive overview of the current state of cyber insurance in the middle market and offers a number of key recommendations for how to better protect and improve the security of your business.

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Featured Content

Cybersecurity and the Middle Market

There is a clear need for the middle market to move beyond cybersecurity. It is about protecting your business. It is about protecting your reputation. It is about protecting your future. It is about protecting your customers. It is about protecting your employees. It is about protecting your investors. It is about protecting your partners. It is about protecting your community. It is about protecting your country. It is about protecting your world.

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Cyberplanner

Information technology and digital assets are great enablers of small business success. But with this benefit comes the need to guard against growing cyber threats. An expert cybersecurity risk expert is essential. This report provides a comprehensive overview of the current state of cybersecurity in the middle market and offers a number of key recommendations for how to better protect and improve the security of your business.

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WORD OF THE DAY

Passing Off

Making one representation about goods in order to sell them as another brand.

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VISIT THE CYBERSECURITY RESOURCE CENTER

To learn more or experience the Resource Center firsthand, visit cybersecuritycenter.middlemarketcenter.org.



NCMM Goals

As the NCMM enters its sixth year, we will focus on both continuity and change: Strengthening and improving the platforms and programs we have been developing, and piloting new ways to conduct and deliver research and connect with executives and other audiences.

IN 2017, WE WILL:

Continue expanding the body of knowledge for middle market leaders. The NCMM is the most important source of rigorous, practical research focused on the unique challenges and special opportunities of middle market companies. Our 2017 priorities include studies that will help these companies strengthen workforce skills, improve customer experience, deal with vendors and suppliers, and pursue inorganic growth. We will also refresh our foundational data on the U.S. middle market through the U.S. census and other sources.

Grow our footprint in key metropolitan areas. Our strategy of creating “activated” middle market communities in major metropolitan areas will continue in Atlanta, Chicago, Cleveland, and Dallas, while launching new campaigns in Philadelphia and other key middle market metros.

Pioneer new content delivery platforms. While maintaining our full calendar of Middle Market Indicators, flagship research, and academic grants, the NCMM will expand its ability to reach audiences in new ways. The Cybersecurity Resource Center, launched at the end of 2016, is the first of these; we will also roll out more interactive tools and video, explore ways to use analytics to discover new insights from existing data, and launch an NCMM podcast.

Deepen student engagement. In addition to continuing the Fisher Case Competition, Middle Market Industry Clusters Program, and a new Middle Market Student Club, we will collaborate with Fisher College Executive Education to launch a redesigned executive education program for middle market leaders.

LEADING FROM THE MIDDLE

2013 National Middle Market Summit



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