Chicago
Small to Mid-sized Business (SMB)
Outlook for 2012

President's Resource Group
The INSIDER Briefing

The President's Resource Group (PRG), a group of eight members who lead SMB organizations based in the Chicago area, collaborate on an annual outlook . Early in 2012, the members weighed in on these three questions:

- **Do you think 2012 will be better for business than 2011 was for your clients?**
- **What do you see that supports your opinion?**
- **What advice are you giving clients for 2011?**

Our PRG members lead companies that specialize in Strategic Marketing Services, Management Consulting, Business Engineering, Architecture and Design, Legal Services, Wealth Management, Employee Benefits and Merger/Acquisition and Capital Structure Services—and serve a diverse mix of cross-industry clients.

Here's what they have to say.

Pat Palmer, President
Marketplace Partners, LLC
Strategic Marketing for Profitable Growth

2012 Outlook:
2012 will be a better year. Consistent client comments indicate that as economic trends are steadily improving more focused discussions about top-line revenue, hiring and growth have become a priority in their planning process.

What We're Seeing:
An Outbreak of "Social Media Craziness Syndrome"

Our clients, owners and executives who lead professional and business services organizations, are savvy people whose internal operations are generally stable. They– admittedly–do *not* excel at the top-line revenue initiatives that most consistently drive profitable growth. More than ever, they are raising questions about cost effective ways to develop critical revenue drivers such as new services, service line extensions, entry to new markets, effective outreach to current clients for add-on business and more rapid prospect qualification. We are hearing big questions about "where to place our bets" and the ROI for various sale/marketing programs; these questions are generally coupled with historically lackluster insight about their programs. This situation has set the stage for "grabbing at the glitz" of social media as a panacea - and it is a fine way to waste considerable amounts of time and money. The siren-song of “mobile” and “web” seems to cause perfectly rationale, savvy professionals to lose perspective and become ready to act on “hype” versus a business case. This can be a costly affliction and it seems to be contagious, so stay alert.

What We’re Advising:
The economy is still frail and resources are still constrained so clear insight about the following is essential in order to be prepared for the upside of 2012:

1) Take a fresh look at how to drive top-line revenue. External viewpoints are helpful especially when recent years have been so focused on cost-take-out.
2) Plan from “inside the head” of your executive level buyers. Talk with your clients and prospects as though you were looking over their shoulder when they noted the top priority issues that concern them but which must be addressed this year.
3) Act like a brain surgeon. Remove, repair and/or add - *very carefully* - only those elements that are vital to the health of your business’ top-line growth and overall profitability.

Contact Pat Palmer: ppalmer@marketplace-partners.com

Tom Caprel, President
Breakthrough Results, Inc.

2012 Outlook:
Yes, 2012 will be a better year. It’s as if the fog has lifted from the highway and drivers can now see the road which will lead them to their destination. 2009 and part of 2010 were paralytic; the bad news was so fast and furious everyone just stopped making decisions except for the ones which were required to survive.

What We’re Seeing
The last part of 2010 and all of 2011 loosened up a bit, some cuts were restored, some semblance of stability returned. We are hearing that 2012 could be the year many firms begin to experience momentum and an upturn in their business. Late last year and in the early weeks of this year, 2012 planning has focused on investments in new lines of business, hiring new leaders to fill leadership gaps, treating their businesses as a generative asset and looking for return on investment rather than who/what to cut or how to survive.

What We’re Advising
By all means we aren’t out of the woods yet; everyone I advise is still in a cautious stance, not letting their guard down, lest another economic “surprise” arises. However many of them are encouraged by the burgeoning electronic/mobile economy and the opportunities for true global commerce for even smaller enterprise.

Contact Tom Caprel: tom@break-through.us

Richard J. Lofgren, P.C.
The Entrepreneur's Legal Resource

2012 Outlook:
Yes, we predict that 2012 will be a better year.

What We’re Seeing:
This year has begun with a lot activity from ELR clients. It appears that business owners are releasing some of their pent up anxiety and moving forward with decisions and transactions they have been

putting off. To this point, ELR has recently been retained by several business owners to revisit and/or prepare the requisite owner buy-sell agreements in order to address future business succession and requested by other business owners to review and strengthen their professional service agreements. That said, I am seeing positive movement akin to a crawl. Slow but positive movement nonetheless.

The general marketplace appears to support this new found modest optimism. The job and unemployment numbers are slowing improving, especially with the all important new job creation in the manufacturing arena. While the real estate market has certainly not recovered, it appears to have at least hit bottom. And while mortgage rates are at all time lows, the obvious trick is being able to take advantage of them.

What We're Advising:
Cautious optimism. Continue to be hawkish as it relates to unnecessary expenses. However, those businesses that have survived the difficult last several years are poised to be meaner and leaner and more competitive. As the economy begins to strengthen, businesses should be positioning themselves strategically and tactically to take advantage of what will undoubtedly be upcoming opportunities due to the restructured business landscape.

Contact Richard Lofgren, P.C.: rlofgren@elrlaw.com

Ronald E. Wajer, President
Business Engineering, a Division of R.E. Wajer and Associates, Inc.

Outlook for 2012:
We are bullish about 2012. There is a level of optimism in our clients and prospects that has been absent for the last four or five years.

What We're Seeing:
We have seen a good deal of activity from our clients. It began late in 2011 and continues into 2012. This includes plans to move to larger facilities, upgrading information technology, and installing automated equipment. Many of them are positioning themselves for growth in 2012 and beyond by making critical investments now. These activities are not restricted to specific industry sectors. We have seen these trends in metal fabricators, chemical processors, consumer products, food manufacturers and automotive parts manufacturers as well as distributors of repair parts, paper products, foods, and retail merchandise.

In addition to plans for facilities, technology, and equipment, we have seen another big shift. There is an emerging trend to evaluate bringing products back from overseas manufacturing sources. This "reshoring" applies primarily to consumer products that are sold through big box retailers and home centers. Domestic manufacturers are evaluating this decision based on their total cost including shipping, quality, and customer responsiveness. Using this type of analysis, it is usually more cost effective to manufacture domestically. This trend fuels optimism because it will mean more new jobs and the utilization of dormant plants and equipment.

What We're Advising:
Our message to clients hasn't changed over the past five years and won't change in the future. We urge them to keep on reducing costs and continuously improving their operations. In a down economy, it's necessary to maintain profit margins as revenue gets squeezed; in a growing economy companies need to maintain a competitive advantage as new competitors, products, and processes enter the marketplace.

Contact Ron Wajer: rewajer@busnengg.com

David Kennedy, Principal
PPK Architects

2012 Outlook
We see 2012 as an improvement over last year.

What We're Seeing
Our project backlog has been growing in recent weeks – an encouraging sign of a general economic upturn. We see an improvement in inquiries for design services and an increase in contracts. The housing market, which is very important to the U.S. economy, has shown a few signs of improvement with very low interest rates. Our business, which has been dependent on housing and its related industries, has improved based on an increase in housing projects, but primarily due to our ability to secure more diverse project types. We are seeing growth in affordable senior housing renovation of rental housing and retail renovation. In general, health care related work is strong and we see this demand increasing in the near future as several mergers and acquisitions have increased the demand for new and renovated facilities. Our medical office expertise has been beneficial to clients interested in new and expanded facilities.

What We're Advising:
Take action on new projects if you can. Labor rates are competitive in the construction industry. Even though material costs have escalated, overall construction costs are relatively low. This has been beneficial to clients who are opting to build this year because they are anticipating increases next year. Although there is continuing uncertainty, especially in an election year, we are optimistic about 2012 and we encourage our clients to capitalize on this point-in-time opportunity.

Contact David Kennedy: dmk@ppkarchitects.com

Steve Gadomski, CEO
VantagePoint Benefits Advisors, Inc.

2012 Outlook:
I am bullish and do believe 2012 will be better vs. 2011 for our clients.

What We're Seeing
Since we handle Employer Insurance/ Benefits and their employee enrollments, we can see that our clients are recently adding new employees to their payroll. The range of industries adding to their employees ranks includes manufacturing and professional service firms. I do not see growth for our non-profit clients that include municipalities and park districts. We forecast moderate hiring and reduced Insurance premiums vs. 2011. 2012 Health Insurance Renewals are down 4-7 % vs. 2011 premiums.

What We're Advising:
We are encouraging our clients to continue to manage their Employee Benefits and Insurance like a business asset that requires expert attention. Take advantage of the reduced premium increases by offering enhanced plans to retain key employees and remain competitive in attracting new employees. Health Care Reform will trigger changes in 2014 that cause us to recommend looking at bold and creative alternative employer benefits packages including High Deductible and partially Self Funded health plans. The economy is likely to hold steady or improve so a company's most precious commodity will continue to be its employees.

Contact Steve Gadomski: steve@vantagepointben.com

Art Littlefield, Managing Director
Financial Strategies & Solutions Group

2012 Outlook:
We hear “mixed messages” about the outlook for 2012. We hear uncertainty about access to capital, international financial complexities and government turmoil - all issues our clients are talking about.

What We’re Seeing
One topic, in particular, comes up often these days. Our clients are thinking about – asking us about – retirement. The questions hover around “What Will Mine Look Like?” We believe all the economic turmoil and uncertainty that dominates the news has caused many thoughtful professionals to question their past assumptions about retirement.

Big questions about retirement have us using our insight to help clients evaluate paths to a predictable, secure retirement. We look into (quickly disappearing) employer pensions. Social Security, 401 (k) / 403(b) retirement savings plan, after-tax retirement savings, cash value life insurance policies, home equity and more. Market fluctuations add to the complexity of these evaluations.

We also help clients understand where they are on their wealth building journey and how that affects their retirement. We do not believe there is a one-size-fits-all approach to retirement planning and we customize our services for “Optimizers” and “Guardians”. “Optimizers” are typically mid-life professionals beginning to realize they have more complex needs and investments to address, and “Guardians” are often older professionals who have amassed significant assets and need to protect and leverage them in sophisticated ways.

What We’re Advising
Get help from the experts. Many clients are unaware of how the financial services industry has made changes to their retirement product offerings. Some of the complexity involves tactical managers vs. the traditional “buy and hold” approach; guaranteed income withdrawal base products with lifetime income, investments lacking correlation to the stock and bond markets – and more. We de-mystify the complexity of these complex offerings and choices. We compliment attorneys, brokers and other advisors and facilitate a coordination of efforts to create an effective outcome for each client.

Contact Art Littlefield: aslittlefield@fssg.biz

To learn more about the President’s Resource Group and its member companies, visit www.marketplace-partners.com—click President’s Resource Group in the upper right hand corner.
Questions: Contact Pat Palmer (877-250-7524)