

A study conducted by  
**Clark Schaefer Hackett**  
and the European American Chamber  
of Commerce, Greater Cincinnati



2015 GREATER CINCINNATI

# Climate for Transatlantic Business Development



**CLARK SCHAEFER HACKETT**  
CPAs & BUSINESS CONSULTANTS



europa  
**american**  
chamber of commerce  
greater cincinnati



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The European American Chamber of Commerce and Clark Schaefer Hackett thank the individuals who completed the survey. We also gratefully acknowledge the work of Keri Grubbs, Digital Marketing Strategist; RueMel Lambcke, Industry Marketing Specialist; and Ben Miller, Web Developer at Clark Schaefer Hackett, and of Dollie Diller and Susan Rosenberg at the European American Chamber of Commerce, Greater Cincinnati.

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Dear Colleagues,

We thank everyone who participated in the 2015 Greater Cincinnati/Northern Kentucky Climate for Transatlantic Business Development. This marks the second annual study of transatlantic trade between the Greater Cincinnati/Northern Kentucky region and countries in Europe.

Business insights and projections from the executives of U.S and European companies in the tri-state are essential to understand and address challenges and opportunities. Last year's study identified the "skills gap" as a key issue, leading to the development of the European American Chamber of Commerce (EACC) Skills Initiative and the current evaluation and pilot programs of German company Festo Didactic, global leader in technical education and training. This year, we observe that many survey participants are aware of this initiative.

For 2015, findings from our key questions show projected change in transatlantic trade. This year's survey finds that half of the companies responding project growth in 2015 in this region; and nearly three-quarters (72%) project growth in other regions of the United States. These compare favorably with the third (34%) anticipating growth in Europe.

We see from this study and the 2014 edition that the Greater Cincinnati/Northern Kentucky region is a good place for transatlantic trade. Manufacturing growth and management staff increases are both predicted in this region by around 6 in 10 respondents, with sales growth and distribution growth predicted for other parts of the U.S. by 8 in 10. These are robust predictions dependent in part on broader economic trends and in part on collaborations, partnerships and access to resources.

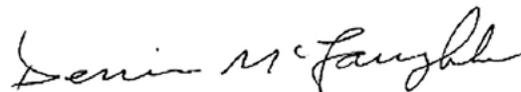
Priorities for continued growth and investment in the region by "inbound" companies include strengthening skills within the labor force and continuing to provide a high quality of life for European employees working in the region. For the "outbound" companies, priorities include access to expertise for working in Europe, including legal, regulatory, and other experts, plus assistance for assessing risk and opportunity for expansion in Europe.

These are topics the EACC and Clark Schaefer Hackett tackle daily with their members and clients, and we encourage you to further learn about our combined expertise and reach out to us with concerns and questions. Thank you for providing us with opportunities to serve your company as it grows.

Sincerely,



Anne Cappel  
Executive Director  
European American Chamber of Commerce



Dennis McLaughlin  
Shareholder, Clark Schaefer Hackett  
Board Member, EACC

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## SUMMARY & KEY FINDINGS

This is the second in a series of studies about why European companies select the Cincinnati region for transatlantic trade – and why regional firms expand to grow their business in Europe. This is part of an overall **strategy to expand business opportunities** in this region for international firms and for exports and business development with the European market.

- Among surveyed companies, **90 percent see growth in the coming year in the U.S.** Half expect to grow in the Greater Cincinnati/Northern Kentucky region in the coming year, which is the same as the result for 2014. In a marked improvement over 2014, **nearly three-quarters project growth in other regions of the U.S.** In addition, for 2015 more **than a third project growth in Europe.**
- **Nearly three-quarters of companies recommend Cincinnati** as a location for others engaged in transatlantic trade. This is a strong endorsement for the Greater Cincinnati region as a location to reach U.S. markets and for export by regional firms to European customers.
- **Greater Cincinnati/Northern Kentucky meet the needs for transatlantic trade** for at least 7 in 10 respondents. This includes cargo delivery, distance from customers and suppliers, and services available in the region. Access to skilled labor remains a concern, as it was in late 2013. The EACC Skills Initiative, now underway, is working to address this.
- Based on the direction of flow of products and services, more **Outbound companies predict growth in the Greater Cincinnati region and in Europe** than do Inbound companies. Outbound companies project growth in all areas: overall, manufacturing, management, sales, and distribution.
- **Sales in North America and business taxes are key for both Inbound and Outbound growth.** Inbound and Outbound companies identified these two drivers among six possible options when asked the same questions about their investment in transatlantic trade.
- **Inbound companies look for skilled labor, high quality of life.** These two factors, along with sales and taxation, ranked highest for determining additional investment in the region.
- **Outbound companies are looking for more assistance for business expansion in Europe.** Among possible options, Outbound firms prioritized assessing risk and opportunities for expansion, access to legal expertise, and help with compliance issues for the European market.
- **The EACC is seen as a valuable partner,** but a lower share in this survey (compared with last year) already knew about its services. Many **EACC services address needs identified by both Outbound and Inbound companies** engaged in transatlantic trade.

## UNDERSTANDING TRANSATLANTIC TRADE IN THE REGION

Agenda360 for Cincinnati calls for additional business growth in this region, including efforts to leverage new and existing economic clusters; create a world-class health center; and protect air service.<sup>1</sup>

Among the possible strategies is to leverage the region's existing strengths in transatlantic trade to recruit and retain European investments and to support further growth for Greater Cincinnati companies through European expansion.

The region is already strong in transatlantic trade. The Cincinnati USA Partnership for Economic Development estimated in 2011 that 250 European companies have operations in the Greater Cincinnati area, offering 30,000 jobs and 290 facilities. There are an additional 150 or so companies from other parts of the world that also have operations in Cincinnati. Through this exploration of what brings firms to Cincinnati and what propels existing firms here to expand into Europe, we will add additional capacity to drive forward the Agenda360 goals for continued economic growth.

This report is the second annual survey. Results are based on questions distributed in fall 2014 and early winter 2015. The findings build on a study released at a January 2014 summit organized by the European American Chamber of Commerce, Greater Cincinnati.

Goals for the series of studies are:

- ❖ Develop more transatlantic trade opportunities for businesses in Greater Cincinnati and attract more European firms to this region.
- ❖ Identify impediments to expansion that can be addressed through leadership, policy, or investment.
- ❖ Provide quantitative and qualitative information about “Inbound” and “Outbound” trade within the Greater Cincinnati region that will help achieve the first two goals.
- ❖ Provide a gap analysis to assist the European American Chamber of Commerce of Greater Cincinnati in creating programs and facilities that respond to what business people identify as critical needs to continue to grow in this area.
- ❖ Inform policy makers, decision-makers and media about transatlantic trade and its vital role in the Greater Cincinnati economy.

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<sup>1</sup> “Business Growth”. Agenda 360, [http://www.agenda360.org/agenda360.aspx?menu\\_id=303&id=13413](http://www.agenda360.org/agenda360.aspx?menu_id=303&id=13413)

## 9 IN 10 TRANSATLANTIC COMPANIES PREDICT GROWTH IN U.S.

Combined, 90 percent of responding companies predict growth in Greater Cincinnati, in other regions of the U.S., or in both.

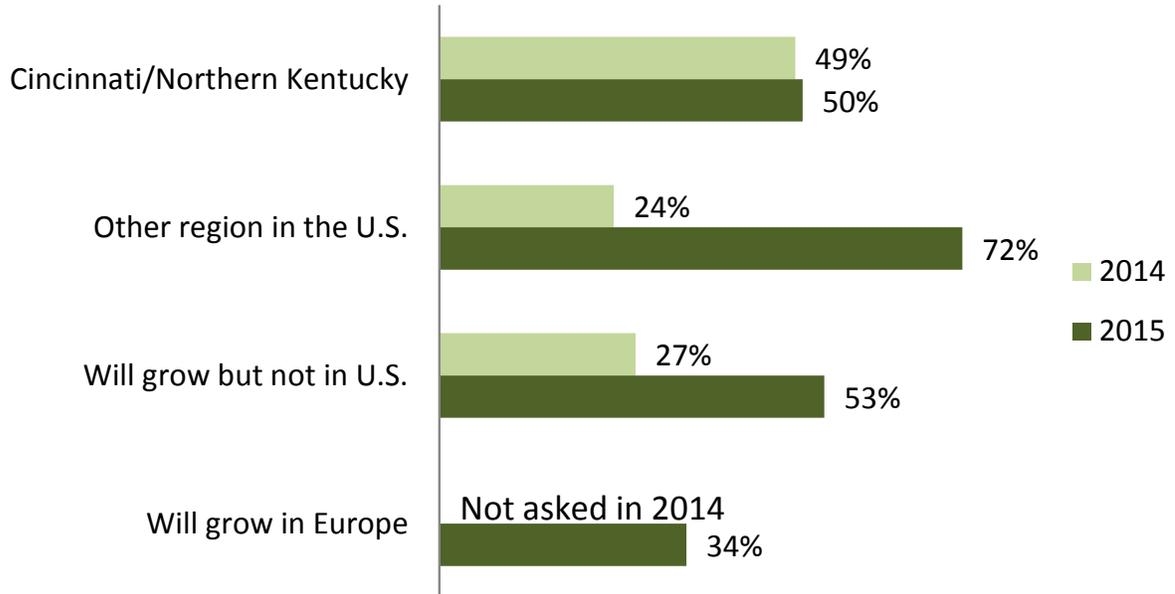
As shown in Figure 1, half of the companies surveyed anticipate growth in the Greater Cincinnati region in the coming year. A larger share (around three-quarters) project growth elsewhere in the U.S. Growth in Europe is considered less likely in the coming year. For the longer-term (three to five years), approximately 50 percent of firms predicted growth in Greater Cincinnati and in Europe, and around three-quarters think their business will grow elsewhere in the U.S.

**Figure 1: Cincinnati is second most-frequent area for growth in near- and longer-term future**



In comparison with last year, a much higher percentage of firms predict growth in the U.S. and elsewhere.

**Figure 2: Higher shares predict growth in U.S. and in Europe in 2015**



### Prospects for Growth

“We are a small creative company. We could grow significantly with the use of working capital and experienced partners.”

“Europe has been an important market for our company. There are also some suppliers there that we have had very good success with and have built a good relationship with over the past five to ten years. Keys to success have been lots of communication about expectations on both sides.”

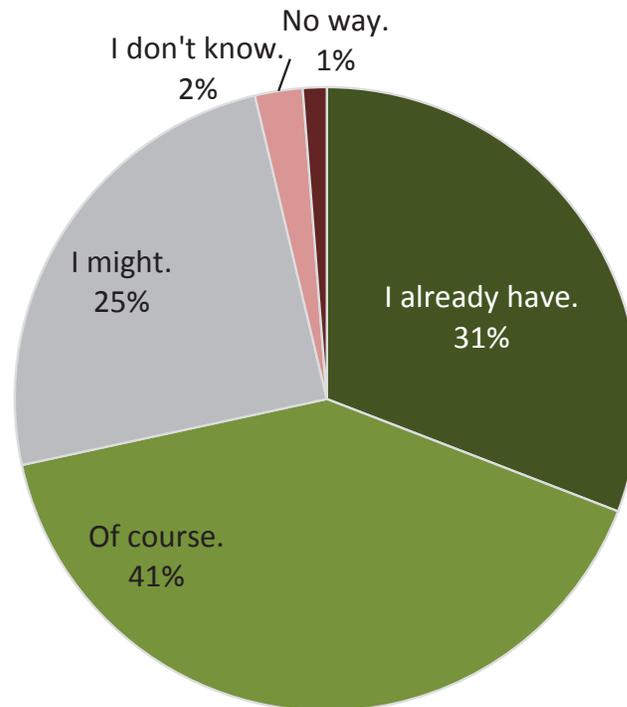
“All worldwide regions are looking for strong economic models – so we are asked to do a lot of pilots and demonstrations. . . as trailblazers, within reason we will collaborate to assure they have a good representation of the savings in health care costs associated with our model.”

“The U.S. Commercial Service has a process to help find business partners in Europe. . .it is not time to have employees in Europe - too expensive for us right now - so our first priority are resources like what the U.S. Commercial Service provides - simply finding level one contacts in European countries. Level one contacts being distributors knowledgeable in our industry and capable of being sales agents.”

## MAJORITY RECOMMEND GREATER CINCINNATI/NORTHERN KENTUCKY

Combined, 72 percent of respondents engaged in transatlantic trade in the Greater Cincinnati region, and have or would, recommend Greater Cincinnati/Northern Kentucky to others. Very few – just 1 percent – say they would not recommend this region.

**Figure 3: Almost 3 in 4 recommend the Greater Cincinnati region for business between Europe and the United States**



Companies that are engaged in both directions of transatlantic trade largely shape this high score. For firms that direct products and services in both directions across the Atlantic, 85 percent have already or would recommend Cincinnati. This is statistically significantly higher than for either Inbound-only companies (51 percent) or Outbound-only companies (53 percent).

### “Inbound” respondents on why Cincinnati is great

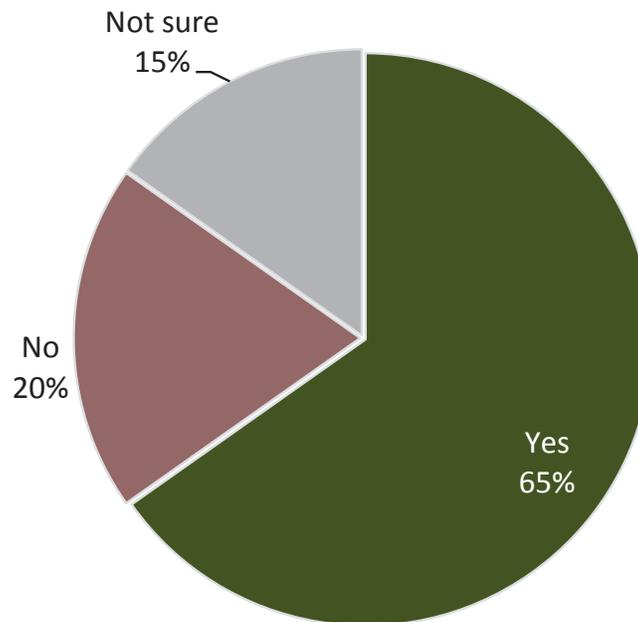
“The Greater Cincinnati region is . . . within a 1-day shipping point to nearly 80 percent of our customer base. It was a hub for international air cargo . . . This region also has been very competitive and attractive for incentives to companies as well.”

“[We came to Cincinnati because of] a deep and professional location investigation with both internal and external experts supporting the process. The location reveals to be a strategic location regarding our NAFTA business as well as a central distribution point, which enables us to reach 60 percent of our customers within one day by truck. But also quality of infrastructure, availability of skilled workforce, price level.”

## WHY IS CINCINNATI A GREAT LOCATION?

Two-thirds of respondents (65 percent) report that the Greater Cincinnati/Northern Kentucky area has met their company's expectations for transatlantic trade. This is true for manufacturing companies (58 percent say yes) and for firms in other industries (75 percent say yes). Other industries include wholesale trade; information; professional, scientific and technical services; finance and insurance; transportation and warehousing; and management of companies.

**Figure 4: Two-thirds say Greater Cincinnati has met expectations**



### Comments about Transatlantic Trade in the Region

"Results are the ultimate measure of whether 'it's working or not.' Our substantial growth, expansion and progress speak very effectively to this point. Cincinnati has met our fundamental expectations and we have in turn rewarded 'each other' with a growing, thriving business with strong prospects for the future."

- Inbound and Outbound manufacturing firm with operations globally

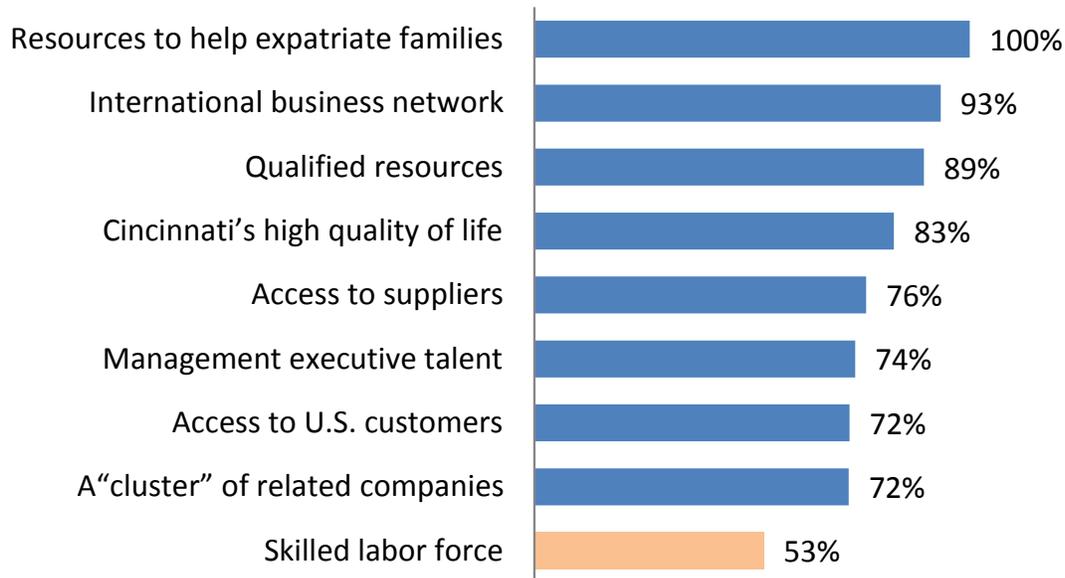
"Good geographical location. Reasonably good climate. Good place to raise children and grandchildren. Attractive cost of living. Excellent Music Hall, museums, theaters. Flights to New York at that time were very affordable, Delta offered special weekend rates. (I hope this attractive quality will return to Cincinnati.)"

- Inbound and Outbound private manufacturing company

## Access to resources

Access to U.S. and Canadian customers is a vital component of transatlantic trade. Other elements identified include having access to qualified resources for banking, accounting, and legal services; being part of a network of international businesses; and access to management and labor pools to meet the company needs.

**Figure 5: Greater Cincinnati area meets most needs**



Along all measures assessed, with one exception, more than two-thirds of companies that considered the issue find that the Greater Cincinnati/Northern Kentucky region meets their needs. The exception is access to skilled labor, an area where the EACC has taken action and is collaborating extensively with regional leaders to address.

### Comments about Resources in the Region

"We are happy with how things are progressing and the resources that are available."

- Private firm that manages companies and enterprises

"The challenges lie in training more workers, and Cincinnati State has realized this is their niche and is introducing new ways of teaching and enticing students to prepare for better jobs."

- Information services company

"... We are learning about differences in U.S. and EU sanctions and export rules and that has taken a lot of time and effort to be compliant. I have called EACC on average three or four times a year with specific questions or requests and have never been disappointed."

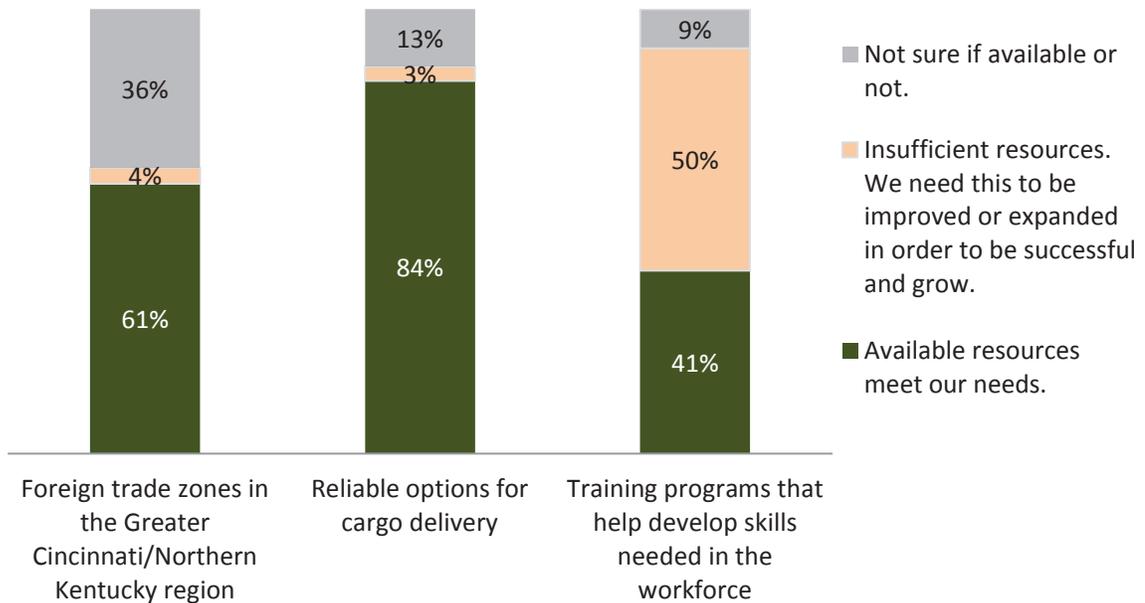
- Inbound private firm offering professional, technical, or scientific services

## Additional resources in the region benefit transatlantic trade

Most companies in this study are aware of foreign trade zones, cargo delivery options, and training programs, although nearly four in 10 are not aware of trade zones. The majority find trade zones (61 percent) and cargo delivery options (84 percent) meet their needs.

Training programs for a skilled workforce, which are in development, remain an area of concern, with half saying they have insufficient resources in training in order for their businesses to expand or grow.

**Figure 6: Trade zones, cargo delivery options, and training programs needed for transatlantic trade**



### Comments with concerns related to growth in U.S.

“Working with regional partners is a challenge and relationships need to be built over time.”

- Private new venture in the manufacturing sector

“The biggest challenge is the lack of skilled workers; that is addressed by the EACC very well and is improving, I think. Getting workers from Europe for internships is too difficult because of getting a visa. Getting metric material and components is a big challenge and the prices for those are very high. ... a lot of negotiation is necessary to get acceptable pricing. Then, the quality and the reliability of suppliers is not high.”

- Private manufacturer

# GROWTH IN REGION MOST LIKELY IN MANAGEMENT AND MANUFACTURING

Greater Cincinnati/Northern Kentucky is more likely to see growth than other regions of U.S. for management staff and manufacturing, with predictions for growth in sales and distribution for other regions. The study asked about the coming year and about growth predicted in three to five years.

Figure 7: Management staff

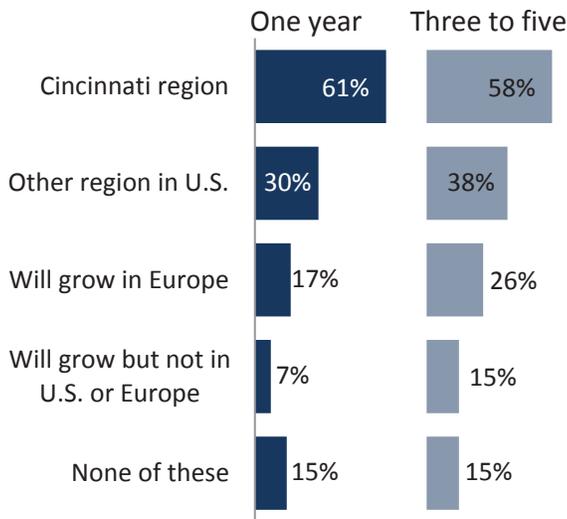


Figure 9: Manufacturing

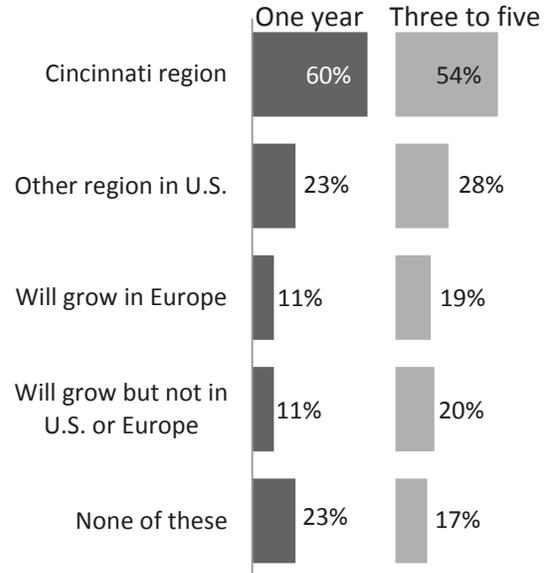
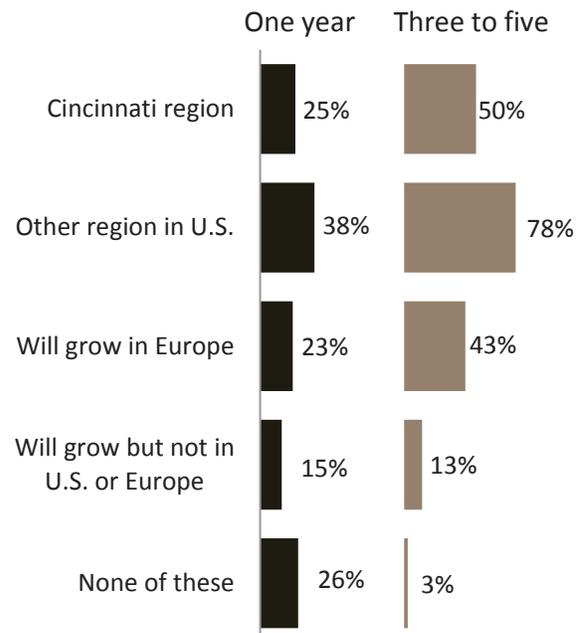


Figure 8: Sales



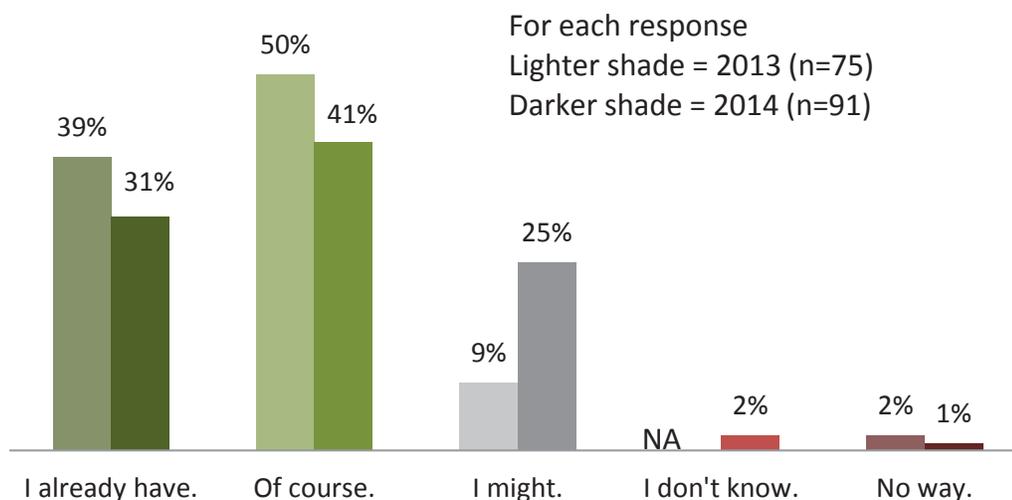
Figure 10: Distribution services



## CONCERNS ARE EMERGING ABOUT THE REGION

Since the first survey was conducted in 2013, a higher percentage of companies are uncertain about whether they would recommend Cincinnati. This is true for both Inbound and Outbound respondents.

**Figure 11: In 2014, nearly one-quarter “might recommend” the region**



The shift is primarily among Inbound companies, which are not shown separately on the figure.

Of Inbound firms answering this question last year, 89 percent said they would recommend Greater Cincinnati. This year, just 51 percent did and 40 percent said they might. These are not reflected on the figure, which is for all companies.

Note that many respondents to this year's survey are new to the study. They are less likely than last year's respondents to know of the European American Chamber of Commerce (EACC), with nearly one-quarter unaware of EACC's activities other than educational sessions. (For more information, see the section about EACC, page 18.)

## RANKINGS OF SERVICES NEEDED FOR EXPANSION

Managers from Inbound/Both companies and Outbound-only companies ranked sales in North America as among their top priorities, in addition to business taxes and fees. These are the only two issues where companies for each “direction” were asked the same question.

**Table 1: North American sales and corporate taxes ranked as most important for future growth for both Inbound/Both and Outbound-only respondents**

Sales issues	Inbound / Both		Tax issues	Inbound / Both	
		Outbound-only			Outbound-only
Sales in the U.S./North America	<b>1.45</b>	<b>1.50</b>	Business taxes and fees	<b>1.58</b>	<b>1.60</b>
Sales in the Greater Cincinnati region	<b>2.11</b>	2.87	Income taxes on corporations	<b>1.82</b>	<b>1.80</b>
Sales abroad, not in North America	2.45	<b>1.67</b>	Taxation on employees	2.61	2.60

Lowest value is most highly ranked. Bold = top ranked; *italic bold* = 2<sup>nd</sup>; regular font = 3<sup>rd</sup>

## Inbound/Both Companies in Strong Agreement that Access to Skilled Labor and Quality of Life Drive Investment in Region

Survey participants ranked 15 possible drivers of a company’s investment in the region, falling within five distinct domains. The domains ranged from “Cincinnati’s welcome” to taxation issues.

Two of these 15 drivers, in addition to sales and business fees, emerge as very important to a large number of companies. For Inbound/Both survey respondents, skilled labor and managers’ perceptions of the quality of life in the region also rated as highly important for investment in the region.

**Table 2: Workforce skills and quality of life highest on list for determining investment in region**

Domain	Item Ranked as Most Important for Investment in Region
Talent	Workforce skill sets: skilled labor
Cincinnati’s welcome	Managers’ perceptions of quality of life in the region
Sales	Sales in the U.S. / North America
Taxes	Business taxes and fees

Items in descending order of importance based on scores. N = 38

After these four, the next group is more mixed and includes items from all five domains. These are shown in descending order of importance on Table 3.

**Table 3: Access to resources, management talent, and support for expat families moderately important for investment in region**

Domain	Item with Middle Rank for Investment in Region
Resources	Access to materials and supplies
Taxation	Income taxes for corporations
Talent	Workforce skill set: management talent available in the region
Resources	Access to low-cost energy
Sales	Sales in the Greater Cincinnati/Northern Kentucky region
Cincinnati's welcome	Resources for transition/integration of expat families
Resources	Access to land and real estate

Items in descending order of importance based on scores. N = 38

All three items in the “Resources” domain are in this middle group: access to materials and supplies; access to low-cost energy; and access to land and real estate.

Four items received comparatively low ranking on this survey. They are shown on Table 4.

**Table 4: Union issues, Cincinnati's reputation in Europe among least important items for determining investment in the region**

Domain	Item with Lowest Rank for Investment in Region
Talent	Right to work/union issues
Sales	Sales abroad, not in North America
Cincinnati's welcome	Cincinnati's reputation in Europe
Taxes	Taxation on expat employees

Items in descending order of importance based on scores. N = 38

**Comments about Outbound work**

“I think understanding Go To Market strategies other companies have employed for entering various countries and regions of Europe would be helpful. Common business practices and understanding cultural expectations for working with U.S. companies abroad. Understanding the regulatory environment for selling products in Europe vs. the U.S. Logistics standards and practices as well as comparative costing models for shipping in Europe vs. the U.S. What is different about how logistics is done in Europe vs. the U.S.?”

- Private manufacturing company

## Outbound-only companies most interested in specific counsel for expansion of business in Europe

Companies in this survey that send products and services to Europe ranked 19 items within six domains.

**Table 5: Expertise, plus sales needed for expansion in Europe**

Domain	Item Ranked as Most Important for Expansion in Europe
Professional Services	Access to legal expertise for working in U.S. and Europe
European Climate	Assessing risk and opportunity for expansion in Europe
European Climate	Compliance with EU norms and standards for products and services to sell in European markets
Sales	Sales in the U.S. / North America
Expertise/Analytics	Access to expertise about establishing a sales/distribution model in Europe to build sustainability
Sales	Sales abroad, not in North America
Taxes	Business taxes and fees

Items in descending order of importance based on scores. N = 38

**Table 6: Specific skills and favorable tax circumstance of middle importance for expansion to Europe**

Domain	Item Ranked as Most Important for Expansion in Europe
Taxes	Income taxes for corporations
Professional services	Access to banking expertise for working in U.S. and Europe
Adapt to European Life	Language instruction for U.S. managers to be assigned to Europe
Professional services	Access to accounting and tax expertise for working in U.S and Europe

Items in descending order of importance based on scores. N = 15

**Table 7: Knowledge of European hiring, insurance, or data concerns rank lower than sales growth, knowing European norms, and distribution networks**

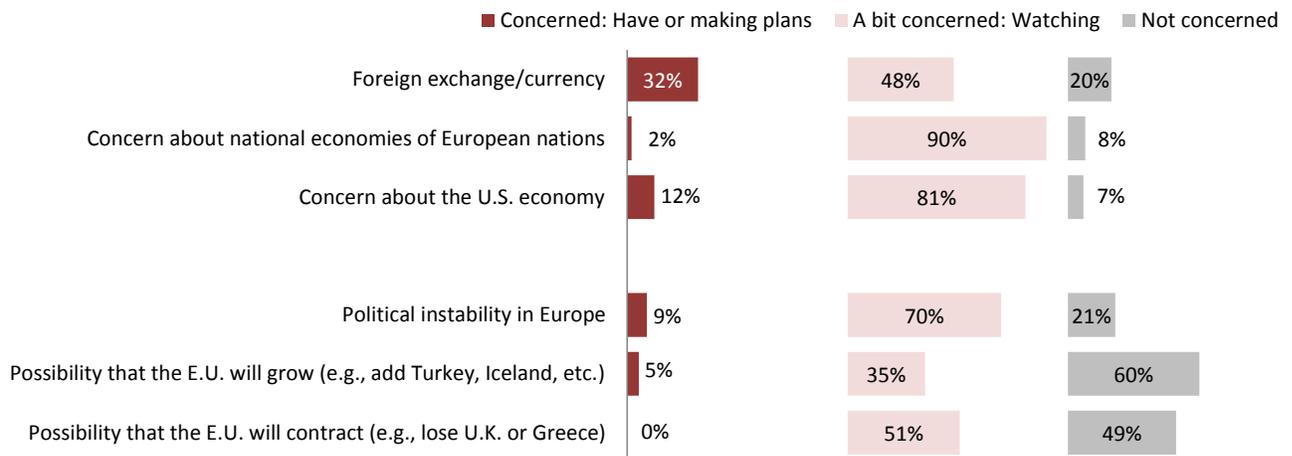
Domain	Item Ranked as among Least Important for Expansion in Europe
European climate	Hiring practices and standards in European countries
Professional services	Access to experts regarding risk management and insurance in Europe
Expertise/analytics	Understanding data and privacy concerns in Europe
Adapt to European life	Access to resources to help families that might relocate overseas to learn more about the opportunities and possible stresses
Expertise/analytics	Access to expertise about U.S. export regulations
Taxes	Taxation on employees
Sales	Sales in the Greater Cincinnati region

Items in descending order of importance based on scores. N = 15

## EUROPE IN 2015 AND BEYOND

This survey asked participants to assess their company's concerns about six potential developments, both political and economic, in Europe. Most concerning are economic issues, including national economies in Europe and concern about the U.S. economy. Very few are concerned about changes in membership in the European Union, either additions or withdrawals.

Figure 12: Level of concern not high for economy and for political instability in Europe



For all situations, more companies are watching than have made plans or are developing plans.

### Comments about economic, political and other concerns

#### Question: With what other potential shifts is your company concerned?

The oil and gas industry (three comments to this effect)

Russian intentions in Eastern Europe

Growing income disparity in U.S., Europe and Asia. If middle class is squeezed out, my customers' markets will shrink, meaning my market will shrink.

Costs of regulatory compliance.

I think the biggest impact is the cost of logistics services and freight. Of course this is impacted primarily by the energy market, prices for oil and gas.

Excessive chemical regulation in Europe

The general trend of the economy. Right now it is growing but we don't know how it will continue.

## TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP (TTIP)

The EACC has direct access to negotiators involved in the talks to create this partnership. When surveyed, 57 percent said they were aware that these talks are underway; 43 percent said no, they were not. Inbound companies were more likely to report being aware (65 percent) than Outbound (45 percent).

A third of the companies that were aware of the talks have been actively engaged in some way, either through the U.S. Chamber of Commerce, through a European group or alliance, or both. The companies engaged with the TTIP talks include firms of all sizes, including those with revenue below \$10 million (four of the 10 engaged) up to those with more than \$200 million in revenue (two of the 10). They include a mix of public and private companies and a mix of manufacturers and other types of business.

Several respondents indicated that their company is concerned with particular provisions in the TTIP. Most relate to reducing tariffs and “red tape.” People wrote in:

- Removal of tariffs to make our product more price competitive.
- Reduced tariffs and trade barriers. Consolidated or synchronized compliance requirements for regulatory controls and standards. Free trade zone opportunities.
- Lower duty for imports.
- Lowered tariffs for our imports from Germany.
- Ease of bureaucratic red tape. Reduction/elimination of tariffs.
- Simplification, standardization, unbureaucratic, cost savings, speed gain/faster processes.
- No custom duties, outlined and homogeneous rules and regulations, easier to handle transatlantic trade.
- More opportunities.
- Many – we are not sure what is in the entire agreement.

# EUROPEAN AMERICAN CHAMBER OF COMMERCE, GREATER CINCINNATI

A majority of survey participants know about and attend EACC workshops. However, fewer participants know about other EACC services, including linkages with European trade agencies, currency or banking solutions, and consulting services. Nearly a quarter of participants in this year’s study did not previously know of EACC services.

**Figure 13: Participants’ Use of or Awareness of EACC services**



## Specific instances of EACC assistance

“I believe the EACC to be a very valuable business group that ties our region to the various communities in Europe. We use the resources and events to learn how to improve our business efforts in Europe, and especially to make better and wiser decisions with the limited resources our small company has available for investing in our European growth.”

- Outbound private manufacturing company, \$11-\$25 million in revenue

“The EACC has been useful in connecting our company to other companies who are challenged with similar problems as us. Additionally, the EACC has been actively engaged in attempting to create solutions for one of the bigger challenges through the Skills initiative.”

- Inbound private manufacturing company, more than \$200 million in revenue

“The Executive roundtable is earlier now and I have a hard time to find the time to go. The job postings are great but it would be nice if they get spread more to reach more possible applicants. I am excited about the training possibilities coming up.”

- Inbound private manufacturing company, \$11 million to \$25 million

## METHODS

This survey was distributed to EACC members and Clark Schaefer Hackett (CSH) clients. There is no count of the total number of recipients.

Responses came from 100 respondents, including 35 companies that identified themselves as “Inbound,” 15 that identified themselves as “Outbound,” and 41 that do both types of transatlantic trade. Nine respondents did not answer that question.

Respondents that did not engage in transatlantic trade (answered “none”) or that did not provide an answer to that question were excluded from additional analysis, with 91 remaining in the data file.

On average, respondents were doing business in 3.9 European countries or regions. However, this is skewed by a relatively small number of respondents that are active in all the countries listed. The mode (most frequent response) was just one other country. Germany was most often identified as a partner in transatlantic trade (64 percent), followed by the United Kingdom (55 percent).

**Figure 14: Percentage of respondents doing business in:**

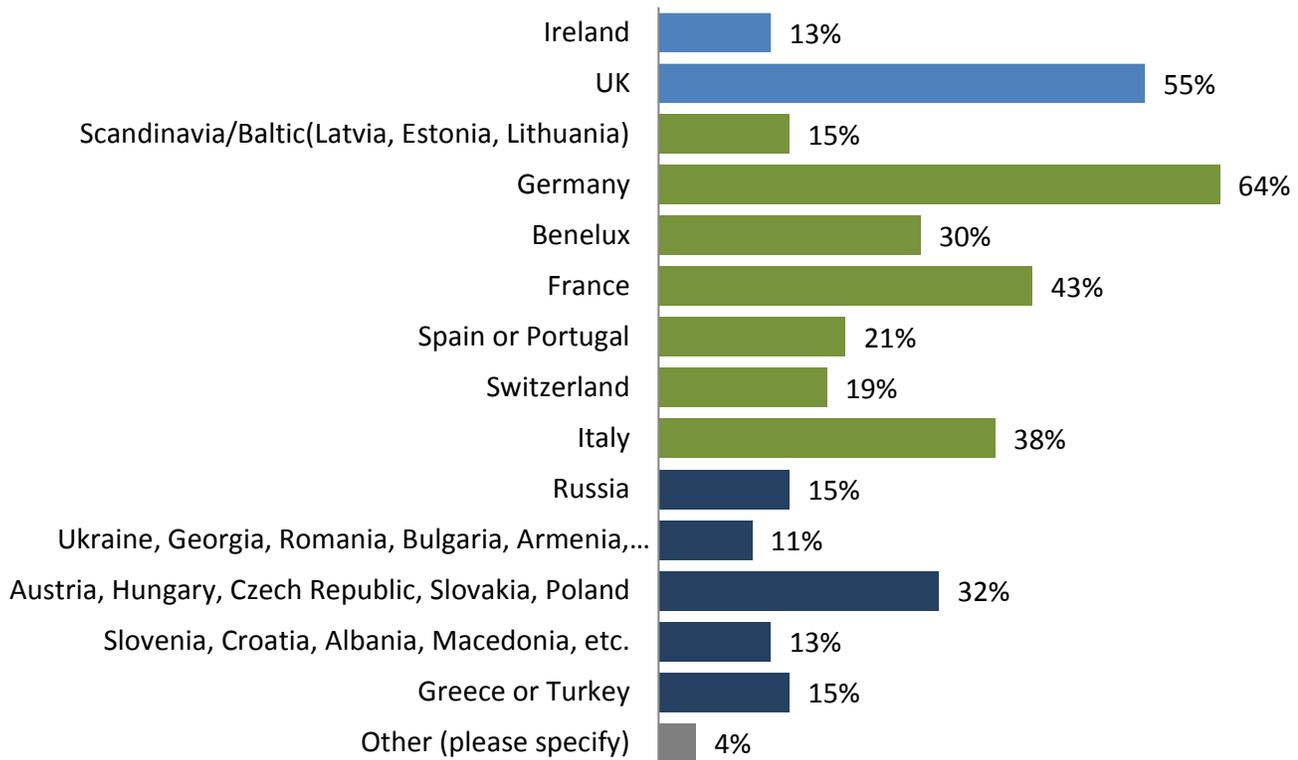
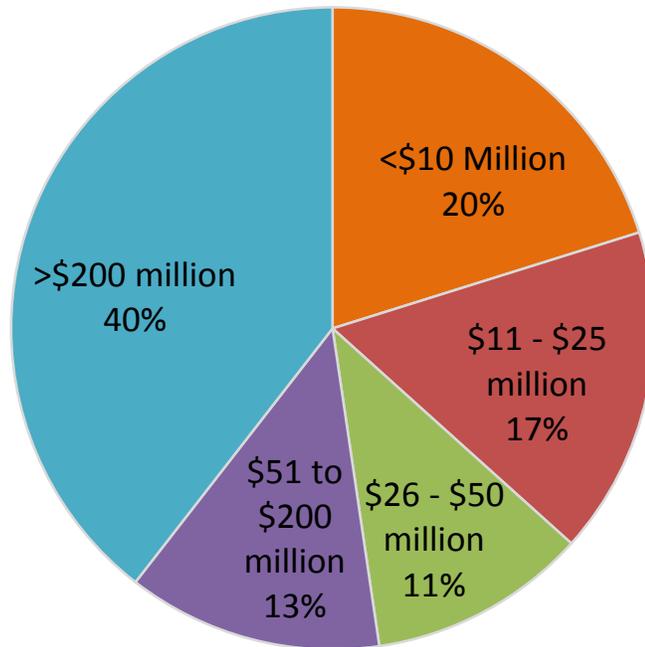
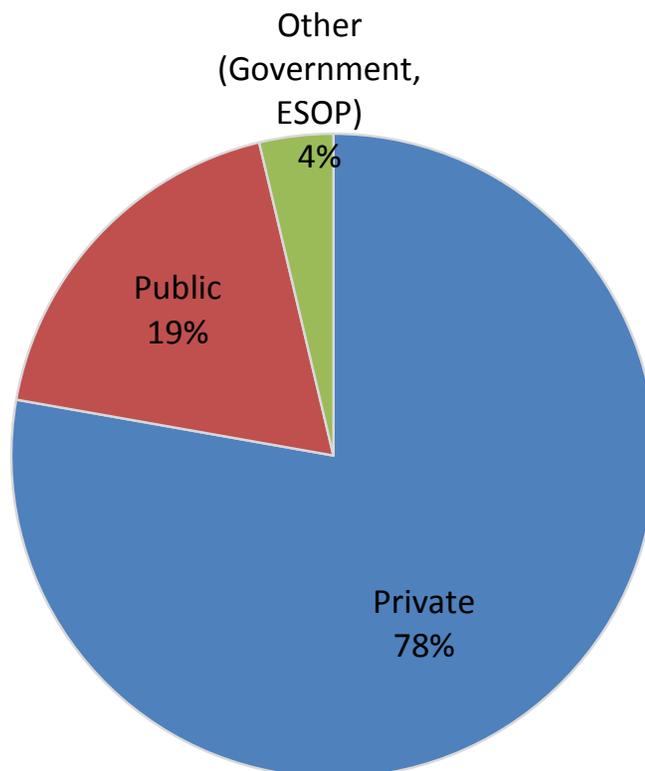


Figure 15: Market size (total, international, all units)



Excludes 31 that did not answer

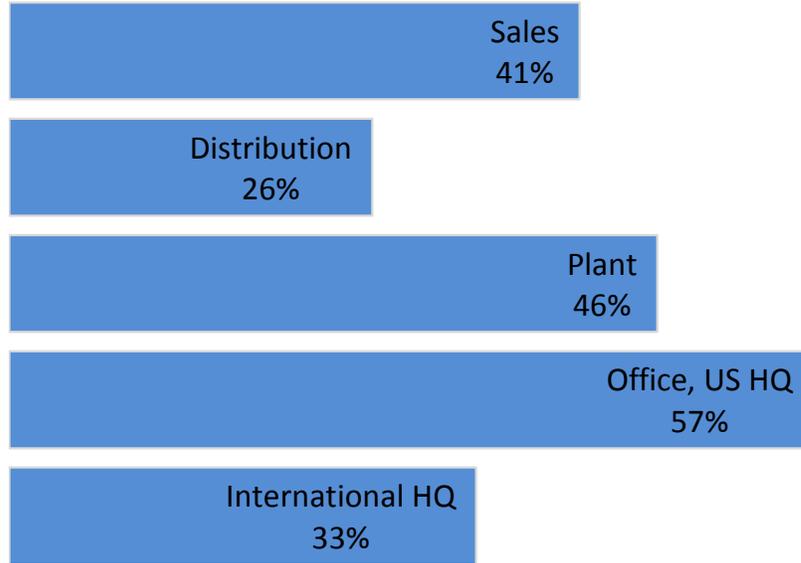
Figure 16: Ownership



May not equal 100% due to rounding.

Figure 17: Nature of operation in Cincinnati

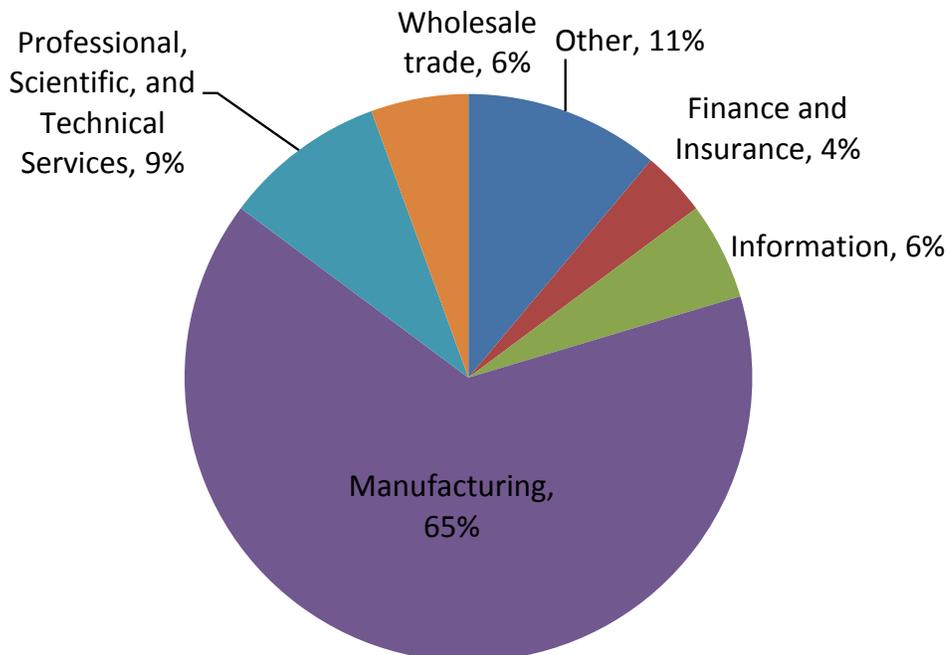
(Respondents could select all that applied)



Percentage based on 54 responses to this question.

Figure 18: Respondents by NAICS code

(Respondents could select only one option)



May not equal 100% due to rounding.

## APPENDIX A: OPEN-ENDED RESPONSES

### Why Cincinnati?

Location - proximity to customer base.

We have a family business, and this is where our family is living.

Geographical reach of customer base. Experienced workforce with machine building background. Cost of living. General friendly people and a good business climate.

Corporate acquisition in the region allowed the footprint for further concentration, expansion and development of our US Flavor business. From an original site in Milford Ohio, we have expanded to a workforce of 450 occupying facilities in Lebanon, Woodlawn and Milford Ohio.

Pilot was built here during the 60's due to it being at the crossroads of many of our key US markets. We moved our HQ here in 2005 from NJ due to the fact that most of our manufacturing employees were here and having a larger presence here would allow us to support them better than we were.

Kroger

We came here because our former distributor was located in the area. It was the easiest for us to keep/transfer the key personnel of that company by staying in the same area.

The Greater Cincinnati region is a central location and within a 1-day shipping point to nearly 80% of our customer base. It was a hub for international air cargo and at the time of start-up, CVG was a hub for national and international passenger travel. This region also has been very competitive and attractive for incentives to companies as well.

Decision goes back to the late '90. Logistics, customers proximity, cost of doing business, availability of competences/skills

A deep and professional location investigation with both internal and external experts supporting the process. The location reveals to be a strategic location regarding our NAFTA business as well as a central

distribution point which enables us to reach 60% of our customer within one day truck. But also quality of infrastructure, availability of skilled workforce, price level,...

We were a U.S. company that was acquired by a German company in 1989.

Acquisition of a local company

Proximity to US automotive industry without overexposure to union workforce and higher cost of doing business in Michigan.

Job creation and incentives from the region.

I already lived in Cincinnati when I started our company Later we partnered with an Italian firm to form a global service company

Home town of the owner

A lot of European companies, some already customers, within driving range. Excellent flight connection to Frankfurt, Germany. The latter has turned into something very bad! Ever since the direct flight to Frankfurt got discontinued, flying to Germany is a real hassle.

It is located very central and close to our main customers.

We are a family owned company founded in the Greater Cincinnati region.

Company was founded in Cincinnati in 1946

Started up in the region and have remained because of the access it provides to the Eastern part of the US for domestic sales.

Founded in 1999, we are based in Central Ohio but operate throughout the US and Canada, and also export to Mexico and abroad. We are interested in doing more business with exporters to Europe in the Greater Cincinnati region. Our company is the only active licensee of the European Pallet Association in North America to trade in genuine, used, "Europallets." Industry in Europe (especially in manufacturing) primarily uses "Europallets" as their standard pallet type. ...

Started working out of college for IBM in Cincinnati. Haven't moved. Would never suggest moving into the City, I have done so twice and when each business either moved or closed was sued by the Cincinnati Tax folks. They never recovered anything, but it cost me thousands of dollars in legal fees to defend myself.

The Festo vision of establishing a Learning Center of Excellence in the Greater Cincinnati / Northern Kentucky area. Over the last few months - facilitated by the European-American Chamber of Commerce (EACC) Skills Initiative - Festo Didactic has engaged in discussions with regional manufacturing companies, colleges, workforce and community partners. The goal has been to explore the development of a portfolio of short-term training and qualification programs as well as long-term workforce solutions based on the (German) dual education system made by Festo Didactica® which will enable local manufacturing companies to fill their talent pipeline.

It was a joint venture partnership that first brought our company to this region since their headquarters is here in Cincinnati. That partnership has continued to deepen over the past 10+ years, and our US operations are now in 4 other cities in the US, though our core presence is in Cincinnati.

I work for Fifth Third Bank. Fifth Third was founded in Cincinnati in the late 1800s. Although we have acquired banks in multiple states, the headquarters has remained where it has always been.

Central geographic Location. Proximity to customers.

It's Cincinnati based

Growth

European investment

I have started the company in Cincinnati for a natural reason of being a loyal resident for 38 years after immigration from former Soviet Union.

An acquisition - our UK-based parent company bought a US-based firm which has continued to grow via organic growth and additional acquisition

I moved here in 1963, since my parents were here and I heard that not only is Cincinnati a charming City and good place to raise a family but quite International. We still enjoy living here and do recommend it all the time.

We have been here for 150 years.

We're a government agency, so we can make only recommendations based on potential client bases, for which Cincinnati has many.

Local company was purchased by a European company.

Job transfer for father. He started company in 1990 as a rep. Started manufacturing 2003.

Relationship with GE Aviation

Acquisition of another company with offices in the region. Part of a build-out strategy across major cities/regions in the U.S. We are a U.S.-based company.

To continue to be a supplier of USAF and Boeing Lower cost of energy compared to Europe Available skilled manpower Tax incentives

## Other responses about the region

What else should we understand about your company's work between Europe and the Greater Cincinnati/Northern Kentucky region? What is going well? Where are your challenges?

Our challenges lie in the expenses to fully certify our products for the European market.

Limited access to visas for easy movement of high qualified employees that do not fit the "mold" of college education but are very essential for moving our business forward. Even for college educated expats it can be difficult to find a viable long term solution.

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The airport is a joke. It makes business travel very cumbersome. Our customers expect us to be onsite in hours, but it takes a day to get anywhere other than major airports.

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The main issue remaining is passenger air travel. Our options have diminished dramatically over the years.

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Challenges for a foreign service provider is to get connected to USE owned companies in order to get a conversation started about investing in Europe

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Being here for over 13 years it has become my second home. Apart from work, I really like this area. I have made a lot of new friends, American as well as German. At work it is quite the opposite. We struggle so badly to find skilled labor, especially machinists. At times it is so frustrating that I just want to leave and go back. If this problem can't be resolved in the next few years I am strongly considering to pack my bags. I just can't take much more of that. Machinists are demanding top dollar but their skill and work ethic is not up to par.

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Hard to find US citizens with the same knowledge level of a skilled German worker.

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European economies are weak. Weakening Euro. Increased bureaucracy.

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We are happy with how things are progressing and the resources that are available.

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More and more Europeans are demanding US exporter stop sending American-sized (standard) to Europe because they have a cost to dispose them (They almost never can be reused within Europe). Plus the goods often have to be repalletized on to used Europallet, so the costs and effort is burdensome. However, used genuine Europallets have a value of about \$7 each who receives them. Thus, it greatly reduces costs for European companies importing from the USA if they receive Europallets (most common size is 1200 x 800 mm) and not our typical 48 x 40" or 48 x 48" pallets.

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We sell products of French origin and our biggest customer is British. We are launching a new product and we sell more of it outside the US, mainly in Sweden, Germany, Netherlands, and Asia.

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Working with regional partners is a challenge and relationships need to be built over time.

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We are a service provider, not a manufacturer. We don't employ many people outside the US and those employees who are in foreign countries are the ex-pats. We are finding people with the skills and experience we need for international services in markets like Chicago and Charlotte and we allow them to remain in those markets.

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nothing

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We are a small creative company. We could grow significantly with the use of working capital and experienced partners.

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attracting and retaining talent at all levels in the organization

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The challenges lie in training more workers and Cincinnati State has realized this is their niche and is introducing new ways of teaching and enticing students to prepare for better jobs.

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We have no issues due to our location in Cincinnati.

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Airport situation not as good(lack of International direct flights)

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We are still learning the ropes with our subsidiary in France. We are learning about differences in US and EU sanctions and export rules and that has taken a lot of time and effort to be compliant.

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The biggest challenge is the lack of skilled work forces and that is addressed by the EACC very well and improves I think. Getting work forces over from Europe to work here for an internship is too difficult because of getting a sufficient visa. Getting Metric material and components is a big challenge and the prices for those are very high. The pricing for many components is very high in the beginning and there is a lot of negotiations necessary to get acceptable pricing. The quality and the reliability of suppliers is not very well.

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Location is good

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A central point for understanding restrictions of individual Information/data sharing policy by country. We are in the research industry and are challenged by the type of individual demographic information that can be sent with data from surveys.

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## TTIP Negotiations

What expectations do you have for the final partnership agreement?

Removal of tariffs to make our product more price competitive.

Simplification, standardization, non-bureaucratic, costs savings, speed gain/faster processes

Do not know. This is handled by our corporate lobby group, based from our HQ in Florham Park, NJ.

No custom duties, outlined and homogenized rules and regulations, easier to handle transatlantic trade.

Ease of bureaucratic red tape. Reduction/elimination of tariffs.

Many - we are not sure what is in the entire agreement.

More opportunities.

Reduced tariffs and trade barriers. Consolidated or synchronized compliance requirements for regulatory controls and standards.  
Free trade zone opportunities.

Lower duty for import

Lowered tariffs for our imports from Germany.

## Working with the EACC

Is there anything specific you can tell us about working with the EACC in the past? For example, did you have an issue or opportunity with which we could help? What did we offer? Did the process of working with the EACC benefit your company?

I believe the EACC to be a very valuable business group tying our region to the various communities in Europe. We use the resources and events to learn how to improve our business efforts in Europe, and especially to make better and wiser decisions with the limited resources our small company has available for investing in our European growth.

The EACC is a great tool for an international company. Adding more social events for the Europeans who have to live here would be good.

A fantastic partnership!

We enjoy opportunities to network with companies engaged in international trade.

The EACC has been useful in connecting our company to other companies who are challenged with similar problems as us. Additionally, the EACC has been actively engaged in attempting to create solutions for one of the bigger challenges through the Skills initiative.

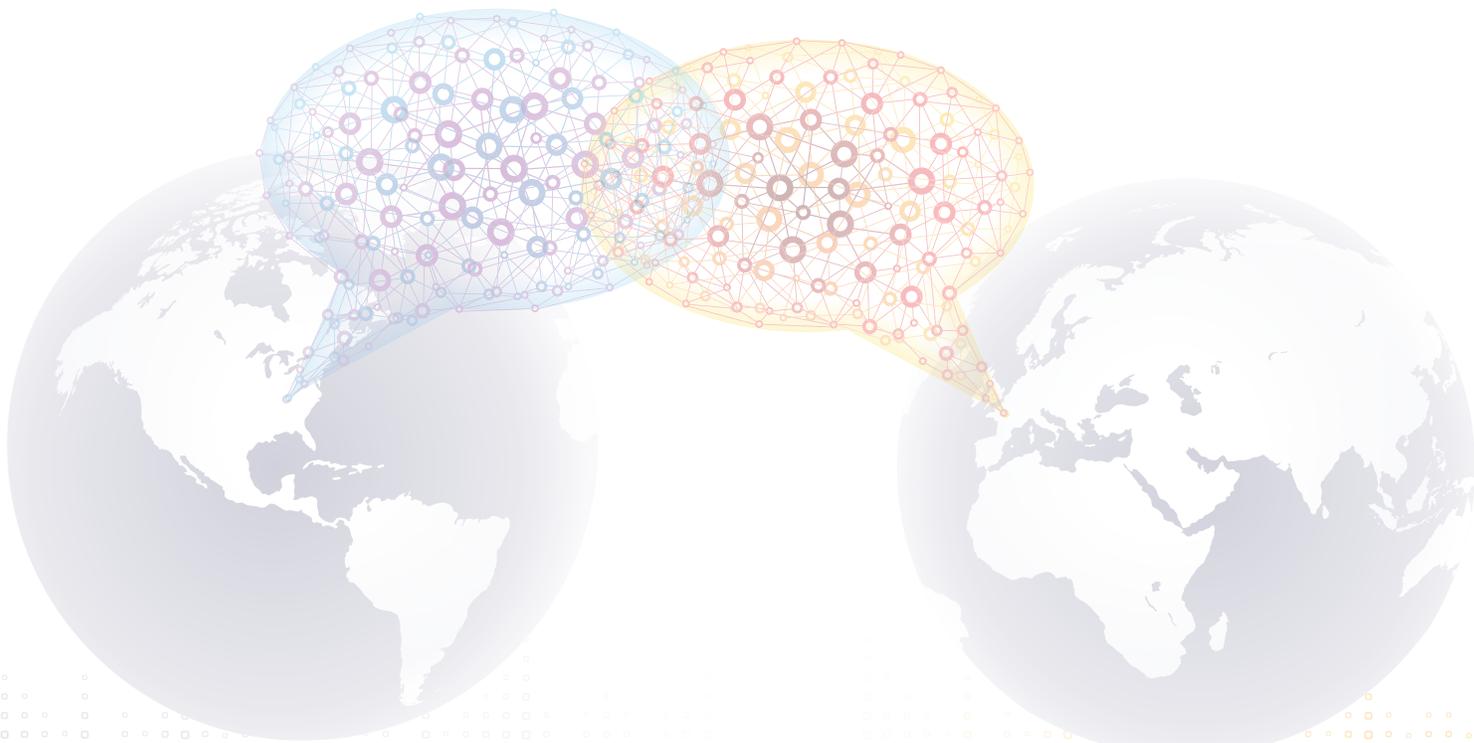
EACC has been proactive in supporting us when needs are made known to them. The experience has been positive and worthwhile to be a part of.

Nothing

I have called the EACC on average 3 or 4 times a year with specific questions or requests and have never been disappointed.

The Executive roundtable is earlier now and I have a hard time to find the time to go. The job postings are great but it would be nice if they get spread more to reach more possible applicants. I am excited about the training possibilities coming up.

EACC is always responsive to any issue we approach them with



A study conducted by Clark Schaefer Hackett and the European American Chamber of Commerce, Greater Cincinnati



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