



2014 ANNUAL REPORT

# THE MIDDLE MARKET: FOCUSED ON GROWTH



NATIONAL CENTER FOR  
THE MIDDLE MARKET

In Collaboration With



THE OHIO STATE UNIVERSITY  
FISHER COLLEGE OF BUSINESS



GE Capital

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**DEAR COLLEAGUES:**

Just three years ago, GE Capital invited thought leaders from across the nation to conduct research on the middle market, an under-studied yet critical sector of the American economy. When The Ohio State University Fisher College of Business proposed a strategic, long-term collaboration, we formed the National Center for the Middle Market and realized our shared mission of better understanding and helping mid-sized businesses grow and create jobs.

Since the Center opened its doors, we have made remarkable progress on this journey. The nation's only research and outreach institution dedicated to the middle market, the Center has firmly established itself as a leading voice and go-to source of knowledge, insights, and expertise on the "mighty middle."

We've learned that the middle market is the fastest growing sector in the U.S. economy, outpacing both small startups and large corporations. We've discovered that the middle market is the nation's biggest job creator, employing more than 60 percent of all new workers this year. And we've focused on issues of great strategic importance to the middle market such as innovation, operational excellence, and the attraction and retention of extraordinary talent.

Through our commitment to leading edge research, executive training and education, and outreach events across the U.S., we are sharing these important learnings with business leaders, academics, elected officials, and media to expand and deepen the dialogue surrounding the middle market—the market that moves America.

We've also expanded our geographic reach. Through partnerships with local chambers of commerce and economic development groups, the Center is taking a deeper look at the middle market—not only through a national lens, but also at the regional and state levels. These data and insights should have an even greater relevance to your local constituents.

We look forward to working together to further advance the middle market, and we invite you to engage with us to help accelerate the growth of this vital economic engine.

In closing, we would like to express our gratitude to Bill Cary, the outgoing chief operating officer of GE Capital and founding member of our Oversight Committee, and congratulate him on his retirement. Bill's vision, leadership, and commitment established a successful foundation for the Center and will help us continue to make a positive impact on middle market companies nationwide.

**Christine A. Poon**

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

**Keith Sherin**

Chairman and CEO, GE Capital,  
Vice Chairman, General Electric Company



# Singular Focus. Unlimited Impact.

The National Center for the Middle Market is the nation's first and foremost expert and leading source for the U.S. middle market. Founded in 2011 out of a multiyear partnership between GE Capital and The Ohio State University's Fisher College of Business, the Center has established a track record of funding and publishing journal-quality research; providing world-class education, powerful tools, and dynamic events for middle market executives and business students; partnering with other organizations supporting the middle market; and raising national and local awareness of key middle market issues.

The Center's mission is to serve as the leading source of knowledge, leadership, and innovative research on the U.S. middle market economy by providing critical insights and analysis that help drive growth, increase competitiveness, and job creation for companies in this sector.

## CENTER RELATIONSHIPS

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### **MIDDLE MARKET FIRMS**

Fostering growth, increased competitiveness, and job creation

### **POLICYMAKERS**

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

### **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

### **MEDIA AND THOUGHT LEADERS**

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

## 2014 Center Accomplishments

The Center set specific goals for its third year: growing mid-sized businesses, providing a mid-market voice to policymakers, being a source for middle market expertise for the media, and enabling rigorous middle market study for academics. This year, the Center progressed toward each of these goals through a number of key initiatives, including:

INITIATING THE

# 1<sup>ST</sup>

COMPREHENSIVE STUDY OF OHIO'S MIDDLE MARKET

# PROFILING 8

MIDDLE MARKET COMPANIES

OFFERING A RIGOROUS

# 3 DAY

EXECUTIVE EDUCATION PROGRAM TO THE 4<sup>TH</sup> COHORT OF MIDDLE MARKET EXECUTIVES



## SHARPENING THE RESEARCH FOCUS

ON KEY MIDDLE MARKET ISSUES: **TALENT, STRATEGY & INNOVATION, OPERATIONAL EXCELLENCE, GOVERNANCE/ FINANCE, POLICY/ECONOMY**

CONNECTING

# 1,000+

MIDDLE MARKET STAKEHOLDERS AT THE

# 3<sup>RD</sup>

NATIONAL MIDDLE MARKET SUMMIT



PARTICIPATING IN

# 27

MIDDLE MARKET EVENTS IN 10 STATES

LAUNCHING THE

# 1<sup>ST</sup>

MIDDLE MARKET INDUSTRY CLUSTER PROGRAM—

A YEAR-LONG COURSE FOR UNDERGRADUATES AT THE FISHER COLLEGE OF BUSINESS

LAUNCHING

# 4

PRACTITIONER RESEARCH PROJECTS

SUPPORTING THE ESTABLISHMENT OF THE CONGRESSIONAL CAUCUS FOR MIDDLE-MARKET GROWTH AND PROVIDING CUSTOMIZED MIDDLE MARKET DATA FOR 6 STATES, 14 CITIES, AND ALL



# 435

CONGRESSIONAL DISTRICTS

ENGAGING

# 150



BUSINESS STUDENTS

THROUGH THE 2<sup>ND</sup> STUDENT SUMMIT, 3<sup>RD</sup> CAREER FAIR, AND 22<sup>ND</sup> ANNUAL FISHER INVITATIONAL CASE COMPETITION

Access the Center  
anywhere, anytime.



Stay in touch with your middle market how and when you want. Visit [middlemarketcenter.org](http://middlemarketcenter.org) - now optimized for mobile - to access:

- + EXPERT PERSPECTIVES
- + BENCHMARKING TOOLS
- + EXECUTIVE EDUCATION



## Your Middle Market.

The U.S. middle market is defined by companies with annual revenues between \$10 million and \$1 billion. It is incredibly diverse, reaching across all industry segments and encompassing publicly and privately held companies, family-owned businesses, partnerships, and sole proprietorships. While 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. The middle market continues to outpace the national economy in both revenue and employment growth. The National Center for the Middle Market projects middle market companies will create 60% of all new jobs in 2014.

Yet the middle market is not just important from a national perspective. At both the state and local level, in every corner of the country, it is middle market companies that are creating new jobs and driving growth and economic recovery in their regions and communities. Middle market companies are crucial international players as well, and they play a key role in U.S. exporting activity.

Despite its contribution, the middle market has been largely overlooked with small and large businesses commanding the lion's share of attention. However, city by city, state by state, and across the nation, the National Center for the Middle Market is leading the charge to raise awareness of your middle market.

The academic community, economic development organizations, policymakers, business students, and the media are taking notice of this previously unsung hero of the American economy. As a result, the middle market is beginning to command the attention and recognition it deserves.



## U.S. Middle Market Impact



**5<sup>TH</sup>**  
**LARGEST**  
GLOBAL ECONOMY



**33%**  
OF PRIVATE  
SECTOR GDP



GENERATED  
AN ADDITIONAL



**\$500**  
**BILLION**



IN ANNUAL  
REVENUE IN 2013



MORE THAN  
**\$10**  
**TRILLION**  
IN ANNUAL REVENUE



**1/3** OF U.S. JOBS—  
APPROXIMATELY  
**45.6 MILLION**



PROJECTED  
TO CREATE



**60%**  
OF ALL  
**NEW JOBS**  
IN 2014



2013-2014 CONTRIBUTED



**1.1+ MILLION**



**NEW JOBS**

## U.S. Middle Market Defined

NEARLY

**200,000**

**BUSINESSES**

IN ALL INDUSTRY  
SEGMENTS AND  
GEOGRAPHIES



REPRESENTING

**3.0%**  
OF ALL U.S.  
COMPANIES



**ANNUAL**  
**REVENUE**

RANGING FROM

**\$10MM-\$1B**





## Focused on Informing Policy.

### THE CENTER RAISES AWARENESS OF THE MIDDLE MARKET'S IMPACT.

According to the Middle Market Indicator, more than three in four middle market executives deal with uncertainty related to the impact of government actions on their business. As the middle market's leading champion, the National Center for the Middle Market is raising awareness among leaders in a position to affect policy and regulatory change that can support middle market growth. Through outreach to elected officials, the Center works to ensure that policymakers understand the middle market's vital role in the national economy.

In 2014, the Center made significant headway informing policymakers in an effort to shape policy that will support middle market growth. In partnership with key organizations, the Center spearheaded initiatives and research at the international, federal, state, and local levels. The results of these projects will ultimately better position middle market companies to sustain their growth and continue to be the bedrock of the U.S. economy.



## INTERNATIONAL POLICY

### ACCELERATING THE MIDDLE MARKET'S EXPORT PERFORMANCE: MIDDLE MARKET COMPANIES CAN HELP METRO AREAS GROW THROUGH EXPORTS.

Over the next five years, 83% of global growth is expected to occur outside the United States<sup>1</sup>. What's more, the majority share of the global middle class is expected to shift towards Asian nations by 2030<sup>2</sup>. Statistics like these point to the important role exports must play in the future of the U.S. economy.

In light of this imperative, the Center has partnered with the Brookings Metropolitan Policy Program to produce *Accelerating Exports in the Middle Market*. The report identifies key ways in which metro areas

can assist middle market businesses and serve as a catalyst to middle market firm export growth. The Metro Program provides decision makers with cutting-edge research and policy ideas for improving the health and prosperity of cities and metropolitan areas. Together, through this collaboration, expert research and strategic engagement with our respective networks, The Metro Program and the Center aim to highlight the middle market as a critical contributor to the economy and potential driver of future export growth.

**B** | Metropolitan Policy Program  
at BROOKINGS

<sup>1</sup>International Monetary Fund, *World Economic Outlook*, 2013

<sup>2</sup>Homi Kharas and Geoffrey Gertz, *The New Global Middle Class*, 2010

## KEY TAKEAWAYS

- + Exporting middle market companies grow faster in terms of revenue and employment than their non-exporting counterparts.
- + Many domestic businesses are well-positioned to compete abroad, yet the majority of middle market firms do not generate revenue outside the U.S.
- + Barriers to exporting include an exclusive focus on domestic expansion, perceived lack of demand, fear of the unknown, and lack of key capabilities including talent and capital.
- + An emergence of new, metro-based approaches to export growth is beginning to address these obstacles.
- + Metropolitan areas can be a catalyst to middle market firms wishing to go global by playing a critical role in the export assistance ecosystem, coordinating available resources, and helping companies cultivate a world-view.





## FEDERAL POLICY

### THE FIRST EVER BIPARTISAN CONGRESSIONAL CAUCUS FOR MIDDLE MARKET GROWTH: ADVANCING GOVERNMENT DIALOGUE ON THE U.S. MIDDLE MARKET MARKET.

Through a strategic partnership with the Association for Corporate Growth (ACG), the Center played an instrumental role in the establishment of the first ever Congressional Caucus for Middle Market Growth. The bipartisan Caucus provides a platform for addressing middle market issues and developing public policies to promote, stimulate, innovate, and grow this crucial economic segment.

To drive interest in the formation of the Caucus, the Center provided middle market data for each of the 435 congressional districts. The information helped establish the critical importance of the middle market in each representative's hometown. The Center will continue to support the Caucus on an ongoing basis by providing data, insights, and research on the middle market.

## CAUCUS MEMBERS AS OF OCTOBER 1, 2014

- + Co-Chair: Rep. Steve Stivers (R-OH-15)
- + Co-Chair: Rep. Jared Polis (D-CO-2)
- + Co-Chair: Rep. Tom Rice (R-SC-7)
- + Co-Chair: Rep. Brad Schneider (D-IL-10)
- + Rep. Steve Chabot (R-OH-1)
- + Rep. Mike Conaway (R-TX-11)
- + Rep. Jim Cooper (D-TN-5)
- + Rep. Bill Huizenga (R-MI-2)
- + Rep. Randy Hultgren (R-IL-14)
- + Rep. Robert Hurt (R-VA-5)
- + Rep. Mike Quigley (D-IL-5)
- + Rep. Gary Peters (D-MI-14)
- + Rep. Kyrsten Sinema (D-AZ-9)

## KEY TAKEAWAYS

### CAPITAL HILL BRIEFING, WASHINGTON, DC THURSDAY, MAY 29, 2014

- + Middle market companies are looking for certainty from Washington.
- + Lawmakers need to embrace middle market risk-takers by lessening the burden that regulations have on mid-sized firms.
- + Mid-sized firms are run efficiently and want to export, but often need help navigating foreign trade rules.
- + Nothing in government specifically addresses the unique needs of middle market companies.

## MEDIA HIGHLIGHTS

- + **The Hill:** New caucus marks a win for the economy
- + **Washington Business Journal:** The mid-market found its voice - if only more decision makers would listen
- + **Denver Post:** Middle-market companies trying to find their voice



## STATE POLICY

### OHIO MIDDLE MARKET STUDY: UNDERSTANDING THE MIDDLE MARKET IN THE BUCKEYE STATE.

This year, in addition to national data, the Center made a concerted effort to look more closely at state and local middle markets through surveys and collaboration with various state and local chambers. This geographic focus provides regionally relevant insights about taxes, workforce development, business climate, economic development, and other local issues that can be used to generate awareness and interest among state and local decision makers. Specifically, the Center focused on six states with a strong middle market presence—California, Florida, Illinois, New York, Ohio, and Texas.

As part of this new regional perspective, the Center partnered with the Ohio Chamber of Commerce and local chambers throughout Ohio to conduct the first-ever in-depth assessment of growth and employment challenges faced by Ohio's middle market businesses. The results of the study provided data and insights that can be used to inform policy and develop programs for driving local business growth and employment.

## KEY TAKEAWAYS



- + Ohio middle market firms report strong past year revenue and employment growth and the outlook for continued growth is extremely positive.
- + Confidence in the state and local economies is high with 80% of middle market leaders at least somewhat confident in the state economy.
- + In keeping with middle market companies across the nation, maintaining margins and the cost of healthcare are the biggest challenges to Ohio's middle market firms.
- + Finding and retaining talented employees is a challenge for nearly 9 in 10 firms.

### PARTNERS:

- + Ohio Chamber of Commerce
- + Greater Cleveland Partnership
- + Cincinnati USA Regional Chamber of Commerce
- + Appalachian Partnership for Economic Growth
- + Toledo Regional Chamber of Commerce
- + Columbus Chamber of Commerce
- + Dayton Area Chamber of Commerce

## LOCAL POLICY

### U.S. CONFERENCE OF MAYORS RESOLUTION: MAYORS VOTE TO SUPPORT MIDDLE MARKET BUSINESSES.

Prompted by data from the Middle Market Indicator and other Center research, the Metro Economies Committee at the 82nd U.S. Conference of Mayors passed a resolution to bolster policies at the local level in support of U.S. middle market businesses. The resolution passed with unanimous support on June 23, 2014.

The resolution specifically addresses uncertainty related to how government actions affect business, an issue cited as “highly challenging” by 34% of middle market executives in the 2Q 2014 Middle Market Indicator. The U.S. Conference of Mayors called on elected officials at all levels of government to promote business policies that meet the needs of this critical economic sector.

### RESOLUTION SPONSORS:

- + Sponsor: Mayor Miguel Pulido, Santa Ana, California
- + Co-Sponsor: Mayor Evan Low, Campbell, California
- + Co-Sponsor: Mayor Lee Leffingwell, Austin, Texas

*“NOW, THEREFORE, BE IT RESOLVED, that The United States Conference of Mayors calls on elected officials at all levels of government to promote pro-growth business policies that recognize the potential and importance of the middle market sector of the economy.”*

**Get your middle market data.**

Contact the Center at [middlemarketcenter@fisher.osu.edu](mailto:middlemarketcenter@fisher.osu.edu) for middle market data and insights specific to your area.



## Focusing on What Matters Most.

### THE CENTER'S 2014 RESEARCH PLATFORM EXPLORES ISSUES CRITICAL TO THE MIDDLE MARKET'S SUCCESS.

Since its inception, the National Center for the Middle Market has been committed to broadening the knowledge base of the previously understudied middle market. To date, the Center has invested nearly \$2 million in journal-quality academic research and developed its own practitioner-oriented research projects to help shed light on key middle market issues and to arm middle market executives and stakeholders with insights, recommendations, and tools for strengthening the middle market.

Leveraging key findings from our past research, the Center developed a new framework for its 2014 research, emphasizing topics and issues found to be most crucial to the success of middle market companies. These areas of focus are specifically based on insights gleaned about key management practices that drive growth in middle market firms (*Pathways to Growth*, 2013), as well as specific qualities and attributes shared by middle market “growth champions”—companies that significantly and consistently outperform their peers (*Blueprint for Growth*, 2012).

This year, the Center launched eight new research projects within these topic areas and is now beginning to share the findings via research reports and white papers.

## 2014 RESEARCH

The Center's partners include renowned experts from the world's top research institutions as well as academics devoted to executive education. In addition, we work closely with premier professional and industry organizations that bring to the table unparalleled expertise in specific areas of study. This balanced approach and unique blend of academic and practitioner perspectives results in findings with deeper substance, greater relevance, and more impact.

### 2014 RESEARCH PARTNERS



## 2014 Research Focus Areas

	OVERVIEW	RESEARCH GOALS
<b>TALENT</b>	The middle market faces special challenges with respect to talent: at the managerial level, understanding how to create an employer brand that leverages the advantages of working for middle market firms; identifying best and emerging practices for attracting, developing, and retaining leaders and professional employees; and finding, training, and retaining needed technical workers.	<ul style="list-style-type: none"> <li>+ Close the knowledge gap.</li> <li>+ Build strong talent management capabilities.</li> <li>+ Create a talent value proposition for middle market companies.</li> <li>+ Provide benchmarks and a tool kit for deploying best and emerging talent management practices.</li> </ul>
<b>STRATEGY &amp; INNOVATION</b>	High-growth middle market companies tend to have formal growth strategy processes in place and are more likely to pursue growth opportunities through innovation and/or globalization. But mid-market companies, with their smaller leadership teams and more focused business practices, cannot simply adopt and adapt the strategy, innovation, and growth concepts developed by and for start-ups or large companies.	<ul style="list-style-type: none"> <li>+ Explore innovation processes, technology, and strategic planning through a middle market lens.</li> <li>+ Investigate middle market growth strategies, including globalization and mergers and acquisitions.</li> <li>+ Consider growth opportunities and challenges specific to lower, core, and upper middle market firms.</li> </ul>
<b>OPERATIONAL EXCELLENCE</b>	No business can succeed for long without the blocking and tackling skills of superior operations and execution. While middle market firms possess the ability to take advantage of market changes, they often lack awareness of new techniques and technologies. They can also benefit enormously from learning and sharing best practices.	<ul style="list-style-type: none"> <li>+ Provide middle market firms with tools for comparative benchmarking including Key Performance Indicators (KPIs).</li> <li>+ Assist firms in moving from institution- to data-driven management.</li> <li>+ Create a greater understanding of operational excellence systems and proven methodologies for mid-size businesses.</li> </ul>
<b>GOVERNANCE/ FINANCE</b>	The prevalence of privately held and family-owned firms in the middle market produces an abundance of governance and finance issues that are unique to this segment. Firms need help understanding potential sources of capital as well as learning best practices for owners, leadership teams, and boards of directors and advisors.	<ul style="list-style-type: none"> <li>+ Equip middle market companies with best practices and a tool kit for effective governance, including c-suite roles, succession planning strategies, and advice on building better boards.</li> <li>+ Understand how middle market companies identify and navigate options for capital, including non-bank financing and private equity models.</li> </ul>
<b>POLICY/ECONOMY</b>	Middle-market companies are crucial to the overall U.S. economy, but little is heard about or from these companies when public policy is formed. Government officials and others need to receive objective and comprehensive information about the middle market in order to develop sounder policies in areas such as taxes and regulation, support for job creation, and globalization.	<ul style="list-style-type: none"> <li>+ Convene dialogue with the federal government on middle market issues, including exports and regulatory environments.</li> <li>+ Understand the middle market closer to home through state-level surveys and collaborations with chambers of commerce, economic development organizations, and other state and local bodies.</li> <li>+ Inform policy at the federal, state, and local levels.</li> </ul>

## Focusing on the World's Best.

In 2014, the Center built upon progress made last year in engaging the world's top researchers and research institutions. These partnerships are key to furthering the Center's commitment to exploring critical middle market issues and to broadening the overall knowledge base around this segment. Three institutions joined the growing ranks of our research partners; Purdue University, University of Padova, and Warsaw School of Economics.

The Center funded and launched several new studies with researchers from these institutions. Specifically, the new initiatives are exploring approaches to global expansion, the role of liquidity in the acquisition of middle market firms, and the form and function of innovation alignment in logistics outsourcing relationships. Results are expected by late 2015.

In addition, several research projects funded in 2012 and 2013 resulted in new research reports and several articles published in top academic journals this year. *The Harvard Law School Forum on Corporate Governance and Financial Regulation* featured an article about the effect of regulation on public listings and middle market issues. *The Journal of Finance* accepted a piece on the language of middle market debt contracts and its impact on default risk. Additionally, insights from a paper on the impact of exploiting innovation have been leveraged to inform articles that will appear in the *Journal of Operation Management*, *Management Science*, and *Production and Operations Management*.

### Academic Research Impact

NEARLY  
**\$2**  
**MILLION**  
IN FUNDING

**58**  
RESEARCHERS

**14**  
OF THE WORLD'S  
**TOP 100**  
RESEARCH  
INSTITUTIONS

**28**  
PROJECTS





## 2015 PROPOSAL SUBMISSION SCHEDULE

Research grant proposals will be accepted and evaluated on a quarterly basis.

<b>QUARTER</b>	<b>SUBMISSION DEADLINE</b>	<b>APPROVAL DECISIONS</b>
Q1 '15	March 31, 2015	April 30, 2015
Q2 '15	June 30, 2015	July 31, 2015
Q3 '15	September 30, 2015	October 31, 2015
Q4 '15	December 31, 2015	January 31, 2016

### *Get **your** research funded.*

The Center remains focused on partnering with top researchers and institutions to explore critical middle market issues in 2015 and beyond. If you are an academic researcher with a project idea that can bring new knowledge and insights to the middle market in one of our key focus areas—talent, strategy & innovation, operational excellence, governance/finance, policy/economy—please visit [middlemarketcenter.org/academic-research](http://middlemarketcenter.org/academic-research) to submit a grant proposal for 2015 funding.



## Featured Academic Project:

### THE DISAPPEARING SMALL IPO AND THE LIFECYCLE OF THE SMALL FIRM

#### THE CRITICAL ISSUE

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In 1997, there were 168 exchange-listed initial public offerings for companies with an initial market capitalization of less than \$75 million. In 2012, there were seven. By thoroughly examining the lifecycle of small IPOs, researchers investigated the cause of this decline and explored the concept of regulation as a driver and barrier to the IPO market.

#### WORLD-CLASS RESEARCHERS

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**Steven Davidoff**, Professor of Law  
University of California, Berkley School of Law  
+ Weekly columnist for *The New York Times*

**Paul Rose**, Professor of Law, Director, Law,  
Finance & Governance, The Ohio State University,  
Moritz College of Law  
+ Author of *The State Capitalist Blog*

#### KNOWLEDGE AND INSIGHTS—2014 RESULTS

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##### White Paper

- + *The Disappearing Small IPO and the Lifecycle of the Small Firm*
- + Available on the Social Science Research Network (SSRN)



##### Blog Post

- + *Disappearing Small IPO and Lifecycle of the Small Firm*
- + The Harvard Law School Forum on Corporate Governance and Financial Regulation
- + March 6, 2014

*“If a fix is to come, it necessitates creating a market environment that fosters growth in small companies both before and after a small company’s IPO. In other words, relaxing regulation alone may only bring back companies that are ill-suited to the public markets.”*

## KEY INSIGHTS

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- + Within five years of an IPO, only 55% of small IPOs remain listed on a public exchange, compared to 61.3% and 67.1% for middle and large capitalized companies.
- + Small IPOs largely either voluntarily or involuntarily delist, while medium and large-sized companies largely exit the markets through takeover transactions.
- + Small companies that remain listed largely fail to grow, remaining in the small capitalized category.
- + Only minor evidence points to regulatory changes as a cause of the decline of the small IPO.
- + The decline appears to be more attributable to the historical unsuitability of small firms for the public markets.

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Small is defined as firms with an initial market capitalization of less than \$75M.



## Focusing on Solutions.

In 2014, the Center strengthened its commitment to working with premier professional and industry organizations on practitioner research projects designed to intimately explore key issues and challenges faced by middle market companies. The end goal of each project is to arm companies with actionable insights and best practices they can leverage to improve performance and grow their businesses.

This year, the Center invested in four new projects, bringing the three-year total to ten. In keeping with our research focus on issues most likely to drive growth, this year's projects looked closely at performance management, operational excellence, innovation, and export strategies.

### Stay informed.

Visit the Center's online Knowledge Center at [middlemarketcenter.org/middle-market-knowledge-center](http://middlemarketcenter.org/middle-market-knowledge-center) to download research reports, white papers, journal articles, and insights. Subscribe to receive the latest research delivered directly to your inbox.

## 2014 Practitioner Research

### OPERATIONAL EXCELLENCE

#### THE OPERATIONS PLAYBOOK: A SYSTEMATIC APPROACH FOR ACHIEVING AND MAINTAINING OPERATIONS EXCELLENCE

### PARTNER

Center for Operational Excellence, The Ohio State University, Fisher College of Business

### OVERVIEW

Building on the Center's 2012 report, *Blueprint for Growth*, which identifies operational excellence as a key driver of middle market "growth champions," this research surveyed 400 C-suite executives from middle market and large firms to explore operational and executional challenges and how companies make and sustain improvements in operations.

### GOAL

Provide an operations framework, tips, and best practices to help middle market executives create and sustain improvements in operations.

### KNOWLEDGE AND INSIGHTS

#### Research Report

+ *The Operations Playbook: A Systematic Approach for Achieving and Maintaining Operations Excellence*

#### Article

+ *A Middle Market Guide to Building & Sustaining Operations Excellence*

+ IndustryWeek, September 30, 2014

"... companies do a much better job of sustaining gains when they approach their operations as systems, with parts or subsystems that can be fine-tuned both individually and in concert. The four subsystems of any operation—problem solving, daily management, strategic alignment, and personnel development—can all, in our view, be improved through better management and careful governance."



## EXPORT STRATEGIES ACCELERATING THE MIDDLE MARKET'S EXPORT PERFORMANCE

### PARTNER

Brookings Metropolitan Policy Program

### OVERVIEW

Over the next five years, 83% of global growth is expected to occur outside the United States. What's more, the majority share of the global middle class is expected to shift towards Asian nations by 2030. This report identifies key ways in which metro areas can assist middle market businesses and serve as a catalyst to middle market firm export growth.

### GOAL

Equip middle market firms with best practices to overcome obstacles to exporting so they are better able to pursue a global strategy that will accelerate growth, increase competitiveness, and open the door to future growth options.

### KNOWLEDGE AND INSIGHTS

#### Research Report

+ *Accelerating the Middle Market's Export Performance*

*"While currently underachieving in terms of globalization, U.S. metro areas and middle market firms undoubtedly offer the greatest potential to impact the nation's overall role in the global economy. In fact, some metros have already taken charge of their global future by developing comprehensive plans to lower barriers for their companies to grow international sales."*

## INNOVATION LESSONS IN INNOVATION FROM THE MIDDLE MARKET

### PARTNER

Innovation Initiative, The Ohio State University, Fisher College of Business

### OVERVIEW

Middle market growth champions share a focus on innovation. However, nearly two out of three middle market executives rate the ability of their organization to innovate new products, services, or processes as highly or somewhat challenging. This research investigates the ways in which middle market companies innovate and identifies five distinct innovation approaches or typologies unique to the sector.

### GOAL

Help middle market companies identify with and leverage innovation strategies and provide a tool kit companies can use to create a competitive advantage based on innovation.

### KNOWLEDGE AND INSIGHTS

#### White Paper

+ *Lessons in Innovation from the Middle Market*

#### Article

+ *Lessons in Innovation from the Middle Market*  
+ ACG's September 2014 Middle Market Growth publication

*"Unlike startups, which have flat organizations where nearly everyone plays a role in developing a handful of projects, and large corporations, which fund big innovation groups and multiple programs simultaneously, middle market companies organize their teams in five distinct ways, called typologies, which are unique to this sector."*

## PERFORMANCE MANAGEMENT IT'S ABOUT PEOPLE: HOW PERFORMANCE MANAGEMENT HELPS MIDDLE MARKET COMPANIES GROW FASTER

### PARTNER

Society for Human Resource Management

### OVERVIEW

As demonstrated each quarter by the Middle Market Indicator, the ability to attract, train, and retain talent is a top challenge for more than three-quarters of middle market firms. This research investigates the importance of performance management practices as a tool companies can use to enhance the workforce and explores the impact of such practices on overall firm performance.

### GOAL

Document the connection between performance management and overall company performance. Develop insights and best practices to help middle market companies improve performance management.

### KNOWLEDGE AND INSIGHTS

#### Research Report

+ *It's About People: How Performance Management Helps Middle Market Companies Grow Faster*

#### Article

+ *Performance Management in the Middle Market: Implications for Private Equity Owned Firms*  
+ ACG's October 2014 Middle Market Growth publication

*"The correlation between good performance management and companywide financial success comes through clearly in a survey of 300 business executives by the National Center for the Middle Market. Among middle market companies that see themselves as excellent or very good at performance management (an "A" or a "B"), 76% say their revenues increased in the past year, only 4% say their revenues declined."*

# Featured Project

## PERFORMANCE MANAGEMENT

IT'S ABOUT PEOPLE: HOW PERFORMANCE MANAGEMENT HELPS MIDDLE MARKET COMPANIES GROW FASTER

### RESEARCH FOCUS AREA

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+ **Talent**

### RESEARCHERS

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+ **The National Center for the Middle Market**  
+ **Society for Human Resource Management**

### THE CRITICAL ISSUE

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In the 2Q 2014 Middle Market Indicator, 77% of middle market firms cited the ability to attract, train, and retain talent as somewhat to highly challenging. The reality is, growing firms need quality workforces. Middle market firms that demonstrate the greatest success often have effective talent management practices in place.

To that end, the Center partnered with the Society for Human Resource Management (SHRM) to survey nearly 700 business and human resource executives with the goal of determining if and when performance management makes a difference for middle market firms. The research aimed to identify effective performance management practices as well as pressure points in order to provide middle market firms with best practices and recommendations for improving performance management practices within their own organizations.



*“Among middle market companies that see themselves as excellent or very good at performance management (an “A” or a “B”), 76% say their revenues increased in the past year; only 4% say their revenues declined.”*

## KNOWLEDGE AND INSIGHTS—2014 RESULTS



### Research Report:

#### *It's About People: How Performance Management Helps Middle Market Companies Grow Faster*

- + Growing firms have more effective performance management practices in place and managers are better skilled in a number of critical performance management areas.
- + Obstacles to effective performance management are rooted in the inexperience and discomfort of the people responsible for doing the reviews.
- + Firms that are more proficient at performance management are better at setting goals with direct reports, letting weak performers know they need to improve, providing informal feedback, and at making tough calls like firing poor performers.



### Article:

#### *Performance Management in the Middle Market: Implications for Private Equity Owned Firms*

- + By Dr. Raymond Noe and Dr. Larry Inks, The Ohio State University, Fisher College of Business.
- + Published in ACG's Middle Market Growth publication, October 2014.
- + Featuring data and insights specific to private equity-owned middle market firms.

*“Leaders of private equity owned firms face a large number of business challenges for which effective performance management is critical. These include choosing who to promote, allocating rewards, business growth opportunities, and difficulties sourcing or recruiting employees with desired skill sets.”*

*Join forces to  
make an impact.*

If your industry organization or association would like to partner with the Center to research solutions to key middle market issues and challenges, email [middlemarketcenter@fisher.osu.edu](mailto:middlemarketcenter@fisher.osu.edu).

# An Unprecedented Focus on Middle Market Data and Trends.

Often quoted alongside Bureau of Labor Statistics data the ADP Employment Report, the Middle Market Indicator (MMI) has become the go-to resource for understanding the health of the U.S. middle market. Every three months, the National Center for the Middle Market surveys a representative sample of 1,000 C-suite executives from middle market companies to monitor key performance metrics and identify meaningful trends. The survey tracks company performance, revenue and employment growth, projections for future growth, top business challenges, investment strategy, and confidence in the economy. Different topically based questions are also included in the survey each quarter, allowing the Center to focus in on timely issues critical to the middle market.

The MMI is the country's only comprehensive economic barometer on the middle market, designed to keep executives, academics, policymakers, and business students current on the latest middle market data and trends. With each new release of the report, the MMI attracts greater levels of media attention from national as well as local and regional news outlets.

## NEW MMI RESOURCES

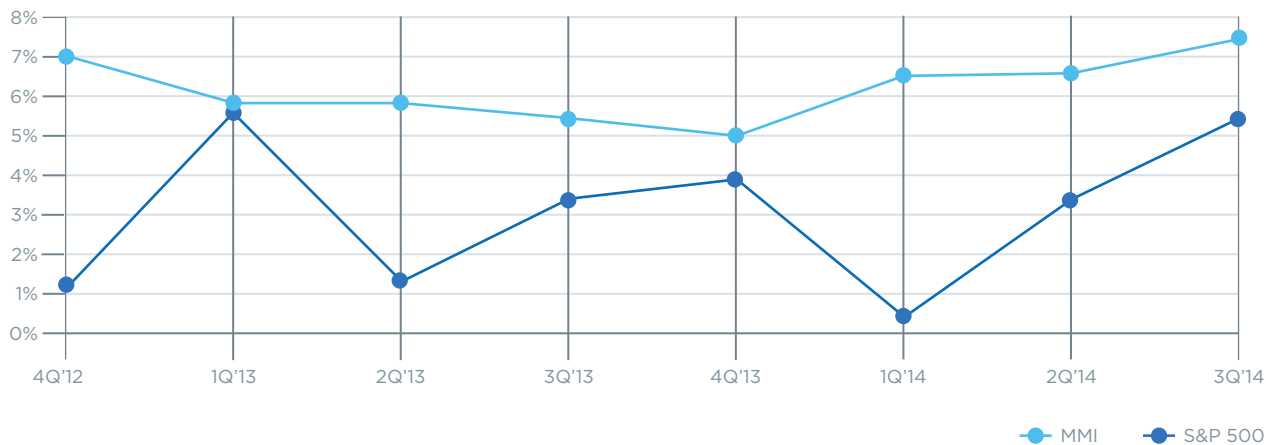
This year, middle market stakeholders have several new resources for gaining an even deeper understanding of the critical middle market segment:

- + The Center's new **middle market indicator landing page** provides an interactive, at-a-glance view of year-over-year trend data on revenue, employment, investment, confidence, and productivity in the middle market.
- + **Customized data** is now available by industry, revenue size, region, and ownership structure, allowing stakeholders access to specific sub-segments of the middle market.
- + To supplement the quarterly MMI, **six state-specific infographics** are produced each quarter, profiling middle market performance and economic outlook in California, Florida, Illinois, Ohio, New York, and Texas.

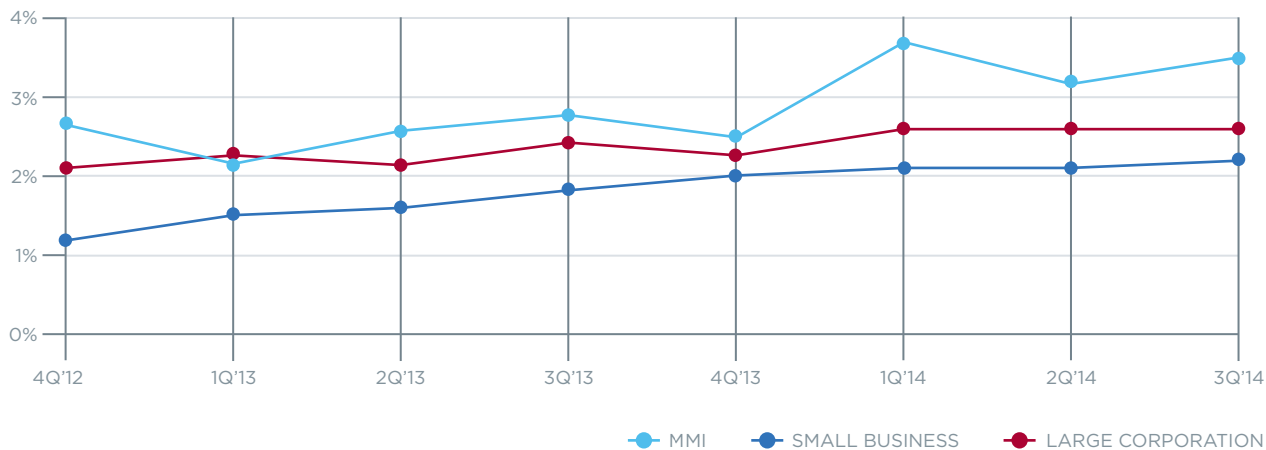


## MIDDLE MARKET TRENDS

### ACTUAL REVENUE GROWTH



### ACTUAL EMPLOYMENT GROWTH



## IN THE NEWS

### Middle Market Indicator Headlines

*"Survey Says: Midmarket Executives Optimistic About Economy."*

**WALL STREET JOURNAL**

*"Mid-Market Hiring Looking Bright."*

**FOX BUSINESS**

*"Middle Market Executives Report Bullish 2014 Outlook."*

**US NEWS & WORLD REPORT**

*"Midsize Companies Outpace the Broader Market."*

**INC.COM**

*"Private equity firms salivate at bullish small and middle market companies."*

**CNBC**

*"Growth in Midmarket Probably Won't Make Deal Making Any Easier."*

**DOW JONES**

*"First Look: Middle Market Ticks Up Slightly."*

**POLITICO MORNING MONEY**

*"Texas mid-sized companies lead national revenue and employment growth."*

**DALLAS MORNING NEWS**

*"Growth outlook positive for Florida's middle-market companies."*

**SOUTH FLORIDA BUSINESS JOURNAL**

*"Reaching a 'fever pitch'."*

**CRAIN'S CLEVELAND BUSINESS**

*"Manufacturing executives to talk about New York's middle market."*

**ALBANY BUSINESS REVIEW**

*"Optimism up at midsize companies."*

**PITTSBURGH BUSINESS TIMES**

*"Middle market companies remain optimistic."*

**PRESIDENT & CEO**

*"Middle Market Manufacturers Report Solid Growth."*

**INDUSTRYWEEK**

*Keep the pulse.*

Get the latest middle market performance data and trends delivered to your inbox. Visit [middlemarketcenter.org](http://middlemarketcenter.org) to subscribe to the quarterly Middle Market Indicator.



## Focusing on Talent.

**THE CENTER PROVIDES REAL-WORLD LEARNING FOR THE MIDDLE MARKET EXECUTIVES OF TODAY—AND TOMORROW.**

Talent is a key issue for the middle market and a critical ingredient to its success. To that end, the National Center for the Middle Market facilitates world-class learning opportunities for middle market executives as well as for business school students who will be the middle market leaders of tomorrow. Educational programs are based on actual middle market business challenges, giving executives and students opportunities to work on implementable business solutions while developing essential business skills.

In 2014, the Center completed its fourth executive education cohort and offered the first Middle Market Industry Cluster Program to undergraduate students at The Ohio State University Fisher College of Business.

## MIDDLE MARKET INDUSTRY CLUSTER PROGRAM FOCUSING ON THE FUTURE.

Introducing today's business students to the role and value of middle market companies helps create a talented pool of candidates to lead middle market firms in the future. This year, the Center launched a Middle Market course as part of the Industry Cluster Program at The Ohio State University Fisher College of Business. The two-semester course was made available to undergraduate students for the first time in Fall 2014.

During the first semester of the program, students are immersed into the middle market via a series of seminars along with presentations from participating middle market executives. During the second semester, student teams are paired with middle market companies to work on real business projects.

For students, the Cluster provides an MBA-like experience with a high degree of student engagement and collaborative problem solving to help foster business skills needed for future careers. For participating middle market companies, the program provides an opportunity to glean creative insights and tangible results from the student's work as well as access to future talent.

## 2014-2015 MIDDLE MARKET CLUSTER PROGRAM

### COMPANY PARTICIPANTS



**HOMAGE**



**RGBARRY**  
BRANDS

*“Meeting with business professionals and hearing their own experiences, as well as working with the future leaders in these industries, will be greatly beneficial to me and my career.”*

### **PATRICK LIPAJ**

*Undergraduate Student, Fisher College of Business  
The Ohio State University*

*Develop your leaders.*

Middle market companies interested in executive education opportunities and opportunities to collaborate with today's business students should contact the Center to learn how to get involved in the Center's 2015 education initiatives.

## ACCESS GE EXECUTIVE EDUCATION PROGRAM FOCUSING ON CORPORATE AND EXECUTIVE GROWTH.

Through the Access GE Executive Education Program, the Center offers GE Capital customers a unique opportunity to receive education on critical issues to middle market success. Companies send teams of three to five cross-functional senior leaders to participate in an intense, innovative, three-day program. The curriculum consists of courses based on The Ohio State University's Fisher College of Business Executive MBA curriculum, which Businessweek ranks as the 9th best in the world. The courses are supplemented by lectures from senior GE executives and industry experts, along with customized coaching specific to business challenges that the participants currently face. Coaches work with the teams during the course and for up to six months afterward to make progress against business challenges.



## EXAMPLE BUSINESS CHALLENGES ADDRESSED BY CURRICULUM AND COACHING

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- + Creating an operations business map
- + Distributing the increased cost of regulation across products
- + Developing a succession planning process
- + Process integration
- + Driving a multi-generational business leadership transition plan
- + Recruiting, hiring, training, retaining, and managing talent
- + Instituting a performance management plan

## APRIL 2014 PARTICIPANTS

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- + Fortress Investment Group
- + The Waddington Group
- + Precision Aerospace Inc.
- + LiftOne
- + Cerni Motor Sales Inc.
- + KLLM Transport Services LLC
- + Rocky Mountain Dealerships Inc.
- + Ricoh Americas Corporation



## Three Year Impact

**4<sup>TH</sup>**

COHORT

**111**

EXECUTIVE  
GRADUATES

**26**

MIDDLE MARKET  
COMPANIES

**260**

HOURS OF  
COACHING







## April 2014 Participant: The Waddington Group Inc.

### EXECUTIVE EDUCATION TEAM

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- + **Mike Evans**, President & CEO
- + **Mike Christopher**, CFO
- + **David Russell**, VP of Human Resources

### THE COMPANY

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As the leading global packaging manufacturer and marketer of upscale plastic disposable solutions for the foodservice industry, The Waddington Group (TWG) is a private-equity owned business with divisions in the United States, Canada, and Europe, as well as an Eco-Products division in Boulder, Colorado. A commitment to innovation has driven TWG's significant success and market dominance in the catering sector and has spurred TWG to branch out into adjacent products and markets, including bakery, deli, and chain restaurant packaging, along with a broad array of green packaging solutions. Primarily through strategic acquisitions, the company has more than doubled its size in the past 18 months and is rapidly approaching the \$1B mark in revenues. TWG has also grown its workforce to 2,750 employees and counting.



*“This experience gave us the momentum needed to put structure to our ideas, to push them over the line, and to get things done. Ultimately, we were able to do a better job of formalizing our plans and implementing our workforce strategies, and we were able to do it much more quickly.”*

**MIKE EVANS**

*President & CEO*

## THE CHALLENGE

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Recent acquisitions have not only led to a larger workforce at TWG, they have also resulted in much more diversity within the company. Leveraging its expertise in innovation, TWG’s leadership set out to develop a three-tiered approach for better managing and communicating with its growing talent base. First, the company needed solutions for assimilating its new employees—and the corporate cultures they brought with them—into a cohesive, harmonized corporate mission and vision. TWG also desired a more formalized management succession plan that would account for the larger number of long-term employees now working for the company. Finally, the company sought a new tool for better communicating with its broader, more geographically and culturally diverse workforce. While TWG had numerous ideas around these initiatives, the company lacked a formalized plan for bringing its goals to fruition.

## THE RESULTS

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During the executive education session and through follow up sessions with business coaches, TWG executives learned best practices for further developing the company’s evolving mission and vision. The executives also gained insights for formalizing the company’s succession planning process and internal communications strategies. In addition, the session gave TWG’s leadership team the time it needed to concentrate on these critical initiatives, while providing the impetus to establish a timeframe for implementation. The company now has plans to unveil its newly revised mission, vision, and values when it launches an employee-dedicated intranet site in just a few weeks. The new site will provide a way to share information and celebrate successes across divisions and will include unique content, such as a social media-inspired feature where employees can post “selfies” highlighting the use of TWG products at lunch outings, cocktail parties, ball games, and other events. TWG leadership is also currently visiting each of its plants to roll out its new management succession system.

## Focusing on Collaboration.

### **THE CENTER WORKS WITH LIKE-MINDED ORGANIZATIONS TO MAXIMIZE IMPACT AND ACHIEVE GREATER RESULTS.**

Numerous organizations and businesses have an interest in the success of the middle market, either because they serve middle market firms, or because middle market companies support their organizations. The National Center for the Middle Market seeks opportunities to work collaboratively with these organizations and businesses to conduct research, host events, and spearhead other initiatives designed to benefit and advance the middle market. Through these partnerships, the Center gains access to new middle market stakeholders. At the same time, our partners and their constituents benefit from access to the Center's research, insights, tools, and expert resources.

In 2014, the Center worked to expand its network of partners. These partners were vital to the Center's practitioner research projects and other initiatives including raising awareness of the middle market among policymakers at all levels.





## OUR PARTNERS





## Focusing on Engagement.

**THE CENTER PROVIDED MORE OPPORTUNITIES TO CONNECT MIDDLE MARKET EXECUTIVES WITH SCHOLARS, STUDENTS, POLICYMAKERS, AND EACH OTHER.**

Dynamic events give middle market executives, academic researchers, business school students, and policymakers unique and valuable opportunities to collaborate on solutions that will advance the middle market. It is through key events that the Center creates environments that facilitate engagement and drive action on the insights and knowledge it generates.





*In 2014, the Center dramatically increased the number of events offered to its middle market stakeholders. Highlights of the year included the third Annual Middle Market Summit, the second Middle Market Student Summit, and the 22nd Annual Fisher Invitational Case Competition. The Center also spoke at over 27 events nationwide.*

## *Get the highlights.*

Visit the Center's website at [middlemarketcenter.org](http://middlemarketcenter.org) to access video coverage and key highlights from the 2013 Summit.

## 2013 National Middle Market Summit: Leading from the Middle

**THE THIRD ANNUAL MEETING OF THE BEST  
MIDDLE MARKET MINDS.**

Co-hosted by GE Capital, the National Center for the Middle Market, and The Ohio State University Fisher College of Business, the third National Middle Market Summit continued the national dialogue on the importance of the middle market—a conversation the Center helped ignite three years ago. More than 1,000 CEOs, academics, policymakers, and industry experts joined together to discuss key business opportunities, challenges, and solutions that will help middle market companies grow, ultimately building a stronger economy.





“Reinvention is the guardrails of growth” @Under Armour CEO  
Kevin Plank #MidMarketSummit

**GE CAPITAL**  
@GECapital



## 3<sup>rd</sup> National Middle Market Summit

**1,000**  
ATTENDEES

**320+**  
TWITTER POSTS

**36**  
MILLION  
MEDIA  
IMPRESSIONS

**3**  
NEW PIECES  
OF RESEARCH

**BLOOMBERG TELEVISION**  
LIVE BROADCAST

## 2013 SUMMIT KEYNOTE SPEAKERS AND PRESENTERS

- + **Joseph Alutto**, Interim President, The Ohio State University
- + **George W. Bush**, Former President of the United States
- + **Don Graham**, Chairman and CEO, The Washington Post Company
- + **Jeff Immelt**, Chairman and CEO, GE
- + **Anil Makhija**, Academic Director, National Center for the Middle Market
- + **Henry Mason**, Global Head of Research & Managing Partner, trendwatching.com
- + **Hank Paulson**, Chairman, Paulson Institute and 74th United States Secretary of Treasury
- + **Kevin Plank**, Chairman and CEO, Under Armour (Interviewed by Tom Keene, Host, “BloombergSurveillance”)
- + **John Seifert**, Chairman and CEO, Ogilvy & Mather North America
- + **Keith Sherin**, Chairman and CEO, GE Capital
- + **Olivier Sibony**, Director, McKinsey
- + **Dr. Jim Weinstein**, President, Dartmouth-Hitchcock

## 2014 NATIONAL MIDDLE MARKET SUMMIT

The 4th National Middle Market Summit is scheduled for October 28-29, 2014.



# 2014 Fisher Invitational Case Competition

**A STUDENT-BASED APPROACH TO SOLVING MIDDLE  
MARKET CHALLENGES.**

**THE BUSINESS CASE:**

**NATIONAL HOCKEY LEAGUE'S COLUMBUS BLUE JACKETS**

In 2014, the Columbus Blue Jackets secured a spot in the playoffs for the second time in franchise history. While the team's performance has improved, game attendance has not kept pace. The franchise needed a way to overcome the challenges of its comparatively small, non-traditional hockey market in order to grow the season ticket holder base and maximize team revenues.

**THE COMPETITION:**

The National Center for the Middle Market sponsored the case competition, inviting teams of first-year MBA students from 11 of the nation's top business schools to The Ohio State University Fisher College of Business campus to take on the Blue Jacket's business case. The Columbus Blue Jackets hosted the student teams for a private kick-off dinner at Nationwide Arena and provided a tour of the arena, locker rooms, bench area, and owner's suite. Teams then had just 24 hours to analyze the case and prepare recommendations to present to Blue Jackets senior management.

Student teams gained practical, hands-on experience solving a live business challenge while generating a variety of innovative, implementable strategies that the Blue Jackets can leverage to focus the team's limited resources on maximizing sales.



*"Love this partnership between the @MidMarketCenter & @BlueJacketsNHL. More teams should do this."*

**DARREN ROVELL**

@darrenrovell

ESPN Sports Business Reporter and Business  
Correspondent, ABC News

**PARTICIPATING BUSINESS SCHOOLS:**

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





## Case Competition Highlights

**22<sup>ND</sup>**  
ANNUAL  
CASE COMPETITION

**11**  
TOP BUSINESS  
SCHOOLS

**44**  
FIRST-YEAR  
MBA STUDENTS

**1<sup>ST</sup>**  
PLACE TEAM:  
UNIVERSITY OF  
ILLINOIS

**24 HOURS**  
TO ANALYZE AND DEVELOP  
SOLUTIONS FOR A LIVE BUSINESS CASE

*“Our organization is one that’s on the rise, and we’re looking for ways to improve our business performance. And what we saw here was a chance to get some of the youngest and brightest thinking on ways to do that.”*

**LARRY HOEPFNER**  
Executive VP for Business Operations  
Columbus Blue Jackets

*“The Blue Jackets will consider a lot of the ideas that were expressed today in the competition. I think the knowledge and level of expertise that they had within the digital area—specifically point of sale, RFID, social media—those are things we’re definitely going to look at in the future.”*

**JEFF ELDERVELD**  
Director of CRM and Analytics  
Columbus Blue Jackets

*Make **your** case.*

Middle market companies can submit a business case for consideration for future Fisher Invitational Case Competitions. To submit a case—and get a chance for exclusive access to innovative ideas from the nation’s top MBA students—contact the Center or visit [middlemarketcenter.org](http://middlemarketcenter.org).

## 2014 Student Summit

### PROMOTING THE MIDDLE MARKET TO TODAY'S BUSINESS STUDENTS.

Middle market companies are growing, and growing companies need talent at all levels of the organization. For this reason alone, the middle market sector should be on every business student's radar.

For the second year, the National Center for the Middle Market hosted a Middle Market Student Summit for The Ohio State University Fisher College of Business undergraduate and graduate students. Featuring an overview of the middle market by Center Director Anil Makhija, a panel of alumni who currently work in the middle market, and a keynote address from the CEO of Alex & Ani, the summit focused on raising student awareness of the middle market and the exciting employment opportunities it offers.

# ALEX AND ANI

## KEYNOTE SPEAKER

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**Giovanni Feroce**

+ CEO, Alex & Ani

## STUDENT SUMMIT GRAD PANEL

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**Joseph Wechsler**, MBA

+ Manager, The Hackett Group  
Washington, DC

**Nate Palmer**, MAcc, CFA, CPA

+ Research Analyst, Diamond Hill Investments  
Columbus, OH

**Mike Jurek**, UG, CPA

+ Staff Tax Accountant, Crowe Horwath  
Columbus, OH

**Lindsay Kronk**, UG

+ Residential Real Estate Broker, @properties  
Chicago, IL



# Middle Market Company of the Month

## TOPGOLF DALLAS, TX

Topgolf has revolutionized the driving range experience by adding high-tech balls, flat screen TV's, a full restaurant and bar, live music, and more, growing its business to 18 locations and counting.

*"Protect what makes you special. Don't let your business get away from its core for the sake of growth. If something makes you special, grow at the rate you can while sustaining it."*

+ **Tom Leverton**, Topgolf CEO

## USTREAM SAN FRANCISCO, CA

Since broadcasting its first video in 2007, Ustream has been offering live streaming enterprise video services for an impressive list of clients, including Sony, Samsung, Viacom, and NASA. Headquartered in San Francisco, Ustream has grown internationally, with over 250 employees worldwide.

*"As you move from a start-up to the middle market, you have to put processes and systems in place to scale. It's the whole concept of work smarter, not harder."*

+ **Brad Hunstable**, Ustream CEO and Co-Founder

## NOODLES & COMPANY BROOMFIELD, CO

Founded in 1995 and less than 20 years old, this fast-casual restaurant chain has grown revenues to over \$350M by offering different types of cuisine (Asian, American, Thai, Mediterranean) all in one location.

*"The core of any business is its people. You can have the best strategy for growth but without the right team behind you, achieving those strategic goals and sustaining them is impossible."*

+ **Keith Kinsey**, Noodles & Company President and COO

## OTHER COMPANIES

ALEX AND ANI



RESOURCE



opdet



RED FROG  
EVENTS



Liquidity  
Services Inc.

RGBARRY  
BRANDS

## Get profiled.

Interested in being the next Middle Market Company of the Month? Contact the Center at [middlemarketcenter@fisher.osu.edu](mailto:middlemarketcenter@fisher.osu.edu). To learn more about our unique middle market companies, visit [middlemarketcenter.org/company-of-the-month](http://middlemarketcenter.org/company-of-the-month).





## Focusing on the Future.

The National Center for the Middle Market is proud of its accomplishments over the past three years. Yet there continues to be a need to raise awareness of the middle market among executives, policymakers, economic development organizations, business students, the media, and other stakeholders. Further, there is an ongoing need to provide middle market companies with the resources, capabilities, and policy support necessary for growth and even greater levels of future success.

The Center is committed to remaining the leading authority on the middle market and to continuing to expand its reach, influence, and visibility in order to support the middle market.

## 2015 GOALS

As the National Center for the Middle Market begins its fourth year, we are mindful not just of our accomplishments in the last year and of the distance we've come since starting out, but of the opportunities that await us. Our mission asks us to help the middle market grow in two ways: by creating awareness of its importance and its challenges among policymakers, academics, and others; and by developing a body of knowledge, insights, and data that enable middle market executives to make better decisions. In the year ahead, we will aggressively advance both parts of that agenda.



Foster the development **of communities of middle market executives**. We will launch a reinvigorated and larger Corporate Advisory Council, expand our partnerships with associations to convene middle market leaders to share their experiences and meet policymakers, enrich our social media presence, and explore other avenues to enhance networking, knowledge sharing, and other interaction among middle market executives and between them important stakeholders in their cities and states.



Significantly expand **our production of unique research on the middle market**. As we develop more proprietary data about middle market companies, we will produce reports with geographic and industry focus and support academic research. We will also conduct research with executives and associations to obtain a data-driven understanding of their management and information needs.



Connect middle market companies with **state and metropolitan economic development and policy groups**. Our work in 2014 in California, Florida, Illinois, New York, Ohio, and Texas provides a solid basis on which to strengthen ties between middle market companies and the communities in which they are often stalwarts. In 2015 we will continue to expand this effort in our target states and metropolitan areas.



Close the loop between **insight and action**. We will expand executive education with innovative formats and additional webinars; provide increased opportunities for students to work with middle market companies on research projects; and design our research program so that its insights are ever-more-useful to executives.



We will begin to **expand our network globally** among companies and experts. Middle market companies throughout the developed world face many of the same challenges, and can benefit from getting to know each other as potential customers, partners, suppliers, and investors. The Center will expand its international research and impact by leveraging the Fisher College of Business Center for International Business Education and Research.



## Oversight Committee

The National Center for the Middle Market Oversight Committee includes representation from the Fisher College of Business, GE Capital, and prominent middle market executives who lend their expertise and insight to help the Center achieve its mission of advancing the middle market's role in the economy. In 2014, the Center was pleased to welcome several new members to the growing Oversight Committee, including Daniel Ariens, Dan Henson, Charles Newell, Mike Pilot, and Thomas Stewart.

### OVERSIGHT COMMITTEE MEMBERS



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



**Charles Newell**  
+ Co-Founder & Managing Partner  
Tech Investments LLC



**Daniel T. Ariens**  
+ President & CEO  
Ariens Company



**Mike Pilot**  
+ Chief Commercial Officer  
GE Capital



**Tanny Crane**  
+ President & CEO  
The Crane Group



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



**Dan Henson**  
+ Officer, GE  
President & CEO  
GE Capital Americas

## ACADEMIC BOARD MEMBERS

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- + **Thomas Goldsby**, Professor of Logistics, Fisher College of Business, The Ohio State University
- + **Kose John**, Charles William Gerstenberg Professor of Banking and Finance, Leonard N. Stern School of Business, New York University
- + **Anil K. Makhija**, Academic Director, National Center for the Middle Market, Senior Associate Dean, Dean's Distinguished Professor of Finance, The Ohio State University Fisher College of Business
- + **Johnny Rungtusanatham**, Professor of Management Sciences, Fisher College of Business, The Ohio State University
- + **Oded Shenkar**, Ford Motor Company Chair in Global Business Management, Professor of Management & Human Resources, Fisher College of Business, The Ohio State University
- + **Steven Davidoff**, Professor of Law, University of California, Berkley School of Law
- + **Brenda Tsai**, GE Capital Managing Director
- + **Michael S. Weisbach**, Professor and Ralph W. Kurtz Chair in Finance, Fisher College of Business, The Ohio State University
- + **Peter Williamson**, Honorary Professor of International Management Fellow Commoner and Director of Studies in Management at Jesus College, Cambridge Judge Business School, University of Cambridge
- + **Tzachi Zach**, Associate Professor of Accounting & MIS, Fisher College of Business, The Ohio State University

## CENTER STAFF

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- + **Thomas A. Stewart**, Executive Director
- + **Anil K. Makhija**, Academic Director
- + **Douglas L. Farren**, Associate Director
- + **Christa A. Rubbelke**, Program Manager
- + **Brenda Tsai**, GE Capital Managing Director GE Capital Representative





NATIONAL CENTER FOR  
**THE MIDDLE MARKET**

**Fisher College of Business at The Ohio State University** is dedicated to uniquely preparing the next generation of business leaders through distinguished faculty and a highly innovative curriculum. Key to Fisher's mission are interdisciplinary business partnership centers, such as the National Center for the Middle Market, focused on issues of great strategic importance to the global business community.

**GE Capital** offers consumers and businesses around the globe an array of financial products and services. For more information, visit [gecapital.com](http://gecapital.com) or follow company news via Twitter. GE (NYSE: GE) is a diversified infrastructure, finance and media company taking on the world's toughest challenges.

[MIDDLEMARKETCENTER.ORG](http://MIDDLEMARKETCENTER.ORG)

In Collaboration With

