

**MONMOUTH-OCEAN DEVELOPMENT
COUNCIL**



**2011 BUSINESS
OUTLOOK SURVEY**

Survey Findings Presented by:
Stephen Reed, CPA
Shareholder
Cowan, Guteski & Co., P.A.

February 2011

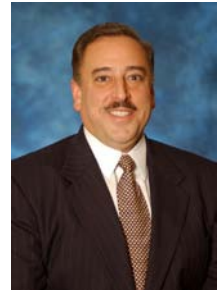


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STEPHEN REED, CPA
Shareholder-in-Charge
Manufacturing & Distribution Services Group



Stephen Reed, CPA, is the Managing Director of the Monmouth County, New Jersey office of Cowan, Guteski & Co., P.A., and Shareholder-in-Charge of the firm's Manufacturing & Distribution Services Group. His extensive experience includes providing audit, tax planning and management advisory services, including financial statement analysis, business succession planning, cost segregation studies and profitability enhancement, to manufacturers, distributors, contractors, and service companies of various sizes, ownership structures and industries

Mr. Reed is a member of the Manufacturing Council of the New Jersey Business and Industry Association, the Association for Operations Management, the Association of Pool and Spa Professionals, the Northeast Spa & Pool Association, the Warehousing Education and Research Council, and the Council of Supply Chain Management Professionals. He is a member of the American Institute of Certified Public Accountants and the New Jersey Society of Certified Public Accountants.

He is a past president and a cofounder of the Corporate Resource Alliance, Inc., an organization dedicated to the ideal of providing a full range of complimentary services to businesses. He is also a past president of several business and nonprofit organizations. He currently serves as Vice President for the Monmouth-Ocean Development Council, Vice President of the Ocean County Private Industry Council and is on the board of several other area organizations, including the Corporate Leadership Council of the American Cancer Society.

Mr. Reed has been a keynote speaker for numerous businesses and professional and civic organizations, and, most notably, was the featured speaker at a national CPAmerica International annual conference. A *cum laude* graduate of Rowan University, Mr. Reed has been honored as "Citizen of the Year" on three different occasions by various organizations. He was also named "Business Person of the Year" by the New Jersey Future Business Leaders of America.

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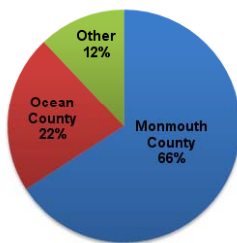
2011 MODC Business Outlook Survey Results

Stephen Reed, CPA
Shareholder
Cowan, Guteski & Co., P.A.

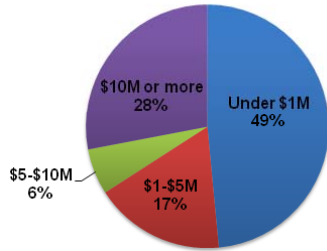
Objectives

- ▶ Determine how we compare to other regions in New Jersey
- ▶ Determine what business issues affect companies in Monmouth & Ocean counties
- ▶ Assess projections for business and economic conditions in 2011
- ▶ Benchmark statistics and trends for future analysis

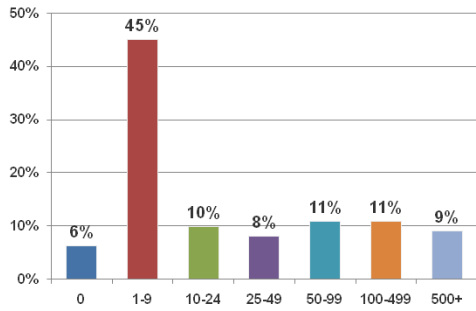
The primary location of your business is in:



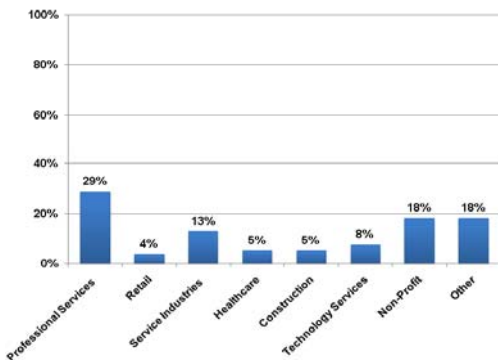
What is your annual revenue (in millions of dollars)?



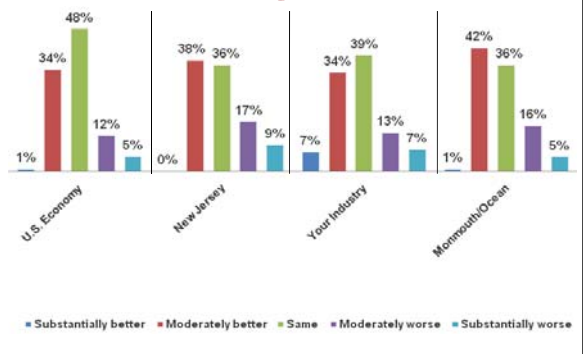
How many people did you employ in the Monmouth/Ocean county region in 2010?



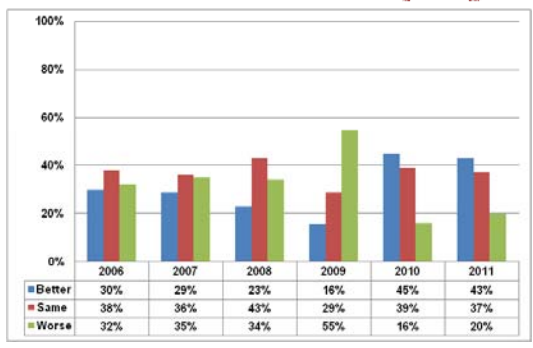
In what industry segment is your business?



In 2011 do you expect business conditions as compared to 2010 to be:



Outlook on 2011 Business Conditions in the Bi-County Region



Fort Monmouth Closure

The 1,125 acre Army base must close by 9/15/11

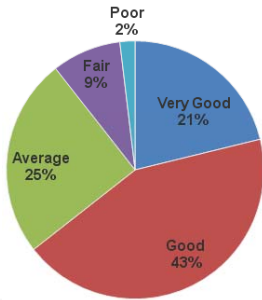
- ▶ Fears of job loss, housing market dropping further
- ▶ Legislation created "Fort Monmouth Economic Revitalization Authority (FMERA)
- ▶ Promotion/development of area
- ▶ Encourage/maintain employment

*"This new law represents the next phase in the transition of Fort Monmouth from military base to **economic powerhouse** of eastern Monmouth County."*

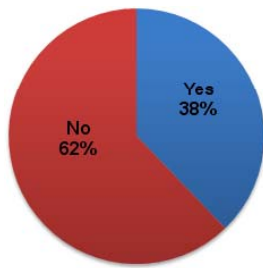
– Sen. Raymond J. Lesniak

Source: www.newjerseynewsroom.com

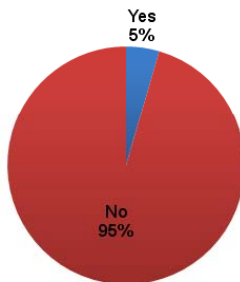
As a location to consider for new or expanded facilities, how would you view the Monmouth/Ocean region?



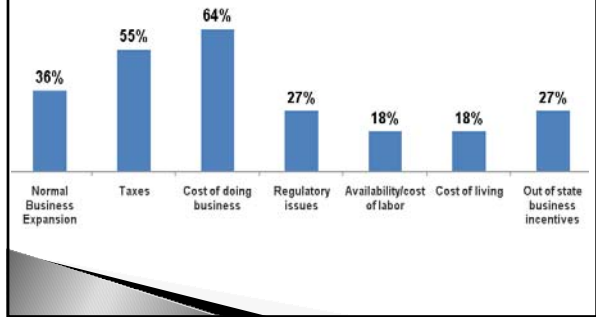
Do you plan to expand your business in the Monmouth/Ocean county region in 2011?



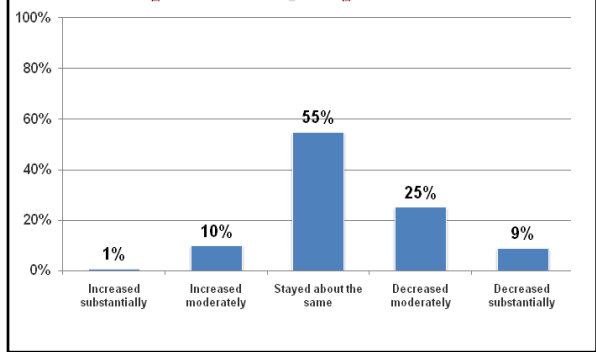
Do you plan to move your business outside of New Jersey in 2011?



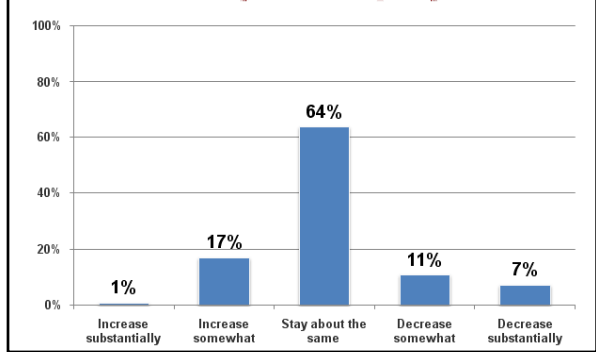
If you plan to move or expand outside of New Jersey, what is the reason(s) why?



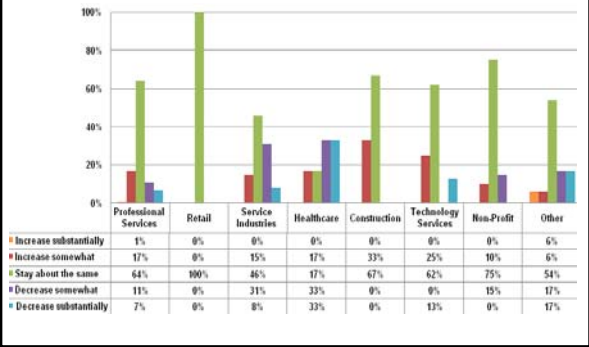
How did employment levels change at your company in 2010?



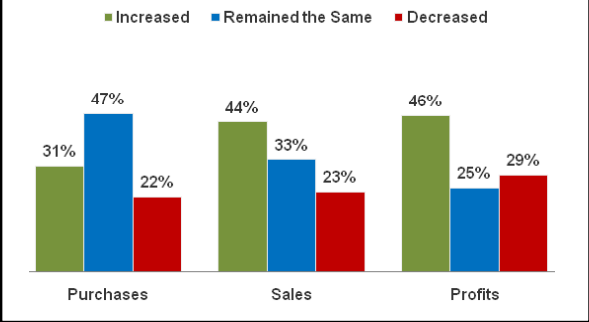
Do you anticipate 2011 employment levels at your company to:



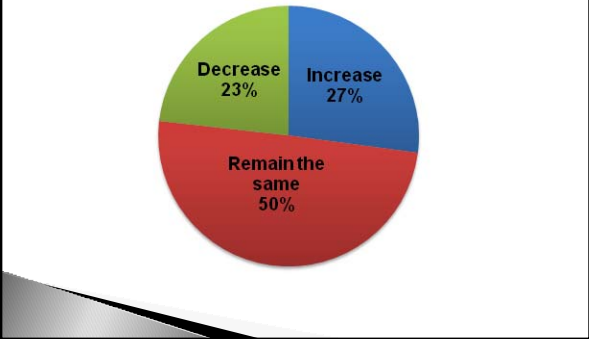
2011 Anticipated Employment Levels by Industry



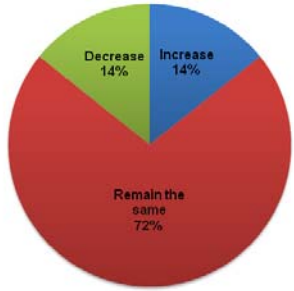
How did your company perform in 2010 compared to 2009?



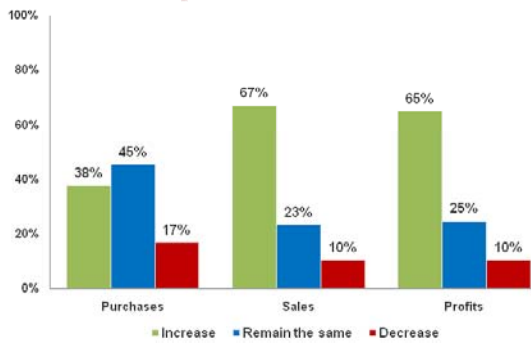
In 2010, did your profit margin:



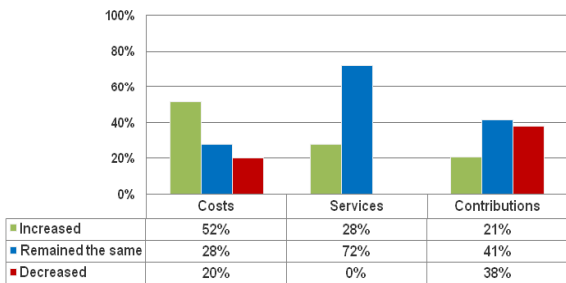
In 2010, did the prices you charged for products or services:



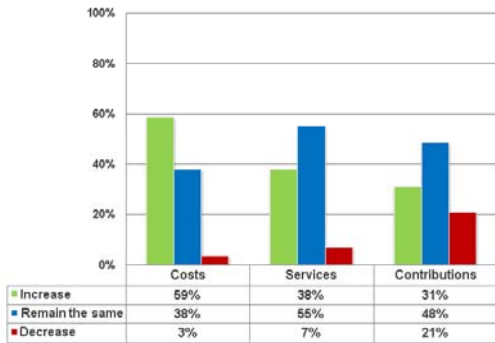
How do you project your company will perform in 2011?



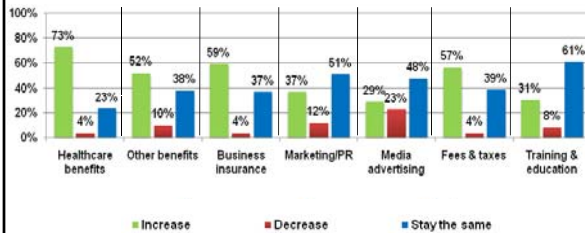
How did your non-profit organization perform in 2010 compared to 2009?



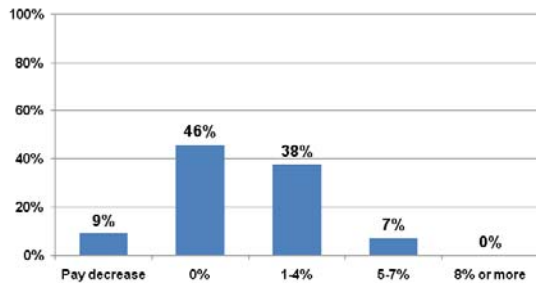
How do you project your non-profit organization will perform in 2011?



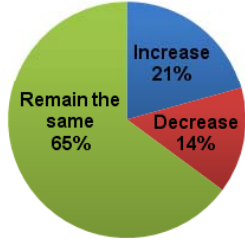
What are your company's expectations regarding the following cost items for 2011 vs. 2010?



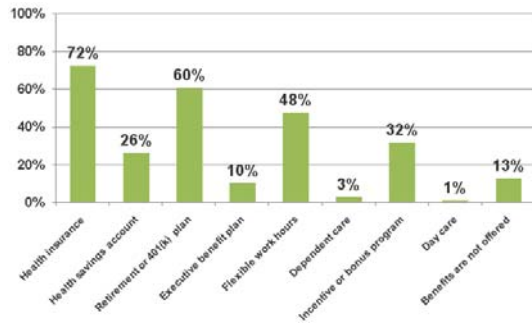
What was the average percentage of pay increase you gave your employees in 2010?



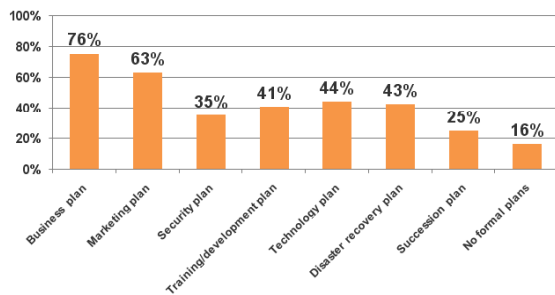
Do you project that the average pay increase you will give employees in 2011 will:



What benefits do you currently provide your employees?



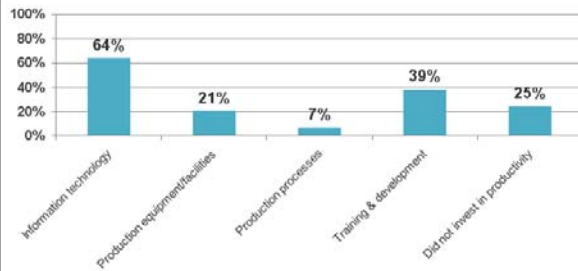
What formal plans have you put in place for your business?



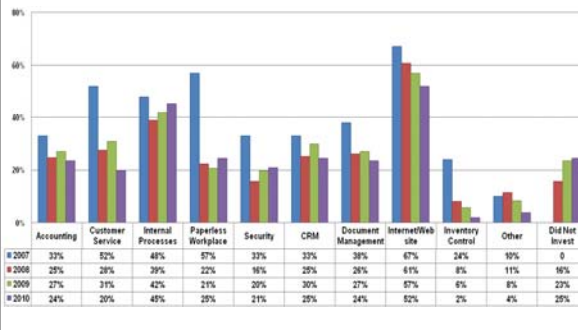
In 2010, did you invest in capital spending in Monmouth and Ocean counties?



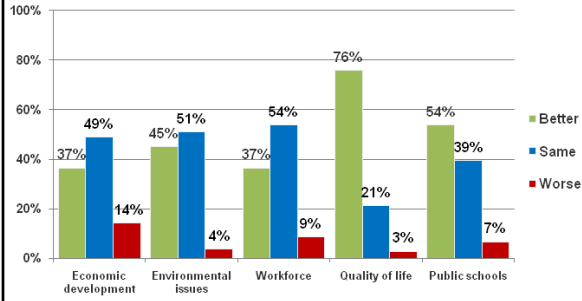
In 2010, did you make productivity investments in any of the following areas?



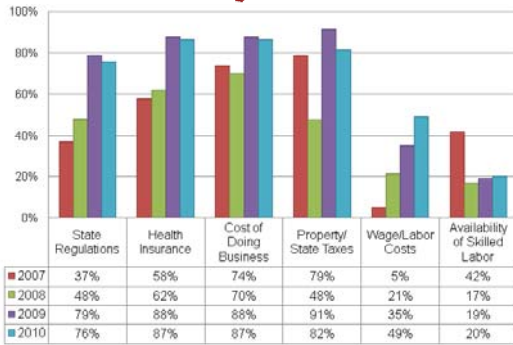
If you took steps in 2010 to improve information technology, in which of the following areas did you invest: (check all that apply)



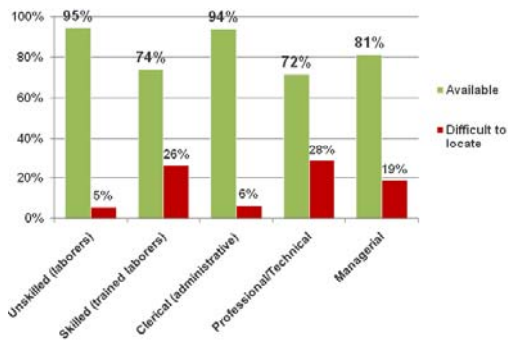
How do you view the bi-county region's performance as compared to other New Jersey counties in each of the following:



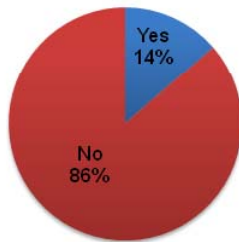
Important Issues Faced by Bi-County Executives



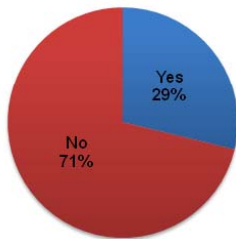
Please indicate your current experience with labor availability in the following areas:



In 2010, did you postpone the expansion of your facilities due to delays in the State permitting and regulatory process?



Has New Jersey made progress over the past year in easing regulatory obstacles for business?



Conclusions

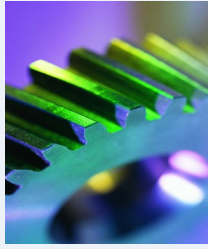
The survey results indicate that...

- ▶ Businesses are not quite as optimistic as they were last year but still hopeful
- ▶ The bi-county region is more optimistic than the state of New Jersey as a whole
- ▶ Businesses expect sales and profits to increase in 2011
- ▶ Overall, employment levels are expected to remain the same in 2011

Questions

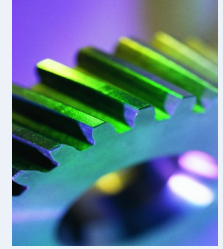


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- Compiled, Reviewed or Audited Financial Statements
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- Employee Benefits
- Industry Benchmarks
- Internal Controls

Profit Enhancement

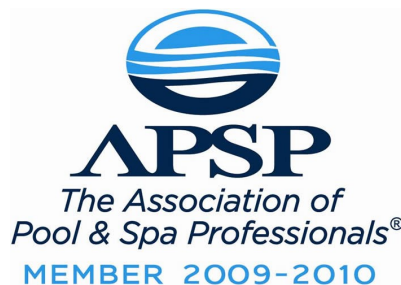
- Activity-Based Costing and Management
- Analysis of Costs vs. Estimates
- Budgets and Sales Forecasts
- Cash Flow Projections
- Fixed and Variable Overhead Analysis
- Strategic Planning
- Inventory Management
- Operational Reviews - Process Improvement
- Profitability Enhancement Strategies

Business Consulting

- Business Plans
- Compensation and Incentive Planning
- Cash Flow Analysis
- Equity Financing and Debt Restructuring
- Internal Control Analysis and Procedures
- Risk Management and Insurance Analysis
- Initial Public Offerings and SEC Filings

Wealth Management

- Business Valuations
- Buy-Sell Agreements
- Estate/Eldercare Planning
- Financial Planning
- Investment Counseling
- Succession Planning/Exit Strategies



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CLIENT TESTIMONIALS

"Cowan, Guteski & Co. has been a trusted advisor to our company for more than ten years. They have delivered exceptional professional services in meeting many of our business needs. We have called upon them for accounting, tax and business consulting services.

The team of professionals who have responded to our questions and concerns have been well trained and committed to helping us succeed. We have no reservations in recommending the firm to other business leaders searching for professionals who will provide value to their operations." - President, Metal Manufacturer & Distributor

"Cowan, Guteski & Co. has been extremely proactive and very responsive to our needs. They have taken the traditional accounting and tax services to the next level by taking a deep and personal interest in our business." - President, Major Aluminum Supplier

"The associates with Cowan, Guteski & Co. have invested a great deal of time familiarizing themselves with my personal and business goals. They have been a major influence in the increased profitability of my company and have assisted in the acquisition and sale of various segments of my business.

I trust and value their advice and rely on Cowan, Guteski & Co. for every major decision made by our company. We feel they are an integral part of our business team." - President, Major Production Company

"We have found Cowan, Guteski & Co. to be enormously beneficial and helpful to us in maximizing profits and assisting us with the growth of our Company." - President, Heating & Cooling Company

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