

Forecasting the business trends of 2015

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We asked a handful of Corridor business leaders from various sectors for the trends they would be watching in 2015, in the hope of getting a fuller picture of the business year to come. Their answers point to a year of opportunities for those willing to adapt, and a year of challenges for those who don't.

Shifting consumer tastes, driven by Millennials, will force retailers to innovate and create new experiences. The continued stream of high-profile cyber attacks will push network security to the top of executives' priority lists. The demand for urban settings where

residents can live and work will accelerate, transforming our downtown areas.

Indeed, 2015 has the chance to be either exciting or exhausting, depending on your outlook. What business trends will you be watching in 2015? Share with us on Facebook or Twitter, @CBJournal, #CBJ2015.

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Investments and fuel prices provide a boost to shippers

Daniel Sabin
President
Iowa Northern Railway Company



TRANSPORTATION

"2015 will be an important year for Iowa Northern, our customers and our connecting lines. Greater productivity and reduced fuel costs will provide icing on the cake for best-ever growth. Several years of investment in capacity has begun to pay off.

We anticipate restoring weather- and market-related grain shortfalls from the past two years while enjoying considerable new traffic levels from new customers locating along our line. Our principal effort will be toward finalizing the planning and financing of an intermodal facility in North Iowa to provide more competitive domestic and international container and trailer service to cover most of Iowa and the southern half of Minnesota – a population base of over 7 million people.

We are also continuing to invest heavily in our infrastructure. Our goal is to make the region more attractive to industry by providing our part of the world with more competitive freight rates and multi-modal service."



Consumer preferences driving renewable energy

Warren McKenna
General Manager
Farmers Electric Cooperative - Kalona



ENERGY

"Sustainability is the catchphrase of the future, and real transformation is taking place in the electricity sector. We are seeing a paradigm shift in the way electricity is generated (with solar and wind).

Government regulation is getting the credit (or blame) for reducing our carbon impact, because there is a perception that the EPA, with its increased emission standards, drives the market. However, just as in the transportation sector, the consumer drives the market.

This market, if deregulated, would see a faster and more profound rate of change than it is seeing. It will happen because our abundance of natural gas, due to fracking, and the growth and declining prices of renewable energy technology will increase pricing pressure on the older and dirtier underperforming technologies. Consumers will make these choices and drive the market, if given the chance."



Downtown housing to come on strong in Cedar Rapids

Scott Olson
Commercial Real Estate Consultant
Skogman Realty



REAL ESTATE

"As the recent designation as an 'All-American City' by the National Civic League highlighted, Cedar Rapids has turned the adversity of a historic flood into a game-changing opportunity.

One of the changes occurring is an effort by the Economic Alliance Housing Working Group to encourage more housing in the core of the city. This has been identified in several downtown planning studies as the number one priority. The effort started pre-flood with the 15 in 5 effort, but has gained momentum in the last three years.

Recent results include:

- Over 200 units under construction or in planning.
- The adoption of tax incentives for downtown housing by the city of Cedar Rapids.
- The creation of an Urban Living forum each May over the last three years that is attracting more housing project exhibits and individuals wanting to live downtown.
- The encouragement of conversion of excess office space to housing, thus stabilizing rental rates on older office buildings that have high vacancy rates.

Even without permanent flood protection, the momentum is building for young professionals and empty nesters to consider downtown as a unique living experience. I feel 2015 will see an 'explosion' of new housing opportunities."



Cybersecurity becoming more important than ever

Bruce Lehrman
Founder & CEO
Involta



TECHNOLOGY

"In 2015, companies will focus on security more than any time in the past. While there were many security compromises in 2014, such as Target and Home Depot, the Sony cyber hack has raised everyone's awareness of the potential devastation of a breach.

When companies were breached in the past, the perpetrators were looking to steal credit card numbers or medical records. The Sony situation is very different. The repercussions are embarrassing, and could potentially cripple or destroy Sony Pictures.

Executives in all industries are left to imagine what would happen if everything in their company's domain were published to the public – HR files, customer contracts, personal emails. The Sony breach makes everyone aware of how vulnerable we are to attack.

In many cases, people that have been compromised have not even realized it. The Sony perpetrators were reportedly inside the Sony network for over a year, and may have stolen more than 100 terabytes of data. When JP Morgan Chase was compromised, the company reported that the hackers had been active inside their network for two months.

Security will be on the minds of the C-suite at an unprecedented level in 2015."