



Workers, Jobs, and What To Do Next

Why we need to stop playing the blame game and take charge of our future



Seems like scenes of protests, rallies, pointed fingers, and ugly rhetoric are inescapable these days. It's clear that people are angry and scared. Trouble is, fighting over how to divvy up the pie—"tax this one to give it to this one" or "cut this one's benefits to pay for this one's"—fails to get to the heart of the problem, or to make the pie any bigger. We're in the midst of a (perhaps unprecedented) structural economic change that is not going away. Yes, we managed to cover it up by turning on the easy credit spigot—but that fix was only temporary and, in the end, actually made the situation worse.

In our travels through America's mid-market business community, we're seeing a lot of positive signs. There are plenty of folks out there figuring out how to make their future better than their past. . . .but it takes some guts and some willingness to work hard, cope with change, be flexible, and take some risk now and then. Here are a few end-of-the-year observations for your consideration—can't wait to hear what you think!

American Manufacturing—Rumors of Its Death Have Been Greatly Exaggerated

Did you know that American factories actually make more "stuff" (a lot more) today than they did in 1975? They also employ some 30% fewer people, which is why it sometimes feels like we're in a big decline. Yes, there has been a shift of some production overseas, but the real factor has been technology. We have clients who are doing twice the volume today with the same number of workers as twenty years ago. Those workers are doing higher value work and are well paid for it. And the efficiency that has resulted has kept quality goods flowing for the rest of us to buy at prices we can afford.

This is a good thing, right? The challenge, though, is what happens to all of the people who would have worked in those plants twenty years ago but aren't needed there now. And we really need an answer, because no magic time machine is about to appear.

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InContext Solutions Closes Financing Round

InContext Solutions LLC, which makes 3-D "virtualization" software for consumer-product makers, has raised \$1.5 million in additional venture funding from Hyde Park Angels and chipmaker Advanced Micro Devices Inc.

The Chicago-based startup will use the money to expand, hiring additional sales and technology workers, CEO Bob Gillespie said. InContext expects to double its 42-member staff by next summer and likely will move from its current River North space to larger offices in the West Loop.

The company, founded in January 2009, makes software that allows companies to create virtual retail displays for testing products with consumers. Because it's an Internet-based solution, the software is less expensive. And consumers can participate in product tests from their own home computers instead of coming into a lab or focus-group setting. The software also can be used for e-commerce.

Perimeter Advisors founder Karin O'Connor is a member of Hyde Park Angels and participated in the InContext Solutions investment.

First Exit for Hyde Park Angels

Hyde Park Angels portfolio company Gradebeam, a leading online communications platform for contractors and sub-contractors, was recently acquired by Textura Corporation. This was the first exit for the angel group, which was

At a recent gathering of about 300 Chicago business owners, at least half raised their hands when asked, "How many of you are looking for employees?" But a nearly equal number raised their hands when asked, "How many of you are struggling to find the skill sets you need?" In our opinion, this is **the single biggest** cause of today's high unemployment rate—and again a function largely of changes in the marketplace. The things people have been trained to do aren't necessarily the things we need to have done. And many of the in-demand jobs—occupational therapist or Ruby on Rails programmers—require training—you can't just jump in. Figuring out how to rebuild and retrain (not just once, but ongoing) our work force in ways that are value-added and yet flexible is, in our opinion, **the** key to our future prosperity.

Greed Doesn't Discriminate

There's lots of discussion about whose greed got us into this mess. Was it the government's, Wall Street's, those who lent money to people to buy homes they couldn't afford, those who bought the homes, those who bought the securities backed by the loans made to those who bought the homes, those who rated the securities? Was it the shareholders, the creditors, the directors, the unions, the Republicans, the Democrats?

Enough, already! There's plenty of blame to be passed around here. The fact of the matter is that lots of people got carried away with the prospect of making money, not by working hard but by speculating in various ways and/or carving it out of someone else's piece. The party is over now; let's move on.

Biggest Month Ever—You Heard It Right!

One of our clients just told us that last month was his company's best month ever. . . .in 75 years. Another has knocked down half a dozen new customers in the past six months. . .and is debating about adding a second shift.

Why these companies? Are they in some sexy new industry? Nope—What they have in common are owners who recognize (and have for awhile) that the world is constantly changing and that if they don't make that change work for them, some smart college kid or competitive Chinese entrepreneur is going to knock them off the map. They are out there, finding out what customers need—not just today, but years from now—and figuring out how to get them that and more. They invest in innovation—new products, new ideas, new processes, new ways of going to market. And they challenge their employees go there with them.

After all, this is America. We may argue a lot, but, at the end of the day, we all have the power to make ourselves better. Happy New Year!

portfolio investments today.

Textura, a provider of collaboration solutions for the construction industry, will incorporate Gradebeam's online bid management service, cloud-based document sharing, and construction communication tools as a supplement to its existing collaboration suite.

Congratulations to Gradebeam CEO Bryan Jurewicz, Hyde Park Angels member and Gradebeam Director Doug Monieson, and the rest of the Gradebeam team!

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