

Strength IN MEMBERS

2017 ANNUAL REPORT





STATE OF WASHINGTON BUSINESS

Last fall, hundreds of Washington employers and employees stepped up and signed their names to the side of a bus during our first-ever statewide tour of manufacturers. The signers, like Michelle MacArthur at Lamb Weston in Kennewick (*cover photo*), did more than just sign their names. They represented employers across the state in displaying the strength and determination that is the spirit of Washington's employer community.



*Our members are strong. Our members are determined.
And AWB's strength is derived from our members.*

The bus tour was one of many firsts in 2017. For the first time in three decades, we introduced a new logo as part of our brand update. We held two summits on rural jobs, sparking a broad discussion about how to bridge the growing urban-rural economic divide. And we hosted a Federal Affairs Summit, convening leaders from the other Washington to join the conversation about solving problems in our state.

Thanks to everyone who stepped up with us. With your support, we will continue working to unite diverse groups to bring economic prosperity to all of Washington.

A handwritten signature in black ink, appearing to read 'Kris Johnson'.

Kris Johnson
President, AWB

A handwritten signature in black ink, appearing to read 'Michael A. Senske'.

Michael A. Senske
Board Chair, AWB

AWB 

*A SYMBOL
FOR OUR FUTURE*

The new forward-focused logo we adopted in 2017 represents the diversity of Washington's geography and industries coming together. In the top right corner of the symbol are the people who make up our community, association and state.






Outreach & Opportunity

AWB carried out its mission to be a convener and a unifying voice for economic prosperity by reaching out to members in new ways in 2017, spurring conversation and generating fresh ideas.

This supercharged outreach allowed us to hear directly from diverse employers and their employees — in their communities — about the unique challenges they face and their ideas for solving them. We heard compelling stories and we shared them like never before, opening up the dialogue on policies that can help Washingtonians prosper.

New, targeted events offered relevant content on the pressing workforce needs of employers in today's high-tech, hands-on job market and what rural communities need to expand the red-hot urban economy to their small towns.

AWB's outreach focused on giving members the opportunity to be heard and doubling down on the association's long-standing commitment to find the best solutions to build an economy that works for everyone.



We listened to our members, traveling the state on an ambitious bus tour that took us to nearly

70 SHOPFLOORS

in every corner of Washington, leading to a push for tax relief for manufacturers

It's simply looking to your community and seeing what support you can provide.

**OLOWO-N'DJO TCHALA,
CO-FOUNDER AND CEO,
ALAFFIA**



Manufacturing Week BUS TOUR

Two custom-wrapped buses, six days, more than 2,000 miles and nearly 70 manufacturing shopfloor visits is just part of the story of AWB's first-ever statewide Manufacturing Week bus tour Sept. 29-Oct. 6.

As the state's designated manufacturing association, AWB advocates for and works alongside manufacturers to update perceptions about the industry's hands-on career options, to develop a robust workforce pipeline and create a competitive environment.

In fall 2017, AWB took that effort to a new level, embarking on a week-long journey across the state to highlight the products and people that make up Washington manufacturing, and to show the next generation the clean, high-tech and high-wage jobs available in manufacturing.

The tour kicked off on the Olympic Peninsula. Each day, AWB staff, legislators, community leaders and others met with manufacturers

of products ranging from woolen textiles and hand-carved wooden boats to french fries and world-class wines. At each stop, employees were invited to sign the bus and be part of the discussion about manufacturing and what it means to them and their communities.

AWB also toured high schools and community and technical colleges to learn more about the innovative ways education partners with employers to introduce young adults and those returning to school later in life with the career opportunities manufacturing has to offer.

The week wrapped up on national Manufacturing Day Friday, Oct. 6, as the bus tour made its final stop in Tumwater at Alaffia, a fair-trade manufacturer of skin care products with a mission to alleviate poverty and promote gender equality.

The health of Washington's diverse and vibrant manufacturing sector is a bellwether for the state's overall economic health. And, it needs care to continue to support families and communities across the state.



*We appreciate your support.
It's important for manufacturing
to stay strong in this country.*

DAN ROBERTS, PRESIDENT,
MANHASSET SPECIALTY COMPANY





Rural Jobs SUMMIT

As urban Washington enjoys an economic recovery that's leading the nation, the state's rural regions have largely been left behind. Recognizing the growing economic divide, AWB hosted two Rural Jobs Summits in 2017, prompting a long-overdue dialogue on solutions that support economic opportunity.

The inaugural Rural Jobs Summit was held March 4. The goal was to draw attention to the barriers to economic growth in rural Washington and gauge support for a larger, solutions-oriented discussion in the future. Seventy people — including lawmakers from both parties, business leaders, local economic development officials and state agency leaders — joined AWB in Olympia on a Saturday afternoon to start the conversation. The result was overwhelming support for a deeper discussion.

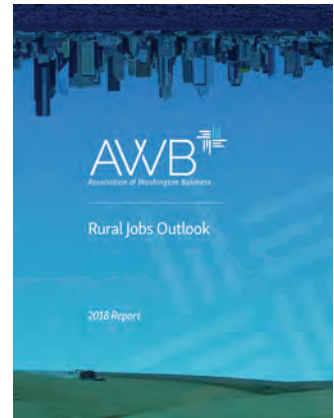
That deeper conversation came in October when more than 200 people traveled to Moses Lake to attend AWB's second Rural Jobs Summit.

Alex McGregor, president of The McGregor Company and a staunch defender of farm families and rural communities, set the stage for the event with an impassioned plea to support solutions that help rural Washington catch up with the prosperity in urban areas.

The day's panel discussions — a total of 13 with 50 industry experts and legislative leaders — covered topics ranging from attracting investment to rural communities and access to water to expanding broadband's reach outside the I-5 corridor and legislative hurdles to economic development.

The summits helped guide AWB's legislative work and led to creation of a Rural Jobs Task Force. The task force, which met twice in the fall, will continue to meet in the coming years.

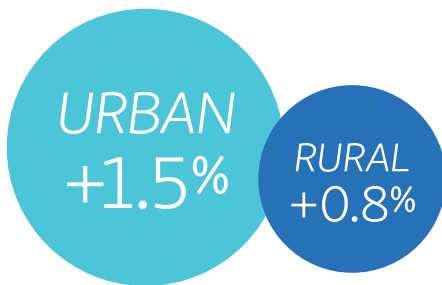
This effort marks a jumpstart of AWB's work to foster economic opportunity across Washington.



A tale of two economies:

Job growth since 2012

Source: Washington Employment Security Department



Working together, there is no issue raised today that cannot be solved.

GARY CHANDLER, AWB VICE PRESIDENT, GOVERNMENT AFFAIRS



TELLING OUR Members' Stories

AWB's Grow Here campaign highlights how Washington employers are improving lives and strengthening communities.

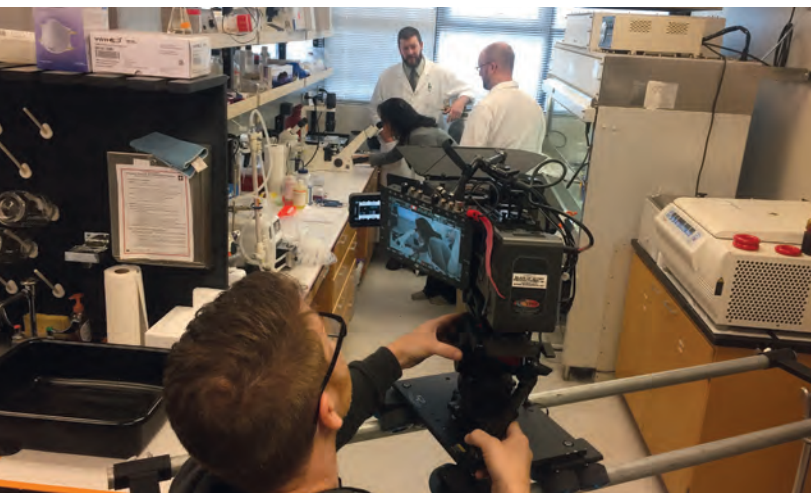
AWB launched its second multi-media Grow Here employer image campaign in 2017, debuting with a television spot during the national NCAA basketball March Madness tournament.

Storytelling is a powerful way to illustrate how public policy can shape an employer's success — here and around the world. AWB's Grow Here employer image campaign told the positive stories of three very different employers, all with the same mission: To improve lives and strengthen communities.

M3 BIOTECHNOLOGY: This cutting-edge life-science company is leading research into a cure for degenerative brain diseases like Alzheimer's and Parkinson's.

THE MCGREGOR COMPANY: Farming is the quintessential Washington employer, and McGregor President Alex McGregor is a powerful advocate for farm families and rural communities.

ALAFFIA: Alaffia, a fair trade body and hair care product manufacturer, demonstrates how free enterprise can alleviate poverty and promote gender equality here and across the world by manufacturing its products in Tumwater using ingredients from the West African nation of Togo.



We're working on something that could help millions around the world.

LEEN KAWAS, PRESIDENT AND CEO,
M3 BIOTECHNOLOGY

There's something special in these rural areas, and something special about agriculture.

ALEX MCGREGOR, PRESIDENT,
THE MCGREGOR COMPANY



We believe that every human being deserves an opportunity.

OLOWO-N'DJO TCHALA,
FOUNDER AND CEO, ALAFFIA





Voice & Influence

Serving as a unifying voice for economic prosperity means advocating for employers in Olympia and Washington, D.C., ensuring that businesses of all sizes play a part in shaping the public policy that affects them, their families and their communities.



I didn't know what I didn't know before I started participating in AWB. You need to plug in. You need to be part of the conversation and you need to hear and understand what's going on.

MICHELLE MACARTHUR, VICE PRESIDENT,
GLOBAL OPERATIONS AND SUPPLY CHAIN, LAMB WESTON



AWB's voice is powerful because it's the voice of our collective membership. There is strength in members. AWB's voice is influential because it reflects the diversity of Washington's geography, industry and individuals.



CONNECTING THE Two Washingtons

AWB gave members a voice beyond Washington state in 2017 with the addition of a Federal Affairs Summit in September.

I think it's always important to get out here and see how the business of government gets done.

KELLY FUKAI,
SCHWEITZER
ENGINEERING
LABORATORIES

The summit, held during the annual Policy Summit, featured both U.S. Sens. Patty Murray and Maria Cantwell, as well as U.S. Rep. Denny Heck and a video welcome message from U.S. Rep. Dave Reichert, whose district includes Cle Elum, the site of the summit.

The elected officials gave AWB members an update on topics ranging from health care and immigration to workforce development and job creation. And they fielded questions from members, providing attendees a rare opportunity to hear from, and question, both of Washington's U.S. senators in one location.

AWB will expand the Federal Affairs Summit in 2018 as part of a growing emphasis on federal affairs advocacy.

In early 2017, as talks increased in Washington, D.C. about the need for nationwide infrastructure investment, AWB entered into an unprecedented partnership with three other associations representing Washington's cities, counties and ports. Together, the groups published a report summarizing the state's infrastructure needs and opportunities, positioning the state for future investment.

And in December, AWB led its fourth-annual D.C. Fly-in. Twenty business leaders, economic development and infrastructure advocates accompanied AWB staff in a series of meetings with Washington state's 12 congressional delegates.

GRASSROOTS ALLIANCE

The growing Grassroots Alliance amplified AWB's voice in 2017, ensuring that it reached every corner of the state. The partnership with local chambers of commerce began in 2014 and reached 75 members in 2017.

The synergy among chambers and AWB continued to grow during its third year. Alliance members were instrumental in AWB's two Rural Jobs Summits and the statewide manufacturing tour, and nine chambers agreed to pilot Grow Washington, a regular survey of business and industry executives that will provide needed data regarding market conditions, workforce needs and business challenges.



Driving Solutions IN OLYMPIA

The 2017 Washington state legislative session was the longest in state history, and it was marked by notable achievements and missed opportunities.

Lawmakers reached an historic agreement on K-12 education funding during the record-setting legislative session, passing a two-year state budget that satisfied the Supreme Court's K-12 funding requirement from the McCleary decision. The agreement meant that for first time in decades Washington would spend more than half its budget on education.

AWB welcomed the outcome. Since the 2012 McCleary decision, AWB worked diligently to ensure that lawmakers relied on sustainable sources of revenue to make significant new investments in education.

In another notable achievement, AWB helped convene negotiations that resulted in passage of a paid family and medical leave law that was regarded as a national model. The law, which passed with strong bipartisan support, was evidence that common ground is attainable even in an era of sharp partisan divide.

The Legislature's failure to pass a capital budget and a fix for the Hirst water rights ruling during the 2017 session marked a significant missed opportunity. AWB pushed for a legislative solution to ensure rural communities were granted the access they need to water to advance economic development. Although lawmakers failed to act in 2017, AWB continued to advocate for a solution and lawmakers passed legislation in early 2018 addressing the Hirst ruling, leading to passage of the capital budget.

Lawmakers reached bipartisan agreement during the session on a tax reduction that would have lowered the business and occupation (B&O) tax rate for manufacturers, giving the sector a needed boost. But Gov. Jay Inslee vetoed the tax relief before it could take effect. AWB continued to work beyond the session to reduce the B&O tax for manufacturers.

AWB helped convene negotiations that resulted in passage of a paid family and medical leave law that was regarded as a national model.

83 AWB members climbed the Hill during the sold-out Legislative Day, meeting with dozens of legislators.





Partner & Resource

AWB offers services and products that give employers the peace of mind to know they are doing right by their business and their employees.

In today's tight job market, AWB understands that quality, affordable benefits are an important tool for employers to attract and retain top talent. But, that's just part of running a business. Ninety percent of AWB's membership is made up of small businesses. They need resources. AWB has them.

AWB offers members critical employment law information in time-saving ways and workers' compensation insurance in a cost-saving way.

These value-added resources allow employers to do what they do best: focus on running their business, take care of their employees and serve their customers.

When you reach out to AWB, they are congenial, responsive and effective. As a business owner, that's important.

JUSTIN STIEFEL, CEO,
HERITAGE DISTILLING
COMPANY

Best Practices WEBINARS

Workplace rules, regulations and laws change quickly, and the last thing employers need is to be out of compliance or unaware of the changes.

AWB's webinars and seminars help bridge the information gap.

The AWB Events team offers a slate of six targeted employment law webinars led by some of the state's top legal experts. The Government Affairs team also hosts legislative issue update webinars throughout session. The online format allows members to participate at their home or office.

Additionally, in-person seminars on timely human resource and employment law topics and policy changes take place throughout the year.

Continuing education credits are available for some of the programming, making them an added benefit for human resource professionals required to stay current on workplace policies.

Workforce SUMMIT

Times are changing, and the workforce is changing with it. Generational change coupled with growth of technology in the workplace presented an opportunity for the AWB Institute, the workforce development arm of the association, to host the first-ever Workforce Summit in March.

Three decidedly different generations — boomers, Gen Xers and millennials — came together to share how they work, how technology has changed the workday and to debunk the generational stereotypes.

Keynote speaker Rebecca Ryan, noted futurist, economist and self-proclaimed "brain-shaker," shed light on how business owners, human resource professionals and up-and-coming leaders can look 10, 20 and even 30 years ahead to begin planning for their workforce needs.

Law, business and educational experts took part in interactive panels — taking questions and offering insights into how they are addressing the rapidly changing worker and workplace.



Employee Benefits SOLUTIONS

Quality benefits and programs provide cost savings, keep employees happy and healthy and the company's bottom line in good shape.

HEALTHCHOICE

For more than 20 years, AWB's HealthChoice association health plan, which was created at the request of members, has been one of the leading health insurance options for employers across Washington state. Of the 2,200 HealthChoice participants, most of them small businesses, 40 percent were previously uninsured.



COMPWISE

AWB's workers' compensation retrospective rating program, CompWise, was launched in 1996. It helps employers reduce their workers' compensation costs by providing comprehensive services such as claims management and safety consulting. To date, the program has issued \$82 million in refunds to AWB CompWise members. As part of the program, participants can enroll in online Safety Academy courses that cover everything from ergonomics to chemical hazard communication.



MY FUTURE 401(K)

Big business retirement savings plans are now available for small-business owners through AWB's My Future 401(k) plan. It's an affordable and seamless way for employers to save for their retirement and offer a retirement savings plan to employees. My Future 401(k) eliminates barriers and reduces the administrative hurdles, making it a good retirement savings plan option.





*Offering health benefits attracts talent;
it creates careers.*

JACK LAMB, CEO, ASLAN BREWING COMPANY



Celebrating Our Members

Each year, AWB offers member companies the opportunity to nominate their company, or a business in their community for one of our Evening of Excellence or Manufacturing Excellence awards. In its second year, the AWB Evening of Excellence awards again took place Nov. 29 at Benaroya Hall in Seattle.

THE 2017 EVENING OF EXCELLENCE WINNERS ARE:

EMPLOYER OF THE YEAR



Schweitzer
Engineering
Laboratories,
Pullman

ENTREPRENEUR OF THE YEAR



Aslan Brewing
Company,
Bellingham

LEADING ENVIRONMENTAL PRACTICES



Earth Friendly
Products,
Lacey

ACHIEVE AWARD



Pacific Northwest
National Laboratory,
Richland

Recognizes a business that has excelled in creating, implementing or supporting a high-caliber education and/or workforce development system aligned with closing the employment gap.

CONNECT AWARD



Alaffia,
Tumwater

Recognizes a business whose products and/or services have positively impacted the way in which Washington employers and communities are connected to each other and the world.

ADVANCE AWARD



A&R Solar,
Seattle

Recognizes a business that has had a significant cause-oriented impact in its sector and/or community and contributed to the advancement of the economy.

Evening of Excellence and Manufacturing Excellence award nominations are open year-round with a deadline of June 30 to apply for the current year's awards.





1

As the state's designated manufacturing association, the AWB Institute hosted the annual Manufacturing Summit Oct. 5 in Seattle. The summit brings together employers of all sizes to address the challenges facing workforce development and discuss best practices.

THE 2017 MANUFACTURING EXCELLENCE WINNERS ARE:

MANUFACTURER OF THE YEAR

Heritage Distilling Company, Gig Harbor

OPERATIONAL EXCELLENCE

Canyon Creek Cabinet Company, Monroe



2

INNOVATION AWARD

HPF Manufacturing, Snohomish

GREEN MANUFACTURING AWARD

Waste Connections of Washington, Vancouver



3



6



4



5



7

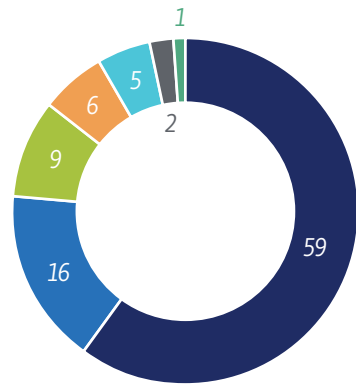
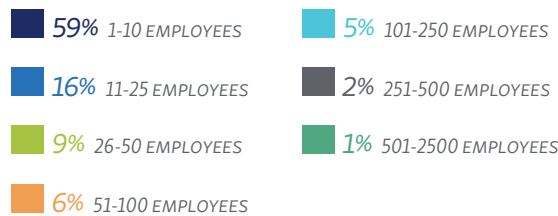
1. PNNL, winner of the Achieve Award; 2. The 2017 Evening of Excellence awards; 3. Daya Fields of Alaffia accepts the Connect Award; 4. Kelly Fukai of SEL with the Employer of the Year Award; 5. The Evening of Excellence at Benaroya Hall; 6. Washington's award-winning manufacturers; 7. The 2017 Manufacturing Excellence awards.



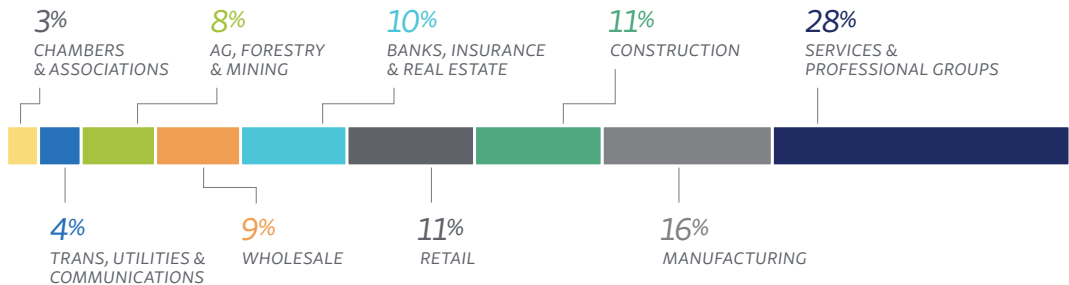
MEMBERSHIP

Membership sales managers continued their focus on outside sales in 2017 as part of an overall strategy of building stronger relationships with members. Combined with longstanding practices, this approach resulted in strong gains in new membership, particularly among small and medium-sized employers. These efforts, combined with attractive product offerings such as HealthChoice, CompWise and My Future 401(k), make AWB membership a compelling prospect for employers of all sizes, helping them forge connections with each other.

ORGANIZATION MEMBERSHIP BY NUMBER OF EMPLOYEES



ORGANIZATION MEMBERSHIP BY INDUSTRY



FINANCIALS

The association’s financial health remains strong thanks to conscientious resource management and continued growth in new member dues, allowing AWB to advocate on behalf of employers and invest in programs that further the mission to bring economic prosperity to all of Washington. New member dues income continued to be strong and non-dues income — which includes our HealthChoice association health plan, CompWise retrospective rating program and seminar and event revenue — ended the year 5 percent above budget.



AWB is Washington state’s chamber of commerce and one of just four state chambers in the country to be “accredited with distinction” by the U.S. Chamber of Commerce.



Sponsorship

AWB is grateful to the following member companies for their sponsorship of programs and events that are helping to build economic prosperity throughout Washington.

\$25,000 +

AECOM
Alaska Airlines
Avista Corporation
Cascade Natural Gas Corp.
Microsoft Corporation
The Boeing Company

\$15,000 - \$24,999

T-Mobile USA
Umpqua Bank

\$10,000 - \$14,999

Altria Client Services, Inc.
AT&T
Battelle Pacific NW
Division

Pearson Packaging
Systems
Phillips 66
RSM US LLP
UPS

\$5,000 - \$9,999

Avista Corp.
Banner Bank
BNSF
Capital Aeroporter
Cintas
Dart Container Corporation
First Cash Financial Services, Inc.

First Choice Health
Fred Meyer
International Paper
Kaiser Permanente Washington
KapStone Kraft Paper Corp.
Heritage Bank
Kaiser Aluminum

Lilly USA
Phillips Burgess PLLC
PhRMA
Port of Moses Lake
Port of Seattle
Port of Tacoma
Premera Blue Cross

Puget Sound Energy
Schweitzer Engineering
Laboratories, Inc.
Shining Ocean
Washington Realtors

\$1,000 - \$4,999

Alaffia
American Chemistry Council
Analog Devices
BP
Broetje Orchards LLC
Callisons, Inc.
CalPortland
Chevron
Comcast Business
Costco Wholesale
Cowles Company
D.A. Davidson Companies
Daniels-Brown
Communications, Inc.
Davis Wright Tremaine
Expedia, Inc.

Energy Northwest
Everett Community College
Foundation
FedEx Corporation
Genie
Gingold Law Firm PLLC
HP
Integrity Financial Corporation
J.R. Simplot Company
Landau Associates, Inc.
Laurus Associates LLC
Mercer Wine Estates LLC
Millennia Public Affairs, Inc.
Millennium Bulk Terminals
Northwest Gas Association
Novo Nordisk Inc.

PacifiCorp
PEMCO Mutual Insurance
Company
Physicians Insurance A
Mutual Company
Port of Pasco
Port of Vancouver
Procter & Gamble Company
Propel Insurance
ProPoint
Ryan, Swanson &
Cleveland, LLC
Shining Ocean, Inc.
Spokane
International Airport
Sprague Pest Solutions

SSA Marine
State Farm
Insurance Company
Ste Michelle Wine Estates
The McGregor Company
Tigerstop LLC
Washington State
Potato Commission
WashingtonVotes.org
Washington State
Hospital Association
Western States
Petroleum Association
WGU Washington

\$250 - \$999

AAA Washington
Acme Concrete Paving, Inc.
Ag World Support
Systems, LLC
Bayer Corporation
Bellmont Cabinets
Bogard & Johnson LLC
Coyne, Jesernig, LLC
Dilettante Chocolates

Economic Development Alliance
Skagit County
Frank Gurney, Inc.
Greater Spokane Incorporated
Hempler Foods Group, LLC
Heritage Distilling Company
KuKuRuZa Gourmet Popcorn
Maryhill Winery
Partners Crackers

Potlatch Corporation
Printcom, Inc.
Rankin Equipment Co.
Starbucks Coffee Co
Starline Luxury Coaches
Louise H Strander
Teck American,
Incorporated

The Acme Service Group
TVW
Washington Refuse &
Recycling Association
Waste Connections of
Washington Inc.
Western Polymer
Corporation



2017
EXECUTIVE
COMMITTEE
OFFICERS

Michael Senske
Chair of the Board
Pearson Packaging Systems
Spokane

Tim Schauer
Vice Chair of the Board
MacKay Sposito
Vancouver

Jim Reed
Secretary/Treasurer
Banner Bank
Bellevue

Wendy Sancewich
Immediate Past Chair
RSM
Seattle

2017 AWB
LEADERSHIP TEAM

Kris Johnson
President and CEO

Gary Chandler
Vice President
Government Affairs

Jason Hagey
Vice President
Communications

Greg Welch
Director of Finance

Debra Brown
President
Forterra, Inc.
(AWB Service Corporation)

Sean Heiner
Director of Membership

Stephanie Hemphill
Director of Member
Relations & Events



MAILING ADDRESS
PO Box 658, Olympia, WA 98507-0658

OFFICE ADDRESS
1414 Cherry St. SE, Olympia, WA 98501

T 360.943.1600
T 800.521.9325
F 360.943.5811

awb.org

Association of Washington Business

**AWB is the catalytic leader
and unifying voice for
economic prosperity throughout
Washington state.**

