

### THIS WEEK

#### Firm launches school for freight brokers

See page 3.

#### Wheeler creates new mining services division

See page 4.

#### • Earnings Roundup •

See page 6.

#### • Industry Briefs •

Begin on page 7.

#### • Calendar •

See page 13.

## \$34 million SLC industrial supplier sold to New York firm

MSC Industrial Direct Co., a Melville, N.Y.-based distributor of metalworking and maintenance, repair and operations (MRO) supplies to industrial contractors throughout the U.S., has acquired the assets and certain liabilities of ATS Industrial Supply, a Salt Lake City-based firm that had sales of approximately \$34.5 million in 2011.

Terms of the deal, which closed Jan. 31, were not disclosed. MSC is funding the acquisition with available cash.

Established in 1970, ATS Industrial Supply Inc. is a leading metalworking and MRO industrial distributor in the Rocky Mountain region. It distributes a broad range of industrial tools, cutting tools, abrasives, machinery, precision instrument supplies and other MRO-related supplies to a large customer base ranging from small machine shops and fabricators to some of the largest aerospace and manufacturing concerns in the country. ATS Industrial Supply



serves its customers from locations in Salt Lake City, Phoenix and Tijuana, Mexico.

“We are pleased to acquire ATS Industrial Supply Inc., a regional leader with excellent management and an emphasis on value-added services that fits well with the MSC model,” said David Sandler, CEO of MSC. “In keeping with our long-term acquisition strategy, ATS builds out our geographic footprint, significantly increasing our presence in the Rocky Mountain region, while further extending our leadership position in metalworking. We welcome their talented team of associates to the company and look forward to working together to grow our combined businesses.”

David Hellberg, CEO of

see *ATS* page 4

## Real estate speaker: U.S. economy suffers from exaggerated uncertainty

By Brice Wallace

The Enterprise

Today's U.S. economy is suffering from “exaggerated uncertainty” as it recovers from the recession.

That's what Sam Chandan, president and chief economist at Chandan Economics, told a group of Salt Lake real estate professionals last week.

Economic figures such as GDP accelerated throughout 2011 and the recovery has actually lasted longer than the recession itself, but “families don't feel the recession is over because we're not creating jobs. ... That makes it [feel] like the recession has not ended, even though the economy may be expanding,” Chandan said during the 2012 Utah Commercial Real Estate Symposium.

That weak labor market remains a drag on the economy and, perhaps as importantly, people's perception of the economy.

“Ultimately, when we think about what it means for a recession

to have ended in commercial real estate, it has a lot more to do with that more-pedestrian definition of ‘recession’ than it has to do with economists' definition of ‘recession.’ ... If we are not creating jobs, then we will not observe sustained demand for commercial real estate in this country,” said Chandan, who also is an adjunct professor in real estate and public policy at the Wharton School of the University of Pennsylvania.

Corporate profits are back — the 2011 third-quarter figures were higher than those in the peak markets of 2007 — “but that's not translating into actual outcomes” for businesses or individuals, he said. The result is that labor utilization — how many people ages 18 to 65 who are actually working, which he said is a better indicator than the unemployment rate — has been “falling precipitously.”

While a year ago companies had trouble finding credit and capital, now they are hesitant

see *REAL ESTATE* page 2

## Business property tax relief legislation stalls in committee

By Brice Wallace

The Enterprise

A bill designed to help business owners with personal property tax costs stalled in a Utah legislative committee.

HB41 received much discussion but no vote during a meeting of the House Revenue and Taxation Committee as people questioned whether the measure would result in too much of a tax shift onto Utah residents.

The bill would exempt from taxes the first \$25,000 of taxable tangible personal property for businesses. Currently, the level is \$3,500, although a consumer price index component has moved it to about \$3,800.

“My motivation for this is hearing from a lot of small-business constituents that say if there's one thing they'd like to eliminate [it's] personal property audits,” said the bill's sponsor,

Rep. Patrick Painter, R-Nephi.

Painter acknowledged that, from a practical standpoint, the bill would not eliminate audits but it might lessen the likelihood.

“If there's anything that I'd like to give to the small-business owners in this state for hanging in the last three or four years of this recession, [it] is a break on some of their equipment personal property [tax],” Painter said. “If I can make life easier for them, then I'm all for it, and that's basically what the bill does.”

About 50,000 businesses statewide would benefit from the bill, but it would result in a tax shift of about \$12 million. Painter said business owners would see a rise in business real estate taxes and homeowners also would see personal property taxes rise, typically \$7 to \$12 on a \$200,000 home, depending on the county.

see *BILL* page 2

## Utah County start-up receives \$20 mil. in additional funding

Lindon-based Domo, a new software-as-a-service (SaaS) venture launched by Omniture co-founder Josh James, has closed \$20 million from Institutional Venture Partners (IVP) in Series A-1 funding. This round brings total investment in Domo to \$63 million.

“While we weren't in the market for additional funding, the capital from a trusted and experienced partner such as IVP made a lot of sense. We've experienced positive feedback from the marketplace,” James said. “This move fills the coffers and enables us to stay focused on execution. It also provides flexibility as we build out our sales organization and position the company to take advantage of strategic growth opportunities.”

IVP invested in James' prior company Omniture, and developed a relationship with the Omniture team through that investment.

“At IVP, we look for dynamic management teams that are



James

addressing high-growth markets. Josh is an extraordinarily talented, world-class entrepreneur. We know he has the experience to build Domo into a disruptive and dominant player in a growing \$10 billion market,” said Todd Chaffee, general partner, IVP. In addition to Omniture, IVP has backed a rich portfolio of Internet leaders and disruptors, such as Concur, Dropbox, LivingSocial, Shazam, Twitter and Zynga.

IVP joins a list of angels and investors including Benchmark Capital, Andreessen Horowitz, Ron Conway and David Lee of see *DOMO* page 2



## REAL ESTATE

from page 1

to use their profits to create jobs because they remain concerned about the business environment over the next six to 12 months.

With previous recessions, an average of 28 months would pass from the beginning of a downturn until jobs lost during the recession were recovered. The U.S. is now at the 48-month mark from the most recent recession's beginning and "only a small fraction" of lost jobs has been recovered, he said.

But Chandan noted that recession impacts often last for years in real estate markets. One recession ended in 2001 but national office space demand did not return to pre-recession levels until 2005. In some markets, rents and occupancy rates in 2007 were still lagging behind what they were in 1999 and 2000.

The symposium also featured discussions about various Salt Lake real estate sectors. They included:

- Retail/multi-use: Much of the increased activity in this sector

took place during the last quarter of 2011 and into 2012, according to Brett Palmer, retail and investment property specialist at Mountain West Commercial Real Estate. Lower rents allowed tenants to have "comfortable" occupancy costs that are helping drive the economy, he said.

"Even with this increase in activity, rents have been slow to respond and are just starting to show signs of improvement," he said, noting that rents likely will not change much and retailers are cautious about opening new stores. "We will continue to see only minimal adjustments to rent, land and building prices until the economy continues to improve, consumers grow in confidence, more product is absorbed and, perhaps most importantly, retailers' sales continue to improve."

Still, he said, Utah is "a bright spot in the national landscape."

"Indications are that the momentum of late 2011 should continue through 2012," he said. "If the world conditions and the political and debt factors plaguing our national economy don't put a pin in our bubble, Utah, and par-

ticularly the retail market in Utah, will continue to see and enjoy an improving year."

- Industrial: Chris Liddell, an associate at CBRE, noted that the industrial market saw a "modest" increase in total gross activity in 2011. There was lots of construction, but much of it was speculative. As for 2012, he said there should be "no major peaks or valleys."

- Office: Vacancy and absorption rates strengthened in 2011, with a stronger demand for suburban space, increased demand for higher-quality properties and a return of modest speculative construction, according to Dana Baird, director and office specialist at Cushman & Wakefield/Commerce. Vacancies should drop in 2012 but less than in 2011, she said.

- Multifamily: Utah added jobs last year and "an employed workforce equals a strong rental market," said Kevin Hart, vice president for ARA's West region.

Homeownership is slipping, adding to the pool of new renters. Young adults who had moved

back in with their families are now seeking to get back into the rental markets. Foreclosures are slowing but are still a lingering problem, working to force people into rentals, he said.

"[The year] 2012 should continue to see solid economic stability, with moderate growth," Hart said. "With that said, the Greater Salt Lake multifamily market should remain strong. We see at least 2 percent rent growth even with the new supply of apartments coming in the market. Occupancy levels should remain around 95 percent. [In] 2012 and even into 2013, we see a stable rental market."

- Investment markets: Utah saw "distinct" increases in transactions and dollar volumes in 2011, said Jared Booth, vice president of investment at Coldwell Banker Commercial. The year began with hope of a "robust" economic rebound, but the pace did not continue as strongly as expected after the first quarter. The economy is recovering, "but high unemployment levels remain a formidable headwind to recovering real estate markets," he said.

"Utah investors may well presume the higher range of growth predictions due to solid Utah fundamentals. The market cycle appears to have been bouncing along the bottom, with a modest climb to a recovery has that begun."

- Michael Morris, executive vice president of Zions Bank and managing director of real estate capital markets, said qualifying for a mortgage remains an obstacle for potential homeowners. "It is the qualification process that is preventing a stronger recovery in residential housing right now and it is boosting the demand side for multifamily housing, and that can last for a while," he said.

"The residential black cloud is still out there. It's holding back, in my opinion, the entire economy and it needs to be repaired and it needs to fall on its own. The longer the subsidies, the more intervention, the longer the landing. There's still some left but we really need to flush what is out there in the system and get to a bottom."

## BILL

from page 1

Rep. Gage Froerer, R-Huntsville, said that shift might be "a little too drastic on some of our residents."

Salt Lake County Assessor Lee Gardner said the bill will not change the number of audits his office conducts although it might shift "what categories we look at." Of 27,000 personal property accounts in the county, about 16,000 would fall under the \$25,000 threshold, he said. Of \$65

million collected annually in personal property taxes in the county, about \$4.8 million would be exempted under the bill — "not an inconsequential amount," he said. Gardner added that he opposed the bill because the decrease in the tax base effectively would increase the tax rate.

Still, Painter said small-business owners could benefit, not only from the exemption, but, if fewer are audited, the cost of lost time when handling audits. Candace Daly, Utah director of the National Federation of

Independent Business, concurred, calling some audits "brutal" and time-consuming. "The time and the burden on small businesses to track all of these items is crazy. ... It takes them away from the work that they're supposed to be doing," she said.

Daly also noted that businesses pay sales taxes when they purchase items, only to see them taxed over and over again as personal property.

The Revenue and Taxation Interim Committee had recommended the bill.

## DOMO

from page 1

SV Angel and Hummer Winblad.

Domo bills itself as a new form of business intelligence (BI) — an executive management platform delivered as a service that helps managers and executives transform the way they run their business. According to the firm's website, "today, business data lives in silos: on premise,

in the cloud, in spreadsheets and dictionary-sized reports ... hard to search, and hard to make sense of it all. By the time you get the data you want or need, the information is inaccurate, irrelevant or has been massaged and manipulated so much that you don't have confidence in it or the level of transparency you want. With Domo, all the information you need is in one place.

"We've been testing the market through an early adopter program and the overwhelming response signals that we've tapped into a major pain point for CEOs and other executives," James said. "Today, we can't install customers fast enough. We are scheduling customers weeks out and have a two-month waiting list for our beta product. We're leaning in even more aggressively to this opportunity."

### THE ENTERPRISE

[USPS 891-300]

Published weekly by Enterprise

Newspaper Group Inc.

825 N. 300 W., Suite C309,

Salt Lake City, UT 84103

Telephone: (801) 533-0556

Fax: (801) 533-0684

Website: www.slenterprise.com.

For advertising inquiries,

e-mail david@slenterprise.com. To contact the

newsroom, e-mail barbara@slenterprise.com.

Subscriptions are \$55 per year for online only, \$65

per year for print only and \$75 per year for both the

print and online versions,

or \$1.50 per copy. Opinions expressed by

columnists are not necessarily the

opinion or policy of The Enterprise

Copyright 2012 Enterprise Newspaper Group Inc.

All rights reserved

Periodicals postage paid at

Salt Lake City, UT 84199.

POSTMASTER: Send address

corrections to P.O. Box 11778,

Downtown Station

Salt Lake City, UT 84147

support  
what you  
love

support your children's museum

A gift of

**\$10**

will cover a week's worth of books in the Kids' Eye View House.

Just

**\$25**

ensures that there are balls in the Beehive for an entire week.

A gift of

**\$50**

covers the cost of one Curiosity Shop early childhood class.



discovery gateway  
children's museum

Visit us online or call us at **801-456-5437 ext. 115** to make a donation.

444 WEST 100 SOUTH | SALT LAKE CITY  
801-456-KIDS | WWW.DISCOVERYGATEWAY.ORG

## SUGAR HOUSE OFFICE SPACE

2257 South 1100 East  
Salt Lake City, UT 84106

Sugar House \$16 / RSF / Year  
500-12,000 Sq. Ft. Available

Call 801-486-8157 or email  
[gary@garyayork.com](mailto:gary@garyayork.com) for  
property information and  
features.

Secure prime office space  
now as Sugar House looks  
forward to light rail and  
major developments in the  
near future.

# Bill would lower companies' max unemployment insurance rates

By Brice Wallace  
The Enterprise

Utah companies' maximum unemployment insurance rates would drop under terms of a Senate bill.

SB129 would reduce employers' maximum unemployment insurance contribution rate from 9 percent to 7 percent starting this year and cap the social unemployment insurance rate at 0.4 percent for 2012. The bill's sponsor, Sen. Curt Bramble, R-Provo, said Utah currently has the second-highest maximum rate in the country, behind Minnesota.

Even at 7 percent, the cap would put Utah as the fifth-highest, "but it would provide some immediate relief to approximately 2,700 employers for this year and we figure a greater number for 2013 and beyond," Bill Starks, unemployment insurance director for the Utah Department of Workforce Services, told the Senate Revenue and Taxation Committee, which passed the bill out. The bill is "an avenue to bring the range of the tax rates more in line with the rest of the country," he said.

Speakers said the bill will benefit new businesses. Because

they have no rate experience, they pay the average rate for their industry, which often is at the maximum rate under current statutes. "It would almost be prohibitive to some" new businesses to pay 9 percent of their payroll for unemployment insurance, said Tom Bingham, president of the Utah Manufacturers Association.

"We understand as employers that this will socialize some of the costs because there are some at the highest level," Bingham said. "Some of those at that highest level, about 5 percent, are manufacturers. ... The preponderance of them are in the construction industry, which has been hit very hard during this recession."

Candace Daly, Utah director of the National Federation of Independent Business, said the bill is "very critical" for Utah's small businesses.

"Right now, it is not the availability for them to get a loan that is stopping them from expanding or increasing their businesses," Daly said. "It is actually the cost and whether or not they can sustain that cost because the consumers have been very slow at coming back, in this downturn in the economy, to purchase. At

this point, they're teetering on the edge of whether or not they can hire an additional employee and this [bill] is a piece of that, to choose whether or not they can hire a new employee. We want to encourage them to hire more employees. We want them to start a new business. We want them back and strong in the economy in Utah."

Bramble said the bill would reduce taxes by \$9 million in fiscal 2012, \$20 million in 2013 and \$7.3 million in 2014.

Starks said the bill would slow the increase in the Utah Unemployment Compensation Fund, which brought in about \$300 million during the past year. Tax revenues last year were about 20 percent higher than expected and overall payroll grew for the first time in three years, while benefit costs were down 25 percent. The fund now has \$350 million and is on its way to what he said was a minimum adequate level of about \$600 million.

SB129 also would allow the Utah Unemployment Insurance Division to accept compromises from employers to reduce past-due debt under certain circumstances.

## Firm launches licensed freight broker school

Interide Logistics, a Salt Lake City-based third-party logistics company, has created a post-secondary, state licensed freight broker school. The vision of the school's creators is to meet an exploding market demand for trained logistics professionals.

The Interide Logistics Freight Broker School will prepare students, through a one-week course, to enter the transportation industry, either to work for a shipper or to become an independent freight broker or third party logistics (3PL) owner. Courses will run Monday through Friday from 8 a.m. to 5 p.m.

The school will be located in 5,000 square feet of the firm's 12,000 square foot headquarters facility at 2890 W. 2100 S. Cost to attend is \$2,495. The school has also partnered with a local hotel

that will provide transportation to and from the Salt Lake City airport as well as to and from the school each day. Upon graduation, students receive the names of a number of companies that offer sponsorships to graduating students.

"We've improved upon the education and training currently provided to our employees and in-house freight brokers," said Sean Snow, president of Interide. "That training has made Interide one of the most successful asset-based 3PLs in the country. We stand apart from most other schools in that we are a company that continues to be successful at what we teach."

Interide was founded in 1984 (then called Professional Transportation Brokers Inc.) by Snow, former C.R. England

Logistics president, and several key members of his former C.R. England executive team. The company is structured around three affiliate companies: Interide Logistics, Interide Transport and Interide Capital. Interide Logistics maintains the freight brokerage services, while Interide Transport houses the equipment and assets and Interide Capital provides premium, full-service freight bill factoring and equipment financing solutions.

For more information about the new freight broker school, call 855-428-1164 or visit [www.interidefreightbrokerschool.com](http://www.interidefreightbrokerschool.com).

## CHG Healthcare names Beck president

CHG Healthcare Services, Salt Lake City, has promoted Scott Beck to president. Beck will also retain his current position as chief operating officer of the company. Michael Weinholtz, previous president of CHG, will continue in his capacity as CEO of the company.

Beck joined CHG in 1999 and has held the positions of chief marketing officer; president of the company's largest division, CompHealth Locum Tenens; group president; and chief operating officer, a position he has held

since 2008.

Founded in 1979, CHG Healthcare Services is one of the nation's oldest and largest health care staffing firms employing approximately 1,400 professionals across the United States. The company provides a comprehensive service offering that includes temporary and permanent placement of physicians, allied health professionals and nurses to hospitals and healthcare organizations in all 50 states.

## Nature's Sunshine names new president

Nature's Sunshine Products Inc., a Provo-based natural health and wellness company, has appointed D. Wynne Roberts as president and chief operating officer.

Roberts most recently served as chairman of the board for LifeCare Corp., a Romanian direct selling company. From 2005 to 2009, he was senior vice president, EMEA (Europe, Middle East and Africa) at Herbalife, one of the world's largest direct selling companies. He also served

as president, international for DMX Music Corp. In addition to consulting experience, Roberts has held significant international executive positions at XE Systems Inc. and NCR Corp.

Nature's Sunshine Products makes, markets and distributes nutritional, herbal, weight management, energy and other complementary products through a global direct sales force of more than 600,000 independent distributors in more than 40 countries.

FOR HOME, FOR GARDEN, FOR GIVING  
CACTUS & TROPICALS



YOU TAKE CARE  
OF BUSINESS.

WE'LL TAKE CARE OF  
THE PLANTS.

Interior plant maintenance.  
Guaranteed.



Draper location: 12252 S. 1325 E. 801-676-0935  
Salt Lake location: 2735 S. 2000 E. 801-485-2542  
[cactusandtropicals.com](http://cactusandtropicals.com)

**Enterprise**  
UTAH'S BUSINESS JOURNAL

**A little bird told me...**

follow us on  
**twitter**  
@TheEnterpriseUT

**Business lending is our business.**

**Bob Bunce**  
Business Lending Expert  
(801) 623-5145

**BANK of UTAH**

**MatchingDonors**

**Donate Your Car, Boat, RV or Real Estate**

You don't have to donate a kidney to save a life.

- We will accept any auto - running or not.
- 100% tax deductible.
- MatchingDonors.com is a 501C3 nonprofit organization.
- 100% of the proceeds will go to help saving the lives of people needing organ transplants.



Call us at 1.800.385.0422  
Or donate on line at  
**MatchingDonors.com**

## Wheeler Machinery launches new mining services division

To enhance its commitment to the mining industry, Wheeler Machinery Co., Salt Lake City, has created a new division called Wheeler Mining Systems.

With Caterpillar's acquisition of Bucyrus, Wheeler will soon be in a position to offer complete mining systems previously unavailable from one source. (Wheeler is a Caterpillar dealer.)

Those systems include hole drills, draglines, rope shovels and underground mining equipment to dozers, motor graders, haul trucks and radio systems.

"Our goal in forming Wheeler Mining Systems is to be an invaluable asset to our mining customers. We look forward to better serving the mines in our region through the setup of this division

and our unrivaled product offering," said Rob Campbell, president of Wheeler Machinery Co.

At the helm of the division will be the Wheeler Mining Systems general manager. Additionally, the division will have on-site managers who will have a full support team of equipment and product support managers as well as technology, work tools, ground engag-

ing tools and process improvement specialists geared to support all facets of a mining operation.

The new positions that will comprise Wheeler Mining Systems will be added over the course of the next several months with the plan to have the division fully formed and functioning by mid-2012.

## Nominations sought for Utah Innovation Awards

Nominations are now being accepted for the 10th annual Utah Innovation Awards, presented by Steel Rives LLP and the Utah Technology Council. The program recognizes Utah's best innovations and the companies that created them. Nominations are due Feb. 17 and can be submitted online at <http://www.steel.com/Innovation/Utah>.

Innovations from all industries, and in all areas of technology and business, are eligible for consideration if they meet the eligibility requirements. When submitting a nomination, nominators are invited to create a classification that best fits their nomination, or select from past years' classifications on the nomination form. A final determination of the classification areas/category names will be decided by program organizers based on the pool of nominations. Past years' categories have included clean technology and energy, computer hardware/electrical devices, consumer products, consumer software and Web services, enterprise software and Web-enabled B2B solutions, life science (biotech/pharma/medical device), mechanical systems/chemicals/manufacturing, natural products and outdoor products.

Nominations are evaluated by a selection committee comprised of approximately 70 representatives from private industry, government and higher education, many of whom are experts or professionals in the areas represented. Up to two finalists and one winner may be selected from each category. Award winners will be announced at an Awards Luncheon on May 1.

## ATS

from page 1

ATS Industrial Supply, said he is looking forward to benefitting from MSC's position as a leading player in the marketplace.

MSC has more than 1,000 sales specialists, 600,000 industrial products, 3,000 suppliers, and 99 percent in-stock availability. For the fiscal 2012 first quarter, the firm's net sales rose 15.4 percent to \$545.7 million. Its shares are traded on the New York Stock Exchange.

ATS stocks approximately 13,000 items at its 14,000 square foot Salt Lake City warehouse, and approximately 6,000 items at its 7,800 square foot facility in Phoenix. Its combined inventory value ranges from \$4 million to \$5 million.

# US Magnesium



## and their 500 Utah Employees

# *Wish to Thank*

# The Utah Congressional Delegation

## for listening.

# Solera Networks gets \$20 million capital infusion

Solera Networks, a South Jordan-based provider of network security analytics, has secured \$20 million in Series D financing led by Intel Capital. Intel Capital is joined by existing investors Allegis Capital, Signal Peak Ventures and Trident Capital. The new funds will help support the company's rapid growth by further expanding global sales, marketing and product development initiatives.

"With increasingly large amounts of data crossing corporate networks, organizations must balance advanced threat prevention with an aggressive and proactive response system to be fully prepared when an inevitable breach occurs. We see companies continuing to realize that real-

time, intelligent incident response is now an essential component of their security strategy," said Sean Cunningham, Intel Capital investment director. "Solera Networks delivers a scalable, high-performance solution that addresses these challenges and is the only independent platform capable of broad integration. We are very optimistic about where Solera is headed."

The financing round follows a year of tremendous momentum at Solera, with domestic and international growth exceeding 100 percent in 2011.

"Malware entering the network and key intellectual property leaving are top-of-mind for every chief information security officer and for Solera Networks. We're providing complete visibility into what's happening on the network, including all threats coming in and all data going out, allowing organizations to shut down breaches before they result in widespread loss," said Steve Shillingford, president and CEO of Solera Networks.

Intel Capital has invested more than \$10.4 billion in over 1,212 companies in 51 countries.

# Bill would crack down on perceived deceptive practices

State regulators are looking to crack down on some business tactics they believe are deceiving consumers.

Portions of HB78 would clarify how credit and debit cards can be charged and would prohibit misrepresenting a supplier's business location.

In the case of the credit and debit cards, the bill requires companies to get prior approval from a consumer before charging for a transaction or part of a transaction.

Traci Gundersen, director of the Utah Division of Consumer Protection, told the House Workforce Services and Community and Economic Development Committee that the problem has been focused on sole proprietor, mom-and-pop

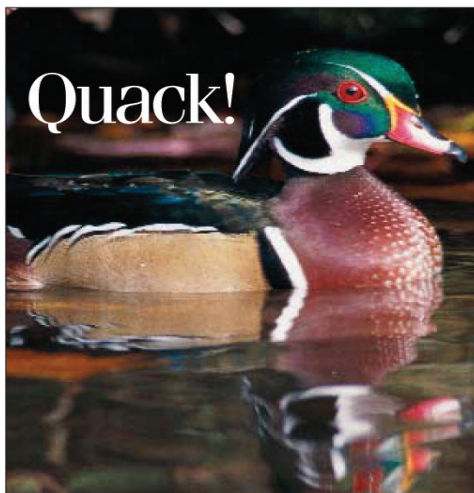
car mechanic shops who have charged customers for part of their repair work on their vehicles without first getting prior approval. Because it involved only part of the transaction, those businesses contended they did not violate statutes, she said.

"So we would just like to clarify that if you're going to charge a consumer's credit card or debit card, you need to have their express authorization," Gundersen said.

Another part of HB78 would prohibit misrepresenting the geographical origin or location of any supplier's business. Current law pertains only to suppliers of cut flowers, flower arrangements or floral products. Gundersen said some consumers have used computer searches to find local

companies for repairs — plumbers, heating and air conditioning experts and locksmiths, for example — but encountered travel-time charges when the repair people had to drive a long distance to the home. The consumers had believed they were hiring a local company because the companies had used Google "drop boxes" to make it appear as if they were local. "This is a way for people to appear local when they're not," she said.

The division fields about 10 complaints a month for that type of activity. "It is increasing," she said, "and I think it's because more and more companies are starting to utilize the Google drop box feature."



It's daffy to say sportsmen don't help wildlife. Conservation investments by hunters are why the wood duck is now the most common breeding waterfowl in the eastern United States.

**Safari Club International Foundation**  
800-377-5399  
www.SafariClubFoundation.org



Options, options, options!  
SBA money to loan.

Let our team find the right **SBA loan** to fit your business needs.

- SBA 7(a)
- SBA Express-Term Loans & Lines of Credit
- SBA 504 loans
- Purchase machinery and equipment
- Finance owner occupied real estate
- Fund a business acquisition or expansion
- Augment working capital
- Many other types of business lending



Call Kent DeHart or Scott Snow at 801-478-2300, or visit a First Utah Bank office near you.

[www.firstutahbank.com/sba](http://www.firstutahbank.com/sba)

## • Earnings Roundup •

### Nu Skin

Nu Skin Enterprises Inc., based in Provo, reported record fourth-quarter and annual results. The company reported net income of \$49.5 million, or 76 cents per share for the quarter, up from \$37.3 million, or 58 cents per share, for the same quarter a year earlier.

Revenues totaled \$495.3 million, up 23 percent from \$401.4 million.

For the full year, Nu Skin reported net income of \$153.3 million, or \$2.38 per share, on revenues of \$1.74 billion. That compares with net income of \$136 million, or \$2.11 per share, on revenues of \$1.54 billion in 2010.

“By all measures, 2011 was a record year,” Truman Hunt, president and CEO, said in a prepared statement in which he anticipated record results again this year. “We’re also optimistic that our momentum will continue into 2012 as we roll out our latest product innovations globally.”

The company also announced that its board of directors has declared a 25 percent increase in its quarterly cash dividend. The dividend of 20 cents per share, up from 16 cents, will be paid March 14 to shareholders on record Feb. 24.

Nu Skin is a direct-sales company with more than 850,000 distributors of its anti-aging products.

### Myriad Genetics

Myriad Genetics Inc., based in Salt Lake City, reported net income of \$28.3 million, or 33

cents per share, for the 2012 fiscal second quarter ended Dec. 31. That compares with \$24.2 million, or 26 cents per share, for the same quarter a year earlier.

Revenue totaled \$122.8 million, up from \$100.4 million a year earlier.

Myriad is a molecular diagnostic company developing and marketing tests to assess various medical risks in individuals.

### Nutraceutical International

Nutraceutical International Inc., based in Park City, reported net income of \$3.4 million, or 34 cents per share, for the fiscal 2012 first quarter ended Dec. 31. That compares with \$3.9 million, or 38 cents per share, for the year-earlier quarter.

Net sales totaled \$46.6 million, up from \$45.2 million a year quarter.

“Net income primarily declined as a result of increased manufacturing overhead costs associated with our new manufacturing facilities, as well as other costs associated with recent acquisitions including freight, payroll and interest expense,” Bill Bay, chairman and CEO, said in a prepared statement. “We will focus on improving manufacturing overhead over the calendar year by methodically working on improving utilization of our added capacity. Cash flow remained strong and we continued to invest in acquisitions, facilities and repurchases of our common stock. ... We have now experienced four years of this lethargic economy and so we will continue to emphasize cost cut-

ting, technological innovation and overall business efficiencies.”

Nutraceutical manufactures, markets, distributes and retails nutritional supplements and other products.

### Utah Medical

Utah Medical Products Inc., based in Midvale, reported net income of \$1.9 million, or 51 cents per share, for the 2011 fourth quarter. That compares with \$1.5 million, or 41 cents per share, for the same quarter in 2010. Net sales totaled \$9.9 million, up from \$6.2 million a year earlier.

For the full year, the company reported net income of \$7.4 million, or \$2.03 per share. That compares with \$6 million, or \$1.65 per share, for 2010. Sales in 2011 totaled \$37.9 million, up from \$25.1 million in 2010.

“After acquiring Femcare Holdings Limited in March 2011, UTMD delivered on its promise that the acquisition would be immediately accretive in earnings per share,” CEO Kevin Cornwell said in a prepared statement. “Despite the 23 percent EPS increase, our progress in achieving some important operating synergies from the combination of the entities has been slower than expected. In 2012, we hope to accelerate more effective distribution through the rationalization of market channels, integration of manufacturing previously outsourced and revitalization of product development.”

Utah Medical develops, manufactures, assembles and markets disposable and reusable specialty

medical devices.

### Headwaters

Building products company Headwaters Inc., based in South Jordan, reported a net loss, including discontinued operations, of \$23.7 million, or 39 cents per share, for the fiscal 2012 first quarter ended Dec. 31. That compares with a net loss of \$20.7 million, or 34 cents per share, for the 2011 first quarter.

The loss from continuing operations was \$13.3 million, or 22 cents per share. That compares with a loss from continuing operations of \$18.8 million, or 31 cents per share, for the year-earlier quarter. Adjusted earnings before interest, taxes, depreciation and amortization was \$20.4 million, up from \$13.7 million.

Revenues in the most recent quarter totaled \$137 million, up from \$135.8 million a year earlier.

“We had a great first quarter, and we are excited about the remainder of the current year because we are realizing the benefits from the restructuring program implemented in the latter half of 2011,” Kirk A. Benson, chairman and CEO, said in a prepared statement. “While the second fiscal quarter is always our seasonally slowest quarter, we expect to see continued year-over-year improvements in our core business segments.”

### Zions

Zions Bancorp., based in Salt Lake City, reported net income of \$44.4 million, or 24 cents per share, for the fourth quarter of 2011. That compares with a net loss of \$110.3 million, or 62 cents per share, for the same quarter a year earlier.

Excluding the effects of the discount amortization on convertible subordinated debt and other effects on acquired loans, net earnings were \$53.5 million, or 30 cents per share, in the fourth

quarter.

The fourth-quarter figures compare with \$65.2 million, or 35 cents per share, for the 2011 third quarter. Excluding the acquired-loans factors, third-quarter earnings were \$74.8 million, or 40 cents per share.

“We are again pleased with the significant improvement in credit quality this quarter, which we expect to continue and to result in lower net charge-offs in 2012,” Harris H. Simmons, chairman and CEO, said in a prepared statement. “We also are pleased with the somewhat stronger loan growth this quarter and with signs of strengthening loan pipelines, particularly for business loans. Revenue growth was a challenge for us, as it was for the whole industry, in 2011. However, we see signs of stabilizing loan pricing, which with continued loan growth and improving credit quality should lead to improved results in 2012.”

Zions said net interest income fell 1.8 percent to \$462 million during the quarter and but was up from \$406.9 million a year earlier. The net interest margin slipped to 3.86 percent from 3.99 percent in the third quarter. Noninterest income totaled \$98.3 million, down from \$113.2 million a year earlier.

Average total deposits grew \$804 million to \$42.2 billion during the fourth quarter and compared with a third-quarter increase of \$512 million. Average cash-related balances grew \$1.1 billion, compared with a \$726 million increase in the third quarter.

Average loans and leases, excluding loans supported by the FDIC, grew to \$36.1 billion, compared with \$35.9 billion a year earlier.

Zions has about 500 offices in 10 western and southwestern states.

## THE Enterprise

UTAH'S BUSINESS JOURNAL

KEEP YOUR EYE OUT FOR THE

*Focus*  
&  
*Focus*  
REPORT  
ISSUES!

Golf	Feb. 20
Mining	Feb. 27
Real Estate	Mar. 26
Trucking	Apr. 2
Small Biz	May 7
Green	June 18
Law	July 16
Banking	Aug. 6
Travel	Aug. 13
Education	Aug. 20
Healthcare	Aug 27
Technology	Sep. 10

To advertise call David Gregersen at:  
801-533-0556 ext. 203



## • Industry Briefs •

### ASSOCIATIONS

• The Davis Chamber has joined with other chambers in northern Utah to form the **Northern Utah Chamber Coalition**, designed to promote legislative priorities that impact the entire region. The coalition is comprised of the Brigham City Area, Cache, Davis, and Ogden/Weber Chambers of Commerce. NUCC combines efforts to support public policy and government funding issues in Northern Utah that positively affect the business community and the quality of life in the region. Each chamber has its own respective legislative policies and processes, but they have agreed that certain issues are of regional significance.

### BANKING

• **Bank of Utah** will close the doors of its 3990 Washington Blvd. location in Ogden at the end of the day on April 13 and **open the doors to a new full-service branch** at 4605 Harrison Blvd., Ogden, the following Monday morning. Bank of Utah is making the move because it was unable to negotiate a new lease at the current site. The new, approximately 3,000 square foot space will house a full-service banking facility with a drive-up depository, night drop, safe deposit boxes and an exterior-

access ATM. The branch will offer retail and business banking, and home lending mortgage services.

### COMPUTERS/ SOFTWARE

• **Mindshare Technologies**, Murray, has appointed **Lonnie Mayne**, executive vice president of sales and account management, to the new position of chief experience officer. Mayne will be responsible for improving and enhancing the customer and client experience at all points of contact. All departments that have customer interactions, including marketing, sales and account management, will report to and work with Mayne, who will create and execute operational solutions that are a better experience for Mindshare customers. Mindshare is an operational improvement firm serving more than 25 different industries, including travel, hospitality, restaurant, financial, salon, automotive and retail.

• Based on its recent analysis of the Secure Socket Layer (SSL) certificate market, **Frost & Sullivan** has recognized **DigiCert Inc.**, Lindon, with the **2011 North American Frost & Sullivan Award for Customer Value Enhancement**. DigiCert has established new standards in the SSL market to include its Wildcard,

Unified Communications (UC) certificates and Managed Public Key Infrastructure (MPKI) services. By doing so, DigiCert has developed a flexible product suite tailored to different customer needs. For network administrators who run multiple subdomains or multiple servers, most SSL certificate authorities on the market require them to purchase multiple certificates for their networks. DigiCert's Wildcard certificate benefits administrators in that just one certificate secures multiple web properties.

• **Allegiance**, a South Jordan-based provider of VOCi (Voice of Customer Intelligence) technology and services, has named **Andrew McInnes**, formerly customer experience analyst at Forrester Research, director of product marketing. McInnes spent the previous five years in the customer experience research practice at Forrester Research. As a Forrester analyst, McInnes performed research and consulting in the areas of Voice of the Customer (VOC), Voice of the Employee (VOE) and customer journey mapping. He also published the first in-depth evaluation of the VOC software market, "The Forrester Wave" report in 2011, presented at industry events and

*continued on next page*



A new Zions Bank building in Provo will become the new home of MultiLing, a translation services firm.

## Translation services firm to double size of Utah County footprint

Provo-based MultiLing, a provider of global enterprise and intellectual property translation services, is preparing to double the size of its footprint in Utah County.

The firm has finalized an agreement to occupy two floors — 21,000 square feet — of a newly constructed Zions Bank building at 180 N. University Ave., Provo, to accommodate planned growth this year and beyond. The move should take place within the next 90 to 120 days. CEO Michael Sneddon said the company is planning on hiring a significant number of new employees both this year and next.

MultiLing's growing specialization in intellectual property translation — one of the most complex and highly strategic needs for global organizations — is accounting for much of the company's current growth.

"As a company, we are working to define and to drive the standard of excellence for transla-

tion technology and processes," he said. "It is our high quality — coupled with our increasing specialization in intellectual property translation — that has allowed us to grow staffing by nearly 125 percent from 2006 and 2012, and will allow us to continue growing at an even faster pace in 2012 and beyond."

The ability to translate intellectual properties in 40-plus languages with speed and accuracy is helping some of MultiLing's largest global customers to increase their IP filings by as much as 200 percent.

Founded in 1988, MultiLing specializes in translating for the patent, IT, chemical, medical technology, biotechnology and automotive industries. Clients include many Fortune 500 companies such as Dell, Procter & Gamble, IBM, Siemens, TYCO, Lufthansa, Carbongen, Amcis AG, LSI Corp. and Promise Technology.

## • Legislative Roundup •

• **HB39** would allow clerks at retail locations to continue to sell, fit, adjust and dispense prescription lenses without having an optician license. The clerk would still need to have a prescription from a licensed physician or optometrist. The bill's sponsor, Rep. Jim Dunnigan, R-Taylorsville, said 28 states have adopted an optician license requirement for those clerks but Utah does not want to become part of that group.

• **SB36** would allow Utah corporations to transfer to another state. The sponsor, Sen. Gene Davis, D-Salt Lake, told the Senate Business and Labor Committee that the bill cleans up Utah statutes, which currently do not allow a corporation domesticated in Utah to transfer elsewhere. Shirlene Bastar, an attorney in Utah and California, told the committee that currently a company moving from Utah to California faces having to dissolve and reincorporate in California or convert to a limited liability corporation. Both have unnecessary tax consequences, she said.

• **HB43** would allow barbers, cosmetologists, estheticians, electrologists and nail techni-

cians to work without a license on motion pictures shot in Utah. Those workers would have to be employed by or under contract to assist with a movie company production and conduct that work for no more than 120 days per year. Sponsored by Rep. Jim Dunnigan, R-Taylorsville, the bill was recommended by the Business and Labor Interim Committee.

• Companies catering to participants in a pair of winter sports would have something to brag

about under **HB201**. The bill designates skiing and snowboarding as the state's winter sports.

**Business lending is our business.**

**Erik Tadge**  
Business Lending Expert  
(801) 623-5140

**BANK of UTAH**

**JOIN THE... At Work Perk CLUB TODAY!**

Sponsored by:  
**The Gateway**  
FM100 Enterprise

**Accuscan: 20% off full body scan**

**California Pizza Kitchen: 20% off entire order**

**At Work Perk**

At The Gateway, we believe that when you work hard, you deserve some perks. That's why The Gateway, FM100 and The Enterprise have created an exclusive "Office Worker At Work Perk Card" for all of you hardworking people. (Fill out your At Work Perk Card application at The Gateway Concierge desk.)

Flash your card and get savings and discounts at participating shops and restaurants at The Gateway.

Just keep your card in your wallet and look for special deals throughout The Gateway. FM100 will be e-mailing you ever Monday with the "Perks of the Week." Log on to [www.fm100.com](http://www.fm100.com) or check out The Enterprise for the most up to date list of specials.

Turn in your completed form to The Gateway Concierge, located across from Urban Outfitters or to any participating retailer to be eligible for monthly drawings.

from previous page

contributed to industry publications, such as *ItoI* magazine, *CRM* magazine, and *Computerworld*.

• **Adaptive Computing**, a Provo firm that bills itself as the manager of the world's largest supercomputing systems and experts in cloud management and HPC workload management solutions, has hired **Alan Taylor** chief financial officer. He brings more than 20 years of management and operating experience to his role as CFO. Before joining Adaptive Computing, Taylor served as the CFO and then CEO of DirectPointe, a managed IT services provider. Prior to that he was the CFO of Helius Inc. where Taylor was instrumental in getting Helius acquired by Hughes Network Systems. Taylor also served as the director of finance and group controller for the Product Development Organization at Novell, where he worked extensively in the product planning process. Prior to Novell,

he held analyst and senior level positions in finance and international business development with Boeing, Ford Motor Co. and Honeywell.

### CONSTRUCTION

• **Big-D Construction**, Salt Lake City, has promoted **Gifford Briggs** to vice president. Briggs will oversee all management aspects of the firm's Lindon office. Briggs has been a managing partner in the Lindon office since Big-D opened it in 2005. The Big-D Lindon office is structured to manage over \$80 million in annual construction revenue and currently employs more than 60 full-time office and field staff. Recent projects constructed by Big-D in Utah County include UVU Pope Science, Utah Valley Regional Medical Center Expansion, University of Phoenix, Action Target, Noah's, Thanksgiving Park Office Phase II & III, Riverwoods Imaging Center, and BYU Heritage Housing. The Lindon office recently began buildings 7 and 8 on the BYU Heritage Housing Phase II project.

• **Industrial Supply Co.**, Salt Lake City, has been named "Supplier of the Year" by the **Associated General Contractors of Utah** (AGC). Announced at the AGC's annual awards breakfast on Jan. 28, the award represents general contractors, specialty contractors and service/suppliers that have been committed to the principles of skill, integrity and responsibility in their business, and to the support of the construction industry. The award will be added to the collection of other

accolades that Industrial Supply has earned. Recently, the firm won the AutoLiv Supplier of the Year, the Yellow Coat Elite Award and the *Industrial Distribution* magazine Future Leader Award.

• The **Associated General Contractors of Utah** honored dozens of contractors, suppliers and individuals who excel in areas of teamwork, safety, innovation and quality at its annual awards breakfast held Jan. 28 at the Little America Hotel in Salt Lake City. **Western Rock Products** received the Best Rural Highway Project Award for its work on the Utah Department of Transportation's Milepost 46 to Kanab, US-89 reconstruction. **Vaughn Pack**, a **Staker Parson** employee for 37 years, was honored as Highway Project Manager of the Year. Pack has managed UDOT projects across the state from Davis County to St. George.

• **Layton Construction Co. Inc.** built one of the most environmentally sensitive projects ever built on the Hawaiian island of Kauai. The Kauai

Community Federal Credit Union – Kukui Grove West Office has officially received a LEED Gold certification from the U.S. Green Building Council. The two-story, 21,000 square foot office building opened in November 2010 and is the first LEED-certified bank or credit union in all of Hawaii and the second LEED-certified building on the island of Kauai. There are only four other LEED Gold certified facilities in the state of Hawaii.

• **Pentalon Construction Inc.**, Draper, has commenced construction of the first phase of the new **Ashley Creek Apartments** in Vernal. The developer is Utah-based PEG Development and the architect is Carpenter Stringham Architects. The first phase consists of four 24 plex apartment buildings, garages, the site improvements and infrastructure. The project is scheduled for completion in spring of 2013.

• Five years after states first started shedding construction jobs, **construction employment remains below peak levels** in all 50 states and the District of Columbia, according to a new analysis released by the Associated General Contractors of America. Given the continued weakness in construction employment, the association is launching a new effort to encourage Congress to pass "years-late" legislation to fund highway, bridge and transit construction work. **In Utah, construction employment reached its peak in April of 2007**, when 105,300 people were employed in the field. That dropped to 64,600 in November 2011, a loss of 70,700 jobs and down 39 percent from peak. According to the data, Utah's construction industry was the ninth hardest-hit in the nation. North Dakota fared best while Nevada fared worst.

### EDUCATION/TRAINING

• **Westminster College's** Institute for New Enterprise said that **Inside & Out Cosmetics** was the first place winner of the **2011-2012 Opportunity Quest business plan competition** for its USDA-certified organic make-up line that is also tied to a social cause. With each sale, Inside & Out Cosmetics will contribute a portion of the profit to women's causes. Caitlin Jolley, a Westminster MBA student, and her team received the honor during the fifth annual awards banquet on Jan. 27, where she also received an award check of \$5,000.

• **Utah Valley University's** recently opened **Business Resource Center** has named **Roger Andrus** as its new director. For over two decades Andrus has been instrumental in helping thousands of entrepreneurs secure the

capital they need to start and stay in business. Andrus established and led several national commercial lending institutions, including franchise financing divisions. He has served as the executive director of the Business Development Corporation of Provo, a nonprofit entity that provides early stage seed capital and functions as a small-business growth accelerator.

### GOVERNMENT

• **Robin Hutcheson** is the new director of the **Transportation Planning Division at Salt Lake City**. Hutcheson takes over the position from Tim Harpst following his retirement. For the past 15 years, Hutcheson has worked as an industry consultant on a broad range of transportation planning projects, including alternative modes development, mobility management and transportation and traffic studies. Prior to joining Salt Lake City, Hutcheson was a senior associate with Fehr & Peers' Salt Lake City office. She is the co-founder of the Women's Transportation Seminar Northern Utah Chapter, promoting women in the field of transportation. Hutcheson is an accredited planner with the American Institute of Certified Planners.

### HEALTH CARE

• **Utah would lose 686 jobs**, local economies would suffer and patients may be denied their choice of pharmacy if the proposed merger of two prescription drug middlemen goes through, according to the **National Community Pharmacists Association**. The Federal Trade Commission is currently reviewing the **proposed merger** of pharmacy benefit managers **Express Scripts Inc.** and **Medco Health Solutions**. The multi-billion-dollar companies are already among the country's largest pharmacy benefit managers, which administer prescription drug plans and operate mail order pharmacies. In Utah, the companies collectively manage pharmacy benefits for 113,000 state employees and their dependents as well as 32,801 of the Defense Department's TRICARE beneficiaries.

• **South Davis Community Hospital**, Bountiful, recently was honored with two awards for excellence in employment: first place Large Employer and Employer of the Year. On Jan. 12 the hospital was honored with the **Utah Work Life 2011 Award** given by the Utah Division of Workforce Services, placing first in the Large Employer category. The hospital also received the **2011 Employer of the Year** award from the Davis Chamber of Commerce on Jan. 20.



# UTAH FULL SERVICE BROKERS REAL ESTATE

Property Management Group  
Sales & Leasing  
Commercial  
Residential  
HOA

DeAnna Gregersen  
801-879-1704





• The **South Jordan Health Center**, the University of Utah's largest off-campus medical facility, **officially opened its doors** with a ribbon cutting ceremony on Jan. 18. The 208,000 square foot facility is located in the heart of the Daybreak community in South Jordan. Layton Construction Co., Inc. was the contractor for the project, which was designed by Dixon and Associates.

• **ADP** has acquired privately held **PhyLogic Healthcare**, a Revenue Cycle Management (RCM) company that has served small- and mid-size U.S. medical practices since 2001. The firm is based in Roseland, N.J. The ADP medical office software division, **ADP AdvancedMD**, a South Jordan-based provider of leading cloud practice management, electronic health record, medical scheduling and billing applications, now offers outsourced medical billing services to practices seeking to improve revenue and offload costly and complex medical claims processing.

## HUMAN RESOURCES

• The **U.S. Bureau of Labor Statistics** has released its **employment projections for 2010-2020**. According to the bureau, the top 10 occupations with the largest projected job growth for the period are, in descending order, registered nurses, retail salespersons, home health aides, personal care aides, office clerks, food preparation and serving workers including fast food, customer service representatives, heavy and tractor-trailer truck drivers, laborers and freight, stock and material movers, and postsecondary teachers. The top 10 occupations with the largest projected job declines during the period, in descending order, are farmers/ranchers/agricultural managers, postal service mail sorters/processors/processing machine operators, sewing machine operators, postal service mail carriers, switchboard operators, including answering services, postal service clerks, miscellaneous agricultural work-

ers, fast food cooks, data entry keyers and word processors and typists.

## LAW

• Attorneys and staff of **seven Salt Lake City law firms** joined together for the second consecutive year to collect nearly \$40,000 in cash and more than 1,000 pounds of food for the **Utah Food Bank**. With participants Parr Brown Gee & Loveless, Jones Waldo, Fabian Law, Stoel Rives, Durham Jones & Pinegar, Ballard Spahr, and Dorsey & Whitney, the law firm food drive donated \$38,274 and 1,050 pounds of food. The cash donation is significant because the Utah Food Bank can turn every \$1 donation into \$7 worth of food and services due to the support of volunteers and in-kind donors. According to the Utah Food Bank, from every \$1 donation, 99 cents goes directly to food and services while only 1 cent goes to administration and overhead.

• **Blake R. Bauman, David B. Dibble, Michael K. Erickson and S. Brandon Owen** have been elected shareholders of the Salt Lake City law firm of **Ray Quinney & Nebeker**. Bauman is a member of the firm's Real Estate Section and focuses his practice on development, land use and entitlements, acquisitions and dispositions of property, leasing and financing of office, retail, multi-family and other properties. Dibble is a member of the Firm's Labor & Employment Section. His practice includes complex commercial litigation, general litigation, federal and state employment litigation, administrative agency practice and advising on business and employment issues. Erickson practices in the firm's Intellectual Property Section. His practice emphasizes intellectual property litigation, including copyright, trademark, patent, and trade secret matters. In particular, he focuses on intellectual property disputes in computer, software and Internet industries. Owen is a member of the Intellectual Property Section. His practice includes all facets of IP law including litigation and the preparation and prosecution of patent, trademark, and copyright applications in the United States and foreign countries.

• **Eric Nielsen**, an associate from the Phoenix office of **Snell & Wilmer**, has relocated to the firm's Salt Lake City office. With this move, the firm's Intellectual Property and Technology (IP) practice group continues to expand its footprint in the western United States. Nielsen will continue to have a presence in Phoenix. Nielsen's practice is centered on IP counseling—in particular, the design and implementation of business driven strategies to

identify, protect, defend, enforce and otherwise build value around IP assets, including patents, trademarks, copyrights and trade secrets.

• **Mark E. Rinehart** has joined the law firm of **Callister Nebeker & McCullough**. Rinehart's practice focuses on real estate development and finance, corporate finance and private placements, renewable energy development and mergers and acquisitions. Purchases and sales of businesses are a part of his practice. Rinehart was admitted to the Colorado State Bar in 1982 and the Utah State Bar in 1985. He received a B.S. degree in engineering magna cum laude from Brigham Young University in 1976, an M.B.A. from the University of Houston in 1979, and graduated from the Law School of the University of Chicago in 1982.

## MANUFACTURING

• A new collaboration between two innovative Utah-based companies is designed to improve visits to the dentist's office, for both patients and practitioners. On Jan. 6, **Aribex** signed an agreement with **H2O TECH Inc.** to provide an equity investment in the start-up. Aribex bills itself as the worldwide leader in portable and handheld X-ray products for use in a dental office as well as various other remote and mobile care applications. The Orem-based company has experienced more than three years of greater than 30 percent growth and 11 consecutive profitable quarters. H2O TECH is an emerging company based in Spanish Fork. Its technology con-

sists of a **pain-free, super quiet water drill**, a breakthrough in dental care aligned with attracting and retaining more patients. The waterjet is designed to increase office production with a net reduction in the use of anesthetics and substantially improve patient outcome and experience.

• **Candle Warmers Etc.**, Woods Cross, was presented the **Small Business Award** by the **Davis County Chamber of Commerce** during the chamber's annual awards banquet at the Davis Conference Center in Layton. Judging criteria for the Small Business Award included demonstrating sound business strategies and practices, overcoming challenges, customer service strategies, employee relations, community involvement and busi-

ness growth and performance. **Candle Warmers Etc.** has grown into today's market leader and innovator in the candle warmer category, ranking among the top consumer products companies in the U.S. by *Inc.* 500/5000 for four years.

• **Mobile accessories maker ZAGG Inc.**, Salt Lake City, saw **online sales that were 94 percent higher** on Cyber Monday in 2011 compared to 2010, while traffic grew 234 percent to set a record high. To provide high-quality care to that rapidly growing customer base, the company recently implemented a hosted IP phone system created by Phoenix-based **Telesphere** for its contact center. ZAGG upgraded to Telesphere from an on-site PBX *continued on page 11*



**At RWC, we make it our mission to provide our clients with expert analysis of construction related assemblies and to generate and implement innovative solutions to sustain building envelope integrity.**

**(877) 594-4433**  
**WWW.RWC-INC.NET**

- FORENSIC INVESTIGATION
- CONDITION ANALYSIS
- PEER REVIEW
- BUILDING QUALITY CONTROL
- LITIGATION SUPPORT
- REPAIR SPECIFICATION
- SPECIALIZED DIAGNOSTIC TESTING
- COST ESTIMATING
- RESTORATION & REPAIR




**EVEN THE BIGGEST BUMPS ARE JUST PART OF THE ROAD.**

Over the years, we've helped countless businesses get the cash flow they need to keep moving, and we can do the same for you. Learn how at [tabbank.com](http://tabbank.com) or by calling **801.624.4415**.

**TABbank**  
Member FDIC

I provide sound legal solutions for employers in labor disputes.



John S. Chindlund

**PRINCE•YEATES**  
15 W. South Temple, Ste 1700  
Salt Lake City, Utah  
[PrinceYeates.com](http://PrinceYeates.com)

## Why are you fighting with procurement and purchasing?

**DISCLAIMER:** The following article is a reality and a strategy, NOT defamation or a tactic.

**THE CONCEPT:** Why purchasing and procurement departments should be avoided, and how to do it.

**THE REALITY:** Purchasing and procurement are a way of life.

**YOUR REALITY:** Your total lack of C-level relationships makes your life a sell-from-the-bottom-up proposition.

### HERE'S YOUR SELF-TEST:

- Are you relegated to "purchasing" as part of corporate policy?
- Are you prevented from talking to the person who actually uses the product you're trying to sell?
- Are you making decisions as to how much profit you're willing to sacrifice to secure the business?
- Are you bullied into "matching price" to get the order?
- Are you being TOLD what your price will be in order to "do business?"



Jeffrey Gitomer

Welcome to the club of losers. Not people and profit.

The purchasing department or the procurement department has one major job: to save their company money. Oh wait, let me complete that sentence as it relates to you: to save their company money, at your expense.

In general, when you deal with the procurement department and their people — keep in mind:

- They don't care about quality.
- They don't understand outcome.
- They don't understand the need for service after the sale.
- They don't understand productivity.
- They don't care about morale.
- They don't care about outcome.
- They don't care about vendor relationships.
- They don't care about vendor profitability.
- They don't care about you.
- They NEVER look for the best, just the lowest price.

Procurement departments operate under the general principle of, and are measured and rewarded by: "we saved a nickel!" But the outcome of the "saved nickel" may be that everyone in the company is unhappy, the product is crappy and breaks down, the service response is slow. **NOTE TO PURCHASING:** It's also likely the productivity and low quality, and loss of morale cost your company 500 times more than the nickel you saved.

There's a "Rock, Paper, Scissors" game of business: *CEOs cover purchasing and procurement*. If the CEO calls down to purchasing and says, "We're going with ACME Widgets!" The procurement person says, "ACME, boss? OK, boss!" And that's it. No proposal, no bid, no price cutting, no "match this price." No nothing. Just a purchase order.

**NOTE WELL:** This is only possible if you have a *relationship* with the CEO. Ouch.

**ATTENTION PURCHASING:** Here are a few recommendations that eliminate "lowest price" from the final decision:

1. **Demand testimonials.** Don't just bid. Prove what you promise.

2. **Create a "range of price" acceptance.** If the price is within 10 percent of the lowest bid, the purchasing agent can (and should) choose what he or she believes is the BEST product or service.

3. **Let your people test the product.**

4. **Let your people tell you what they want.**

5. **Let your people tell you who they want to do business with.**

**NOTE WELL:** Independent third party purchasing groups should be totally avoided. The hotel industry is besieged by RFPs from bullying third party event planning companies that shield the customer and only care about price. Hotels hate them, and are forced to eliminate most of their profit to book the event. And the ultimate customer loses respect and face, and is in total jeopardy of having a third rate event with a poor outcome. All in the name of "saving money."

And "reverse auctions" are worse. They milk every cent of profit.

My two-word strategy for both of these is: "DON'T PARTICIPATE!" If no one played, they'd go away in a week.

The strategy to eliminate, or at least mitigate, the process of starting with purchasing, is to have a relationship with the person or people that direct them. You can be recommended and you can be the "standard" used for selection.

You can have a history of success at other companies based on quality, productivity, results and profitability — and present proof of this as a price alternative.

You can have a social media presence that allows your customers to provide feedback.

You can write value-based articles that C-level people might read. This can get you in direct contact with decision makers.

**NOTE WELL:** These 750 words are not going to resolve the issue, and are certainly not going to eliminate the purchasing department. In most cases, purchasing and procurement are a vital part of any large company. The challenge I'm issuing is that it is NOT just a price decision. "Bidding" is a losing proposition. "Best" and "value" are the winners.

If you're a purchasing agent and you personally need heart surgery or a hip replacement, do you want best, or lowest price? Best, or three bids?

Think about it.

Jeffrey Gitomer is the author of *The Sales Bible*, *Customer Satisfaction is Worthless*, *Customer Loyalty is Priceless*, *The Little Red Book of Selling*, *The Little Red Book of Sales Answers*, *The Little Black Book of Connections*, *The Little Gold Book of YES! Attitude*, *The Little Green Book of Getting Your Way*, *The Little Platinum Book of Cha-Ching*, *The Little Teal Book of Trust*, *The Little Book of Leadership*, and *Social BOOM!* His website, [www.gitomer.com](http://www.gitomer.com), will lead you to more information about training and seminars, or e-mail him personally at [salesman@gitomer.com](mailto:salesman@gitomer.com).

© 2012 All Rights Reserved

## The danger of the 'Big Idea'

I know everyone is looking for the "Big Idea." But big ideas can be dangerous, especially in the world of marketing and advertising.

If that sounds like the opposite of what you'd expect, here's the problem: marketing and advertising are the glamour sides of every business. It's the fun stuff, and it's the most important stuff.

The great industrialist Peter Drucker said — and I'm paraphrasing here — "there are only two legitimate functions of business ... marketing and innovation. The rest is expense."

If you believe Drucker — and who doesn't? — then if you're an accountant, an attorney, an executive assistant, a middle manager, a production line person, the janitor, and all too often the president or CEO, you're part of the expense structure. And what fun is that?

It's the marketers that make the world go 'round. Sales, marketing and advertising. That's where the action is. And everybody wants in on the action, right?

Now, in order to get the marketing stuff done and done well, the boss hires ad agencies, or in-house marketing people or freelancers from top designers to foreigners on elance at two bucks an hour.

A good start. These people are hired because of their expertise in this tricky field of marketing. They're hired because they've made a study of it. It's their life's work. They have education and they have experience. And that is specifically why they're hired.

They're expected to come up with brilliance and they feel the pressure to do so. And sometimes they actually deliver.

But then what happens?

Incredulously, the very people who hired them in the first place, specifically because the *hiree* is supposedly smarter about these things than the *hirer*, feel compelled to seek all kinds of opinions about the work of the expert.

So they "show the work around" to virtually everybody in the building. The accountants and lawyers, the clericals and managers, even the line workers and the janitors in many cases.

Don't you find it unnerving that the boss wouldn't trust these people to *do* this work, but he turns to them to *critique* it?

When you go to the doctor and he gives you a treatment plan, do you say, "Gee Doc, sounds p-e-r-r-e-t-y good. Tell you what. Let me run it by my secretary and some of my line people and see what they have to say."

Yet this is precisely what happens in the world of advertising.

And what do you get when you do this? A plethora of "big ideas" and an array of small ones as well.

The little ones look like this:

"I think you should change the word STAT in the headline. I don't think our market will relate to that."

"The picture doesn't do anything for me. How about we use an older couple looking like they're enjoying life?"

"I would never respond to an offer like

that."

"It's too edgy. We're likely to turn our audience off."

"It would be funnier if we ..."

You know you've got a "big idea", though, when they start out with the words, "Y'know what we oughta do is ..."

Here's the truth when it comes to the people who create advertising and marketing programs for a living, at least the good ones. Every single word that has gone into your ad — every graphic, visual, auditory element — has been thought through and calculated to bring the greatest possible response.

They've almost always considered just about every one of the ideas you and your non-marketing wannabes are spouting off like the creative geniuses they're *not*. Those ideas were tossed for a *reason*.

People who tell you they wouldn't respond to "something like that" almost always *have* and almost always *will*. The only market research that really means anything is the "wallet test." Which marketing will actually get somebody to pull out their wallet and buy? And the only way to discover that is to take it to market and sell it.

The reason your creative people even allow these kind of pass-it-around shenanigans is that they're not arrogant enough to believe that they've got the only answers of even the best ones. But odds are, frankly through the roof, that they actually do.

These exercises are maddeningly frustrating to the creatives. Maybe that's why they're seen as hyper-sensitive eccentrics most of the time. It certainly is professionally discouraging to them. Bad for their attitude. Bad for their work. Bad for what *you* get out of them.

Still, occasionally, somebody comes up with an idea that really *is* an improvement, so we all keep doing the dance. That is the nature of ideas.

Just remember that these true improvements are very rare indeed. And in fact, most of the "improvements" that get deployed actually make the effort *less* effective, not more.

There can be an exception to the rule. When you go to get your "second opinions," why not *pay* another professional to critique the work? Keep an agency, a copywriter, a marketing consultant on retainer, whose sole job is to look at the lead agency's work. A second pair of genuinely expert eyes could be just the ticket to make real improvements that could send response rates through the roof.

"Too expensive, Jim."

Really? If you've been reading this column for any length of time, you know that a two-word change in a headline could account for as much as a 1,000 percent increase in results. Given that understanding, doesn't a little extra investment in the message make a lot of sense? It could make a lot of dollars.

Whether you take that step or not, here's one thing I recommend in all cases: You hire these people for their expertise.

see ACKERMAN next page



Jim Ackerman

# Not your parents' Federal Reserve

Whether one likes it or not, this Federal Reserve, under the direction of chairman Ben Bernanke, has not exactly been shy in turning traditional Fed actions on their collective head. Another major development occurred on Jan. 25.

The Federal Reserve — now in its 99th year of existence as this nation's central bank — has traditionally tried to keep financial market players and investors in the dark as to future policy moves. As a result, major financial institutions for years employed highly compensated “Fed watchers” to decipher every word, every nuance, of Fed statements to gain an advantage regarding the Fed's next monetary policy moves.

Needless to say, those positions no longer have value.

Note that the Fed had reduced its key short-term interest rate (the federal funds rate) — and the most important of all short-term interest rates — to an all-time low target range of 0-0.25 percent in December 2008, more than three years ago. The Fed had suggested in 2009 and 2010 that it was in no particular hurry to push that rate higher.

Last August, the Fed then took the unprecedented step of indicating that the rate would stay where it was “until at least mid-2013,” unlike any statement the Fed had ever made before. The Fed's intent was to allow businesses and consumers to have some clarity or relative certainty that new loans or new borrowings could be undertaken with limited upside interest rate risks.

That was then ... this is now.

The Fed's Open Market Committee (known affectionately as the FOMC) took that one better on Jan. 25 with a statement that the federal funds rate would stay at its current historic low level “through at least late 2014.” Another 18 months of incredibly low interest rate stability seems in store for the U.S. economy.

Note that this is a most likely scenario. Between you and me, the Fed would love to see stronger-than-expected U.S. economic performance this year and next year and the following year, perhaps mandating a move to push its key rate higher sooner rather than later.

## A GDP Forecast

In reality, the Fed's willingness to keep its key rate so low for so long is a recognition that modest U.S. economic growth of 2010 and 2011 is likely to continue. The Fed's Jan. 25 forecast of 2.2-2.7 percent real (after inflation) U.S. economic growth this year is down from a forecast of 2.5-2.9 percent growth last November.

The Fed expects real U.S. economic growth in 2013 of 2.8-3.2 percent, also down from a prior forecast. Its forecast of as much as 4 percent real growth in 2014 seems quite iffy, and in my mind only occurs with a much more business-friendly administration and Congress than the one we have now.

## An Unemployment Rate Forecast

The Fed also provided its collective forecast that the current 8.5 percent unemployment rate would be no lower than 8.2 percent at year-end. It also suggested a jobless rate of 8.1 percent down to 7.4 percent in 2013 and a rate of 7.6 percent down to 6.7 percent in 2014. Again, my view would require a massive sea change in government to reach those more attractive levels.

The nature of the FOMC's forecast was different this time around. This is the first time the Fed has published such detailed predictions by its senior officials about future policy decisions (*The New York Times*).

## An Inflation Forecast

The Fed's FOMC also for the first time publicly acknowledged a target of 2 percent for inflation, as measured by the Fed's personal consumption expen-

diture index (PCE deflator). This inflation measure differs slightly from the more familiar Consumer Price Index. This goal of roughly 2 percent inflation has been widely accepted by financial markets, but never actually articulated by the Fed until now.

## More QE?

In addition to pushing its key interest rate to historic lows in recent years, and promising to keep it there for a long time to come, the Fed has been throwing mud at the wall through a process called “quantitative easing.” The Fed announced and enacted two major moves of buying roughly \$2 trillion of mortgage-backed securities and U.S. Treasury securities in an attempt to push long-term interest rates lower. The FOMC suggested in a very complex statement that more bond buying is “an option that's certainly on the table.”

By the Fed's measure, the process has been successful. Thirty-year fixed-rate conventional mortgage loans averaged 3.88 percent the week of Jan. 16-20, the lowest level on record.

One might think that such incredibly low fixed-rate conventional mortgages would draw record levels of home buying and refinance activity. Such is not the case. Home sales remain soft (although improving), while refi activity is not exactly gangbusters.

The headwinds of roughly one out of every four homes being underwater (the mortgage is larger than the current value of the home); still high unemployment; and the latest bombardment of government legislation on lending institutions — the more than 2,300 page Dodd-Frank financial legislation — has made the lending process more cumbersome, more paper intensive and more difficult. As noted before, just one more example of “we're from the federal government — and we're here to help you.”

## Savers Anguish

While the Fed's announcement can be construed as good news for businesses and consumers that are net borrowers, it is simply more pain and anguish for net savers. Millions of retirees had done all the right things over the years — investing in stocks and then shifting to bonds and certificates of deposit in later years.

Millions of retirees assumed a reasonable level of interest income from FDIC-insured financial institutions that would essentially be risk free (allowing them to sleep at night), while providing a consistent flow of income.

Not so fast.

The Fed's continuing efforts to “help” the U.S. economy by keeping short-term interest rates extraordinarily low is significantly offset by a shrinkage of spending by retirees on housing, trips to restaurants, entertainment, travel, etc. as incomes for millions are sparse. Now more of the same for another 18 months!

Unfortunately, too many retirees are reaching for higher returns by putting money into higher risk “deals” that will ultimately cost them dearly. Note: At lunch a couple of days ago, a roughly 65 year-old man was telling a younger woman, a daughter I think, about this “great investment opportunity” that he had been shown by a near stranger. He was explaining how high quality it was even as the returns were very high.

A fool and his money are soon parted.

Always remember: if it sounds too good to be true, it is!

Jeff Thredgold is the only economist in the world to have ever earned the CSP (Certified Speaking Professional) international designation, the highest earned designation in professional speaking. He is the author of *econAmerica*, released by major publisher Wiley & Sons, and serves as economic consultant to Zions Bank.



Jeff Thredgold

from page 9

system because it was limited by the number of seats it could host.

• Provo-based **Nu Skin**, a direct seller of anti-aging products, engaged the services of New York City-based **Translations.com** to translate and localize website copy in 20 languages, including Chinese, Finnish, Russian, Spanish and Czech and to provide translated content to its 825,000 independent distributors. Translations.com bills itself the world's largest privately held provider of language services and translation related technologies to streamline the process for localizing new and dynamic content for 52 global markets. Prior to working with Translations.com, Nu Skin relied on an inefficient, decentralized Web model in which regional sites were managed separately. Using Translations.com's GlobalLink localization management software, core content is quickly translated and localized in order to better target international customers and increase Nu Skin's global sales.

## REAL ESTATE

• Layton-based **Real Property Management**, which provides full-service residential property management for investors and homeowners across North America, has won **several major national awards and earned high marks on a number of key industry lists**. Accolades include *Entrepreneur* magazine's Franchise 500, rank: 159th; *Entrepreneur* magazine's Fastest-Growing, rank: 57th; *Entrepreneur* magazine's Low-Cost, rank:

## ACKERMAN

from previous page

When it comes to changing their work in favor of any less-expert opinion, it's dangerous not to give your creatives the benefit of the doubt.

If you can't do that, then at least test *their* version against the amateur-revised versions, head-to-head in the marketplace.

If you still don't trust their instincts and training, fire them and get people who you can trust.

Jim Ackerman is a Salt Lake City-based marketing speaker, marketing coach, author and ad writer. For his speaking services, go to [www.marketingspeakerjimackerman.com](http://www.marketingspeakerjimackerman.com) Subscribe to his VLOGS at [www.YouTube.com/MarketingSpeakerJimA](http://www.YouTube.com/MarketingSpeakerJimA), where you get a video marketing tip of the day, and at [www.YouTube.com/GoodBadnUglyAds](http://www.YouTube.com/GoodBadnUglyAds), where Ackerman does a weekly ad critique and let's you do the same.

©2012, Jim Ackerman,  
All Rights Reserved

24th; *Entrepreneur* magazine's America's Top Global, rank: 128th; Inc. magazine's 500 Fastest Growing Companies; National Minority Franchising Initiative's Top 50 Franchises for Minorities; and *Personal Real Estate Investor* magazine's Opinion Makers and Market Leaders.

• In the **Salt Lake City metro area, average home prices fell 5 percent in the past year**. By the summer of 2012, home prices are expected to rise 1.7 percent. Those are among the findings of the latest quarterly data from the Fiserv Case-Shiller Indexes, which track home price trends in more than 380 U.S. metro areas. According to Fiserv Case-Shiller projections, home prices in Salt Lake City will see a growth of 9.5 percent between Q3 2012 and Q3 2013.

## RESTAURANTS

• **Teriyaki Madness**, a restaurant chain with seven locations open in Las Vegas, is looking to bring its Asian dishes and signature sauces to several states, including Utah. The company plans call for growing to a total of 10 restaurant locations by the end of 2012, 25 by the end of 2015, 50 by the end of 2017, with a total of 200 locations throughout the next 10 years. **Utah franchisees are currently being sought**. The average ticket price for lunch at Teriyaki madness ranges from \$10 to \$12, while dinner is around \$13. The chain was founded in 2003. A new prototype shifts the dining focus from take-out to dine-in. The average total investment to open a Teriyaki Madness franchise is between \$198,098 and \$390,213, which includes the initial franchise fee. The new Teriyaki Madness prototypes will be 1,800 to 2,000 square feet, seating approximately 50 to 75 guests and will employ, on average, 12 people.

## RETAIL

• **Bell Janitorial Supply**, an Ogden distributor of janitorial supplies, cleaning products and floor-cleaning machines, recently relocated to a newer, upgraded facility at 1970 Wall Ave. Bell has six full-time Ogden employees (23 total, when a Salt Lake City location is included) and stocks more than 1,300 items, in addition to floor machine parts, in its new 8,000 square foot facility. The company started in 1964 when the late George Bell joined his father in the feed and seed business, selling seeds, chicks and lambs to the farmers in the Ogden area. George then started a business in which he cleaned furnaces with a giant truck-mounted vacuum. From furnaces, he moved into carpet cleaning, and then sold carpet

*continued on next page*

from previous page

cleaning products and other cleaning chemicals.

• **Nordstrom Inc.** plans to hire 200 local employees for its new store at City Creek Center in Salt Lake City. Nordstrom City Creek Center will open on Thursday, March 22 at 10 a.m. Positions are available in all areas of the store, including sales in women's, men's and children's apparel, shoes, accessories, cosmetics, as well as various support positions in housekeeping, alterations, restaurant and espresso bar. For more information on Nordstrom City Creek Center employment opportunities or to apply online, visit [careers.nordstrom.com](http://careers.nordstrom.com). Applications for sup-

port and sales positions are available now.

• More building permits have been issued for tenant improvements for retailers that will open next month at the **City Creek Center** in downtown Salt Lake City. They include **Footlocker, Sunglass Hut, The New ZAGG, Aldo Shoes, Steve Madden, Vans** and **American Eagle Outfitters**.

## SCIENCE

• **Research to Prevent Blindness** has awarded two grants to the **John A. Moran Eye Center** at the University of Utah to support research into the causes, treatment and prevention of blinding diseases. Gregory Hageman, Ph.D., has been granted a \$150,000 Senior

Scientific Investigator Award, and the Department of Ophthalmology and Visual Sciences has been granted \$100,000, to be directed by department chairman Randall J. Olson, M.D., CEO of the JMEC. To date, RPB has awarded grants totaling \$4,765,300 to the University of Utah.

## SERVICES

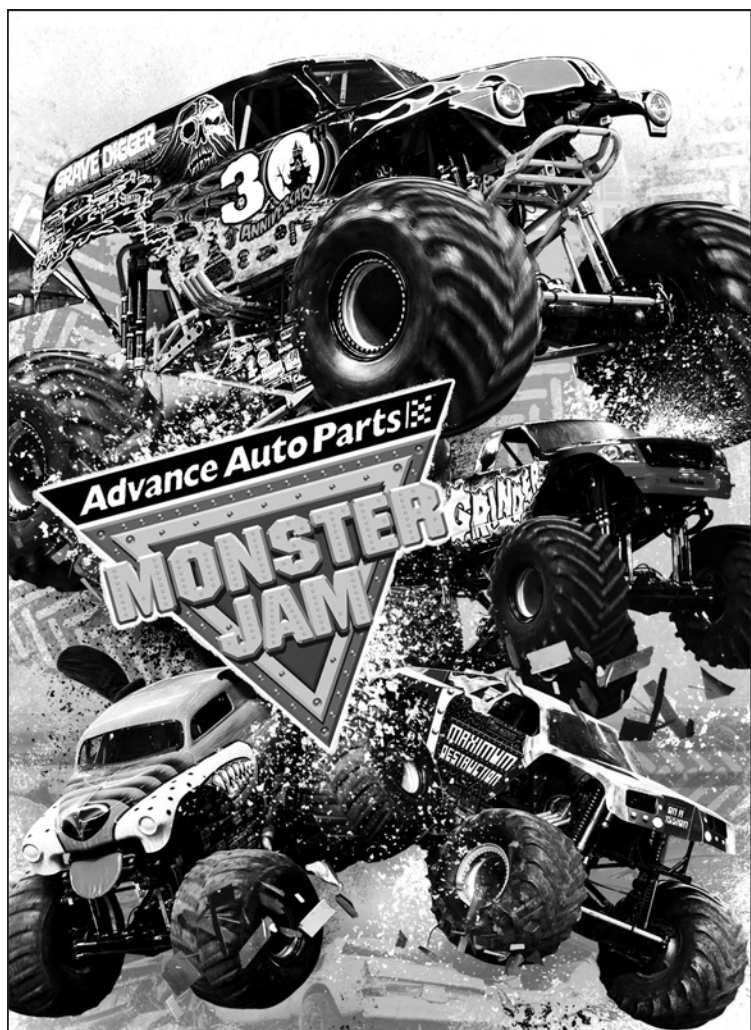
• Holladay-based management consulting firm **CXO Vantage** has made available **Executive Cheat Sheets** that cover tips from a variety of business functions including finance, marketing and operations. CXO Vantage Executive Cheat Sheets are designed to help anyone in business have access to valuable at-a-glance information on topics that are vital to running a successful company. The cheat sheets are free. For more information, call (801) 930-0842.

## TRANSPORTATION

• **Southtowne Auto Mall dealers** presented a check for \$29,000 to **Angel's Hands Foundation** from proceeds of the sale of automobiles. For every vehicle sold during the month of December, the consortium of 12 dealerships committed a contribution to Angel's Hands Foundation to help the everyday struggles of children facing rare diseases. The dealerships in the Southtowne Auto Mall located at 10600 South in Sandy include Riverton Chevrolet, Larry H. Miller Chrysler/Jeep, Larry H. Miller Dodge, Stockton 12 Honda, Riverton Hyundai, Riverton Mitsubishi, National Auto Plaza, Tim Dahle Nissan, Mark Miller Subaru, Riverton Suzuki, Larry H. Miller Used Car Supermarket and Thrifty Car Sales.

• **Air Sim Corp.**, a Salt Lake City firm that provides

radio communication training facilities for student pilots of all levels, through contracts with the various flight schools throughout the Wasatch Front, will host a **grand opening open house** Feb. 11 from 10 a.m. to 4 p.m. at 337. N 2370 W., Suite 222, in the Kibbie Executive Terminal Building at the Salt Lake International Airport. Air Sim's training lab allows student pilots, with their instructors sitting right next to them just like in a real airplane, the ability to practice all of their flying skills, including ground taxiing, takeoffs and landings and cross country VFR (visual flight rules) and IFR (instrument flight rules) flying, all while communicating with professionally trained air traffic controllers who will be monitoring all flights, including those of non-student commercial and GA flights in the area, on radar screens connected to the flight school's simulators.



# ENERGYSOLUTIONS ARENA

# FEB. 24 & 25

Fri. 7:30 PM  
Sat. 2:00 & 7:30 PM

Buy tickets at [Smithstix.com](http://Smithstix.com),  
EnergySolutions Arena Box Office  
or call 1-800-888-TIXX

[MONSTERJAM.COM](http://MONSTERJAM.COM)

**Advance Auto Parts**  
Service is our best part.

**UNIVERSAL TECHNICAL INSTITUTE**

**HOV WHEELS**

Brought to locally by  
ADVENTURE'S FIRST STOP  
**MAVERIK**

197185 Competitors shown are subject to change.

© 2011 Feld Motor Sports, Inc.

Buy  
**local  
FIRST**  
KEEP UTAH INDEPENDENT

## LOCAL. INDEPENDENT. UNITED.

**LOCAL FIRST UTAH: WORKING TOGETHER  
TO BUILD A STRONGER CUSTOMER BASE FOR  
LOCALLY OWNED, INDEPENDENT BUSINESSES.**

It's not always easy being a locally owned, independent business. Competing for customers with large national chains, coping with small marketing budgets, doing it all yourself. But now there's Local First Utah, a 501 (c)3 non-profit organization whose sole purpose is to support local businesses through public education.

### JOIN ABSOLUTELY FREE

Local First Utah is made up of a growing group of businesses identifying themselves as local and independent. There's no membership fee and you'll never be required to pay a dime to participate.

### WHY JOIN LOCAL FIRST?

- 1. RECOGNITION:** By displaying the Local First window decals and using the LF logo, you'll be telling customers that you're locally owned and independent, allowing them to "vote with their dollars."
- 2. FREE DIRECTORY LISTING:** Every Local First business receives a free listing on our on-line directory at [LocalFirst.org](http://LocalFirst.org). This directory provides a convenient resource for customers and businesses to locate locally owned businesses to patronize.
- 3. VALUABLE MARKETING:** All of Local First's efforts focus on driving customers to locally owned businesses. Promotions, events, and advertising will all help bring new customers through your door.

### FIND OUT MORE

See if you meet the definition of a Local First business and sign up on line at [www.LocalFirst.org](http://www.LocalFirst.org).

## • Calendar •

• Feb. 6, 12:15-1:45 p.m.: **Utah Manufacturers Association Annual Membership Luncheon.** Featured speaker will be Dr. Craig Manning of Griffin Hill, who will speak about "How Manufacturers Can Lead Utah out of the Recession into Prosperity. Combining scientifically proven curriculum with mental strength consulting, Manning works with business leaders, families, athletes and sports teams to help them develop the winning habits that produce break away high performance. Location is the Little America Hotel, 500 S. Main St., Salt Lake City. Cost is \$40 per person or \$260 for a table of eight. Register with Teresa at (801) 363-3885.

• Feb. 9, 11:30 a.m.: **The Building Owners and Managers Association (BOMA Utah) Outstanding Building of the Year Awards Banquet.** The Outstanding Building of the Year (TOBY) Awards are the most prestigious and comprehensive programs of their kind in the commercial real estate industry recognizing quality in buildings and rewarding excellence in building management. During the competitions, all facets of a building's operations are thoroughly evaluated. Buildings are judged on everything from community involvement and site management to environmental and "green" policies and procedures. Keynote speaker will be Joe Markling, BOMA International's chair-elect. Location is the Grand America Hotel, 555 S. Main St., Salt City. Free for BOMA members, nonmembers pay \$150. Register at [www.bomautah.org](http://www.bomautah.org).

• Feb. 9, 8 a.m.-5 p.m.: **"How to Raise Money,"** sponsored by the Wayne Brown Institute. This year's event will coincide with the 28th Annual Investors Choice Venture Capital Conference. In attendance will be venture capitalists, angel investors, private equity groups, venture professionals, serial entrepreneurs, service providers and other strategic partners. Location is the Zermatt Resort and Spa in Midway. Seating is limited. Cost is \$50 for "How to Raise Money" only or \$195 for the all-day event. Register at <http://www.venture-capital.org/vc-events>.

• Feb. 9, 8-10 a.m.: **"Doing Business in Korea."** The event will consist of a panel discussion on the U.S.-Korea Free Trade Agreement and the risks, benefits and legal implications and cultural issues companies should consider when conducting busi-

ness in Korea. Panel members will include Jeong Gwan Lee, consul general, consulate general of the Republic of Korea in San Francisco; Robert Mansfield, a partner with the law firm of Snell & Wilmer LLP and honorary consul of the Republic of Korea, state of Utah; Marshall Horowitz, a partner at Snell & Wilmer; and Greg Rigby, owner of Pac Rim Business Solutions. Location is the offices of Snell & Wilmer, 15 W. South Temple, Suite 1200, Salt Lake City. Free. Parking at City Creek or the Joseph Smith Memorial Building will be validated. RSVP by Feb. 7 to Matt Fankhauser at [mfankhauser@swlaw.com](mailto:mfankhauser@swlaw.com) or (801) 257-1840.

• Feb. 9, 8 a.m.: **Sandy Area Chamber of Commerce Base Camp for Business.** Keynote speaker will be Utah entrepreneur Alan E. Hall, who will speak about "The Seven Cs of Hiring and Keeping Great Employees." Other speakers will include Mary Michelle Scott of Fishbowl, speaking about "How to Build Confidence in Potential Customers"; and Cheryl Snapp Conner of Snapp Conner PR, speaking about "How to Build Great Branding and Marketing." Location is the Miller Campus of Salt Lake Community College, 9750 S. 300 W., Sandy. Cost is \$50, lunch included. Register at [www.sandychamber.com](http://www.sandychamber.com) or by calling (801) 566-0344.

• Feb. 14, 7:15-9 a.m.: **Association for Corporate Growth February Breakfast Program.** Guest speaker will be Scott Tanner, president and CFO of Winder Farms. Before joining Winder Farms, Tanner served as the CEO of Juice-It, a wholesale distributor of healthier alternative fountain drinks, where he helped the newly recapitalized company double sales and bring the business back to profitability. He was the founder and president of 1-800-GOPHERS, which was formed to provide housekeeping, home delivery dry cleaning and concierge and errand services for individuals and businesses. Tanner spent five years as COO and CFO of 1-800 CONTACTS, the world's largest direct marketer and distributor of contact lenses, and a company which he helped take public. While at 1-800 CONTACTS the company grew from just over \$20 million to about \$200 million in sales. Prior to 1-800 CONTACTS Tanner did turnaround work as CFO of Clover Club Foods, a \$100 million Utah-based manufacturer and distributor of salty snack

foods in 16 western states. He also spent seven years as a senior manager at Apple Computer, doing pricing and strategic investments, and earned a CPA while working at the big eight accounting firm Peat, Marwick & Mitchell (now KPMG). Location is the Little America Hotel, 500 S. Main St., Salt Lake City. Free to UCG members, nonmembers pay \$30 to \$45. Register at [www.acgutah.org](http://www.acgutah.org) or by calling Linda Blake at (801) 359-8613.

• Feb. 15, 8 a.m.-4:30 p.m. with reception to follow: **Utah Governor's First Annual Energy Development Summit.** The event will provide an open forum for industry, academia and government officials to discuss Gov. Herbert's 10-Year Strategic Energy Plan. Location is the Salt Palace, 100 S. West Temple, Salt Lake City. Cost is \$85 for full-day attendance, \$50 for lunch only. For more information and to register, visit <http://www.energy.utah.gov/>.

• Feb. 17, 9 a.m.-4 p.m.: **Meet the Generals Event,** presented by Mountainlands Area Plan Room and the American Society of Professional Estimators. The networking and vendor display event for those in the construction industry is free and will be held at the Embassy Suites, 110 W. 600 S., Salt Lake City. For more information, contact Mike Luke at (801) 288-1188. Sponsorships are available.

• Feb. 21, 11 a.m.-1:30

p.m.: **MountainWest Capital Networks 2012 Entrepreneur of the Year Awards Luncheon.** Josh James, Domo Technologies chairman and CEO and founder of Omniture, will be honored this year. Domo helps transform the way executives manage their business and get value from the tens of billions of dollars that are spent on business intelligence systems. Domo's founding team consists of some of the most sought after talent in the industry with experience that includes Amazon, American Express, Ancestry.com, eBay, Endeca, Facebook, Google, LinkedIn, MLB.com, Omniture, and Salesforce.com, among others. Location is the Little America Hotel, 500 S. Main St., Salt Lake City. Free to MWCN members, nonmembers pay \$55. Register at <http://www.mwcn.org/store/display/2093/37/entrepreneur-of-the-year-award-2012-josh-james>.

• March 9, 7:15 a.m.-4:30 p.m.: **2012 Association for Corporate Growth Utah Intermountain Growth Conference and ACG Capital Connection.** Breakfast keynote speaker will be George Feiger of Contango Capital Advisors. Lunch keynote speaker will be Urban Meyer, former Florida Gators and Utah Utes Coach and two-time BCS National Championship winner (subject to Ohio State schedule). The event will provide an opportunity for business owners, executives, development officers, intermediaries and service providers in Utah to network, learn about how to maximize growth opportunities and to meet with the

principals of more than 30 Utah-focused private equity groups and mezzanine lenders representing billions of dollars of growth and buyout capital, including Serent Capital, Sorenson Capital, Valor Equity Partners and Weston Presidio. There will be a number of workshops. Location is the Grand America Hotel, 555 S. Main St., Salt Lake City. Cost ranges from \$200 to \$250 based on early-bird registration and the registrant's affiliation with certain other industry groups. Register at <http://www.acg.org/utah/2012conferenceagenda.aspx>.

• March 21, 11:30 a.m.-1 p.m.: **Society of Marketing Professional Services Utah Chapter Networking Event.** Those in the architectural, engineering and construction industries are encouraged to attend. Speakers will include Todd Provost from the Utah Transit Authority and Terry Johnson from the Utah Department of Transportation. Location is the Little America Hotel, 500 S. Main St., Salt Lake City. For cost information and to register, visit [www.smpsutah.org](http://www.smpsutah.org).

• April 8, 6 p.m.: **Salt Lake Chamber 125th Anniversary Gala.** Location is the Grand America Hotel, 555 S. Main St., Salt Lake City. Cost is \$100 per person. A reception will begin at 6 p.m. followed by dinner and a program at 7 p.m. For more information, visit [www.slchamber.com](http://www.slchamber.com).

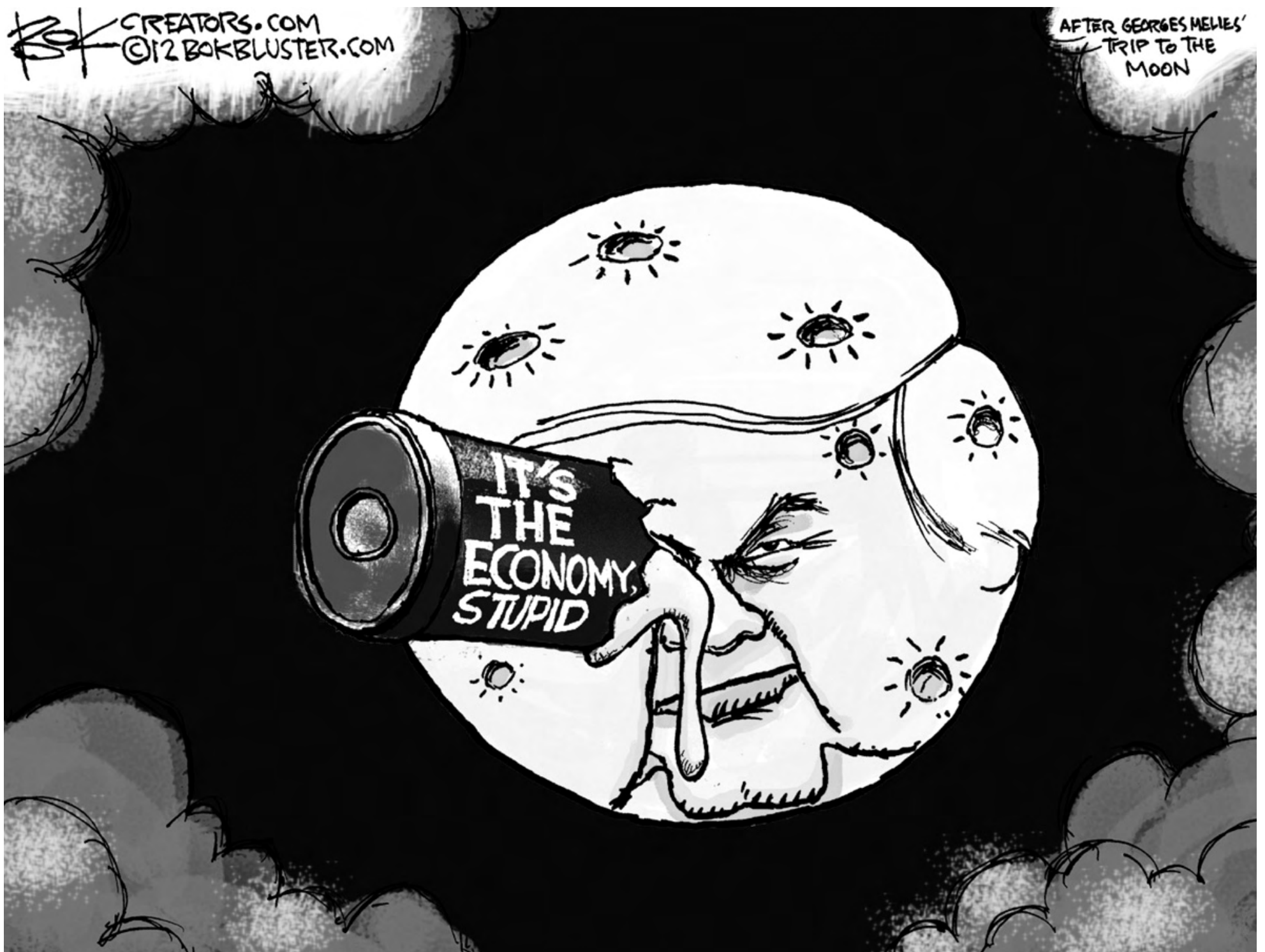
# THE Enterprise

UTAH'S BUSINESS JOURNAL

## WHY SHARE? GET YOUR OWN COPY!

Call To Subscribe  
801-533-0556





## The high cost of Romney's scorching victory

Mitt Romney's convincing victory in the Florida primary erased his earlier defeats and perhaps any serious obstacle to his nomination. The question that still troubles party leaders, however, is the damage he will sustain before returning to Tampa in September for their convention.

Triumph could cost Romney much more than the million dollars or so that bought each point of his 46-32 margin over Newt Gingrich. Already the former speaker has shaped the plutocratic image of Romney now visible in national polls. A furious, wounded Gingrich could go still further

— demanding, for instance, that Romney release many more years of tax returns.

But the electorate can also learn much about Romney from Ron Paul, if the Texan ever summons the courage to articulate their profound differences on war, national security and defense spending.

The scorching character assaults that incinerated Gingrich have left him yearning for revenge, and he is a past master of the politics of personal destruction. In Florida, he became the target of the same tactics and rhetoric that he popularized among Republicans

two decades ago, when he created GOPAC to take over Congress.

Although Gingrich's own copious defects often blunt the impact of his attacks on Romney — as they did during the final debate in Florida — his message can still be effective. And he will continue to dream of discovering the silver bullet that will take down his patrician tormentor — perhaps a document proving Romney, like so many other multimillionaires, used loopholes to pay no income taxes at all while making those lucrative private equity deals.

Meanwhile Paul, admired by many on the left for his anti-war statements, has so far avoided directly criticizing Romney's foreign policy positions or advisers.

That is surprising, if only because the frontrunner is so plainly a captive of the Republican Party's ultra-hawkish neoconservative faction, which dominates the campaign advisory team he announced last fall. On Tuesday evening, Romney's blustering prattle about American military power sounded like former Vice President Dick Cheney at his most disturbed. And like Cheney, Romney is a "chicken-hawk" who avoided service in Vietnam by signing up for deferments (to perform Mormon missionary work — in France!).

Although Paul's unorthodox views on the Mideast conflict and Islamist terrorism may be unpopular, most Americans today share his aversion to foreign wars —

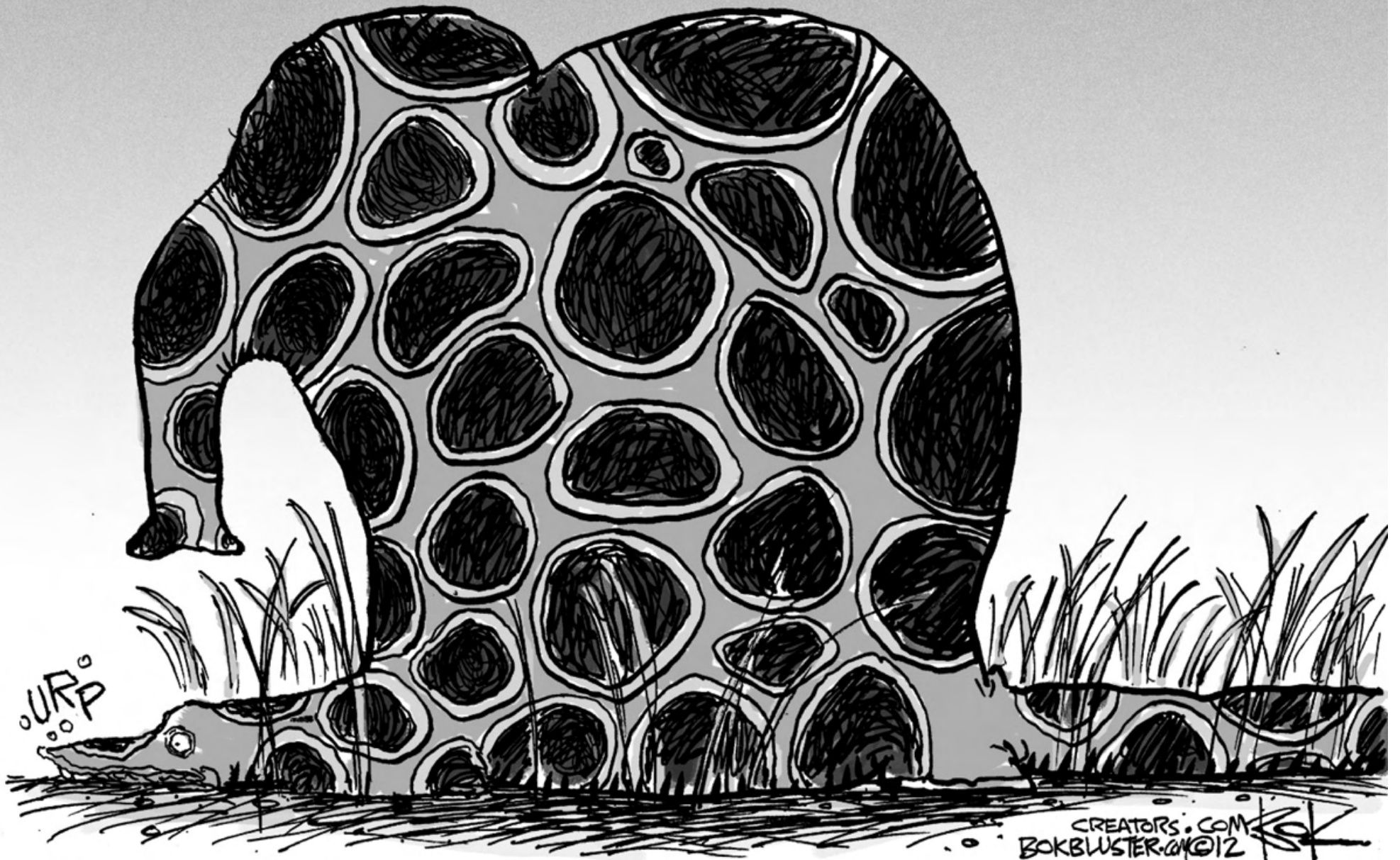
and would be dismayed to learn that Romney has hired on the same discredited crew that misled us into Iraq, and that botched the wars in both Iraq and Afghanistan at a cost of trillions of dollars and thousands of lives.

A military veteran who served at the height of the Cold War, as he often points out, Paul has the credentials to expose Romney's hollow, bellicose but still dangerous posturing. What remains to be seen in the weeks ahead is whether he has the grit to do so.

Joe Conason is the editor in chief of NationalMemo.com.

Copyright 2012  
Creators.com.

## NEWS ITEM: GIANT PYTHONS DEVOURING MAMMALS IN FLORIDA



## Getting nowhere, very fast

California has a huge state debt and Washington has a huge national debt. But that does not discourage either Gov. Jerry Brown or President Barack Obama from wanting to launch a very costly high-speed rail system.

Most of us might be a little skittish about spending money if we were teetering on the brink of bankruptcy. But the beauty of politics is that it is all other people's money, including among those other people generations yet unborn.

The high-speed rail system proposed for California has been envisioned as a model for similar systems elsewhere in the United States. A recent story in the *San Francisco Chronicle* used the high-speed rail system in Spain as an analogy for California.

Spain is about the same size as California, and has a similar population density — and population density is the key to the

economic viability of mass transportation, from subways to high-speed rail.

It so happens that I have ridden on Spain's high-speed rail system. It was very nice, especially since I did not have to pay the full costs, which were subsidized by the Spanish taxpayers.

While the Spanish government has been subsidizing the passengers on its high-speed rail system, the European Union has been subsidizing the Spanish government. Someone once said that government is the illusion that we can all live off somebody else. Spain's high-speed rail system is not even covering its operating costs, never mind the enormous costs of setting up the system in the first place. One reason is that half the seats are empty in the high-speed trains in Spain.

That is what happens when you don't have the population

density required for passengers to cover the operating costs. You would need the hordes of Genghis Khan riding the high-speed rail system to cover the additional costs of the rails and the trains.

An economics professor at the University of Barcelona says that Spain "has not recovered one single euro from the infrastructure investment."

The most famous high-speed rail system is that in Japan, one of the most densely populated countries in the world. The "bullet train" between Tokyo and Osaka has 130 million riders a year. Tokyo alone has more than three times the population of San Francisco and Los Angeles put together.

In California, an element of farce has been added to the impending economic tragedy, if the envisioned high-speed rail system actually materializes.

The first leg of the system is planned to run between Fresno and Bakersfield. If those names

don't ring a bell with you, there is a reason. They are modest-sized communities out in the agricultural San Joaquin Valley, well removed from San Francisco or Los Angeles.

You can bet the rent money that high-speed rail traffic between Merced and Bakersfield will never come within shouting distance of covering the operating costs. Some people have analogized putting such a rail line between these two towns to the infamous "bridge to nowhere" in Alaska.

Why are they doing it? Because they can.

If they began this project where they want it to go — between San Francisco and Los Angeles — they would run into so much opposition from the environmentalists, and from local politicians influenced by the environmentalists, that the delays could take the high-speed rail advocates beyond the time limit for using the federal subsidy money. But the green fanatics have not yet taken

over politically out in the San Joaquin Valley.

The only reason for even thinking about building a high-speed rail line between Merced and Bakersfield is just to get the project under way with federal money, making it politically more difficult to stop the larger project for a similar rail line between San Francisco and Los Angeles.

In other words, they are going to start wasting money out in the valley, so that they will be able to waste more money later on, along the coast. This may not make any sense economically, but it can make sense politically for Jerry Brown and Barack Obama.

An old song ended, "You've been running around in circles, getting nowhere — getting nowhere very fast." On high-speed rail.

Thomas Sowell is a senior fellow at the Hoover Institution, Stanford University, Stanford, CA 94305.

Copyright 2012  
Creators.com



Thomas Sowell



# Congratulations to Mountain America's SBA Team...

For being named the **2011 SBA Lender of the Year** by the Utah District\* and receiving the **SBA Blaine Andrus Memorial Award**.

Mountain America has the SBA lending experience, expertise and personal touch to help your business grow and succeed.

**APPLY FOR YOUR  
SBA LOAN TODAY!**

801-325-6440 ▲ [business.macu.com](http://business.macu.com)

- ▶ **Small Business Loans**
- ▶ **Business Visa®**
- ▶ **Business Checking**



**MOUNTAIN AMERICA**  
CREDIT UNION



\*Large Lender Category.  
Federally insured by NCUA. Loans subject to credit approval.