

INSIDE

Focus

TRAVEL & RECREATION

pages 13-19

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Bill hopes to attract business to rural Utah

Brice Wallace
The Enterprise

A bill to be introduced during the current legislative session would provide financial incentives for Wasatch Front businesses to expand into rural Utah.

One catch is that the type of business must be the kind that the individual rural county desires.

Speaking at the fourth annual Rural Legislative Day at the Capitol, Sen. Stuart Reid, R-Ogden, said he will sponsor the bill. At presstime, the bill had yet to be drafted or assigned a number but had the short title of "Rural Economic Mapping and Partner-

ship."

"From my perspective, I've been in the Senate now for just three years, I feel like the rural areas — I'm not from the rural area, I'm from an urban center — get the short end of the stick," Reid said. "Part of that is politics, part of that is the number of representatives you have in the legislature, but I don't think there has been the focus economically as there should be in the rural areas."

The first element of the bill would be to require economic development representatives, county leaders and others to identify "what they want their counties to be, economically," he said. The effort would help

everyone understand and establish a rural economic development map featuring "anchors to create prosperity."

"So everyone knows what it's going to look like, what towns will have what resources, whether it's manufacturing or retail or whatever it may be," he said. "So it's not just a general plan. It's a specific economic plan: 'We need this type of company here, here or there' — whatever it may be."

Those anchors or nodes will help the counties recruit "in-line" businesses, he said.

The bill will call for subsidies or incentives for Wasatch Front businesses willing to expand into rural areas by "matching up with the [county] plans that are established," he said.

"That does two things for the state: It expands existing businesses, which frankly we don't do a really good job with. We do a better job recruiting out of state than we do expanding and growing business internal to the state. So it will strengthen those businesses that are here along the Wasatch Front and then the businesses can expand in the rural areas, supporting the rural needs and help lay down an economic base that you all can build on in your communities.

"This is a long-term effort. You don't do these things overnight, but you can make a difference if everybody knows where they're going and understand economic

see RURAL BIZ pg. 10



Duchesne City in eastern Utah is one example of a place that would benefit from passage of a bill currently making its way through the Utah legislature that would give incentives to Wasatch Front businesses to open operations in rural areas of the state.

Sponsor wants law to bring 'reasonable regulation' to home business licensing

A House committee is considering a bill that would alter municipalities' licensing of home-based businesses.

The House Political Subdivisions Committee last week took no vote on HB258 but planned to discuss it again at a later meeting.

The sponsor, Rep. Jacob Anderegg, R-Lehi, said he is seeking "reasonable regulation" regarding business licensing by municipalities. Often, licensing is "very useful," but sometimes it has been used to either raise revenue for the municipality or "to simply be somewhat of a bully toward residents that otherwise are trying to just have a home business that really has a minimal, if any, effect upon the community," he said.

The bill would ban municipalities from requiring a business license for home-based businesses — other than kennels and mechanic businesses — that receive customers at the owner's home. But the ban would be in place only if the business' cus-

tomers do not significantly disrupt traffic flow or customer visits do not significantly interrupt an adjacent homeowner's enjoyment and use of their property.

Under bill provisions, the business must not have employees or independent contractors who work in the business owner's home.

The bill also says that businesses exempt from licensure still must register with the municipality but would not face a registration fee or penalty for failing to register. Anderegg said he would be open to deleting that provision.

Municipalities sometimes are akin to a "nosy neighbor" that can have legitimate concerns about a business, he said. "There are other times, though, especially when it comes to just for sheer revenue, that I think it's being used a little too egregiously, it's being used a little too forcefully."

He said his home-based bookkeeping

see HOME BIZ pg. 4

ACG hosts 2014 growth conference

The Utah Association for Corporate Growth will host the 2014 ACG Utah Intermountain Growth Conference in Salt Lake City on Thursday, March 13. The conference will be held at the Grand America Hotel from 11 a.m. to 8 p.m.

Mark King, CEO of TaylorMade-Adidas Golf, will be the keynote speaker and will address the topic "Market Conditions Don't Determine Growth, You Do!"

New at the conference this year is "Deal Link" after the luncheon in the afternoon. According to organizers, this is not deal speed dating. Private equity groups and intermediaries active in the Intermountain region can schedule meetings in private executive suites for 30-minute blocks to discuss

see CONFERENCE pg. 4





Last week's Roots Tech trade show is a showcase for family history and genealogy products. A recent World Trade Association panel discussion touted the value of such shows for Utah businesspeople.

WTA discusses value of trade shows

Brice Wallace
The Enterprise

Consider it a gathering near a gathering to talk about gatherings.

The World Trade Association of Utah's recent panel discussion about trade shows, occurring while Outdoor Retailer winter trade show was in Salt Lake City, stressed the advantages of attending the shows, whether in the U.S. or internationally.

Franz Kolb, regional director of international trade and diplomacy over Europe, Middle East, Africa and India for the Governor's Office of Economic Development (GOED), said trade shows allow visitors to "feel the pulse" of a particular industry, build alliances, see competitors and how their activities can improve a company's products, and meet buyers.

Shelby Peterson, international trade specialist at the U.S. Export Assistance Center, noted another intangible effect of attending a show outside the U.S. borders: presence in the market.

"Being there shows the world that you want to export," she said. "If you stay in the United States, it's great — we do try to get as many international buyers here as we can — but when you travel abroad, it shows that you're ready, you want to expand, you want to be exporting."

Kolb acknowledged that a lot of trade show activity can occur online, but he and others said in-person attendance has benefits.

"A lot of companies have ar-

gued you don't have to go to trade shows, [that] you can do everything online only," Kolb said. "But I'm here to tell you, with international trade shows, the face-to-face communication is critical. There comes a point in the deal where you've got to 'break bread,' where you want to meet your customers, where you want to meet your buyers and also your suppliers."

Jeff Tackett, chief executive officer of Gator Sports, which sells cold weather accessories for sports and workwear, said trade shows have allowed his company to "get customers that otherwise we would never have known about." His company's primary territory is in the northern part of the U.S. but at trade shows the company has made sales to people from Jacksonville, Fla.

"Our experience is probably more anecdotal than empirical, but we've found that where we're able to meet somebody face to face, it creates a relationship that is going to last many, many years, where if it's just an email we receive and we reply to that, it may just die out after a year or so," Tackett said.

Speakers provided lots of tips about trade shows. Kolb said companies often attend one but never return. He emphasized at least a three-year commitment. "That's when you start to see payback," he said.

Tackett said many international trade show options exist, and he suggesting doing research to discover which one fits a company's niche best. Coke Mead, who was involved in promoting trade shows

for Reed Exhibitions of the United Kingdom, suggesting attending a trade show first as a visitor before considering whether being an exhibitor makes sense. Another speaker said that after attending a show for several years, exhibitors "know who you are, what you do and how they might want to invest a little more time with you."

Kolb stressed the need for pre-show activities, to set up show appointments and conduct research on exhibitors, and post-show visits with key clients. "The weakness of trade shows is follow-up," he said. "There is not enough follow-up. That's the biggest problem. People come back from trade shows and business continues when they come back and there isn't enough follow-up."

David Murrell, owner of KO-SMO Corp., an export management company, certainly did follow-up after attending his first international trade show in 1991. It featured 10 days of driving around Germany, visiting people he met at the show.

"After that one trade show," Murrell said, "we were very successful and on our way."

Brad Peterson, director of Utah's Outdoor Recreation Office, said companies should strive to "seal the deal" at trade shows. "You're not out there prospecting as much during the show because drive-by traffic, there's just too much," he said. "It's too stimulating for everybody to just walk down and try and figure out what to do."

New outdoor gear show will focus on Utah consumers

Two local entrepreneurs have found a way to capitalize on the excitement of Salt Lake City's annual Outdoor Retailer's Winter Market. Locals will have a chance to see and buy the hottest gear from the show at the Adventure-plus Gear Expo May 9-10 at the South Towne Expo Center in Sandy.

The May show, the first of two to be held this year, will highlight local stores and Utah-based companies who manufacture and market some of the most well known outdoors and adventure gear products and brands. Consumers will have hands-on access to — and the opportunity to buy — products from the retailers market, much of which is designed or made in the state.

"It's hard for local outdoor gear enthusiasts to attend Outdoor Retailer when it's here," said Scott Miller, American Fork resident. "It's like a sports fan having the World Cup down the street and not having the opportunity to purchase tickets."

According to one of the show's founders, Landon John, "The new show is about highlighting the Utah manufacturers, retailers and outdoor resource companies in one place for all the local adventure enthusiasts who don't have the opportunity to attend Outdoor Retailer."

The Adventure-plus Gear

Expo is sponsored by the Governor's newly created Office of Outdoor Recreation, whose goal is to enhance the outdoor offering in Utah for all stakeholders. Outdoor recreation is essential to the Utah tourism economy and generates 122,000 direct Utah jobs and \$12 billion in consumer spending annually.

"This event is directly in line with the governor's vision for outdoor recreation in Utah, and we're grateful for the support of the Office of Outdoor Recreation," said Josh Christensen, another founder of the expo.

With 10,000-plus Utahns expected to attend, founders hope the expo will become a staple following up the success of the Outdoor Retailer shows. Most locals are unaware of all the outdoor brands either headquartered or providing jobs in the state. The Expo aims to create passionate brand advocates so that in the future, when someone shops for a pair of skis, they remember to buy local.

"This show is the most efficient use of the marketing dollar, offering exposure to 10,000 consumers in their target market and retail sales for less than a small direct mail campaign," said John. "It's cool that small stores that are usually priced out of big events can find a home here to directly connect with local consumers."

Worldwide Golf acquires local Edwin Watts, will restore Uinta Golf name

Worldwide Golf, a privately held company and the largest golf specialty retailer on the West Coast, has announced it has completed the acquisition of Edwin Watts Golf Shops, the largest golf specialty retailer in the southeast United States.

As part of the acquisition agreement, Worldwide Golf will operate 45 stores in 13 states and will retain the highly valued Edwin Watts Golf Shops name. Additionally, Worldwide will operate the five Uinta Golf Shops in Utah and rebrand those stores back to the original Uinta Golf name, which has tremendous brand equity for golfers throughout the state,

according to Worldwide officials.

For the last two years the Utah stores have been known as Edwin Watts Golf-Uinta after being purchased by the national golf retailer chain. But Edwin Watts Golf went into Chapter 11 bankruptcy in November. The Worldwide acquisition includes 49 Edwin Watts Golf stores, including the five in Utah.

Uinta Golf dates back to 1971, when Gordon O'Neil and his wife, Lillian, opened a golf shop in their home. In 1998, the O'Neils sold to Sean Smith, who eventually sold to The Edwin Watts organization.

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Trade mission starts today in Colombia and Panama

A business trade mission from the Mountain West region will visit Colombia and Panama today through Friday. This is the first coordinated group from the area to explore business opportunities in Colombia since the implementation of the U.S.-Colombia Free Trade Agreement in May 2012.

The mission is supported by Zions Bank and FedEx in partnership with the U.S. & Foreign Commercial Service and World Trade Center Utah. Participants include representatives from a wide variety of industries, including manufacturing, safety and se-

curity, telecommunications, logistics, building and consumer products, education, finance and legal services. They will conduct one-on-one business development meetings with potential agents, distributors, buyers and joint-venture partners.

"The Mountain West region is one of the fastest-growing economic areas in the United States and has seen exponential export growth over the past decade," said Mark Garfield, international banking regional manager for Zions Bank. "We look forward to exploring opportunities to increase busi-

ness with the impact of reduced tariffs and related barriers."

The U.S. & Foreign Commercial Service's office in Utah hopes area companies will increasingly target global markets in their growth strategies.

"We know that business executives need to maximize their time on the ground during this trade mission, so we've worked to arrange informative and productive business development meetings," said David Fiscus, director of the U.S. & Foreign Commercial Service in Utah. "Many Utah businesses are finding that markets where the

U.S. has free trade agreements offer some of the best opportunities for making new sales, and those businesses are adjusting their export strategies accordingly. The intent of these business meetings is to help the participating U.S. firms lay the foundation for successful business expansion in Colombia and Panama."

The U.S. Embassy in Bogota will be hosting a business reception for the delegation as well as business and community leaders. In 2011, during a visit to Salt Lake City, former President Alvaro Uribe officially invited Utah companies to visit Colombia and work to expand their markets together in light of the pending approval of the free trade agreement.

With more than 100 offices across the U.S. and in American embassies and consulates in nearly 80 countries, the U.S. & Foreign Commercial Service connects U.S. companies with international buyers through export counseling and a variety of export services.

Vivint Solar acquires Solmetric Corp.

Provo-based Vivint Solar Inc. and Solmetric Corp. have announced the closing of a merger that completes Vivint Solar's acquisition of Solmetric in an all cash transaction. Solmetric Corp., a major developer of photovoltaic installation instruments and software products, is now a wholly owned subsidiary of Vivint Solar.

"We are thrilled to welcome Willard MacDonald and his team of executives, engineers and other employees at Solmetric to our technology team at Vivint Solar," said Greg Butterfield, CEO of Vivint. "The Solmetric team has developed industry-dominant SunEye hardware and PV Design-

er software product lines that have maintained an impressive, satisfied customer base."

Solmetric test and measurement instruments help solar installation companies deliver more accurate solar energy assessments during the pre-install process and fast and accurate performance testing. The SunEye is a handheld electronic tool that provides shade analysis. PV Designer software allows layout and energy production estimates for the installation of solar systems.

"We are pleased with the merger agreement with Vivint Solar," said Willard MacDonald, president and CEO of Solmetric

Corp. "As part of Vivint Solar, we plan to continue to enhance our existing products line and develop even more offerings to benefit the entire industry and enable us all to install faster, low-cost and higher quality solar."

MacDonald will join the Vivint Solar executive leadership team as vice president of technology development. All Solmetric employees will continue to be based in Sebastopol, Calif. All existing sales contracts, distribution partnerships and product availability will continue under the Solmetric brand.

KT Health sells to Boston capital group

Palladin Consumer Retail Partners LLC has acquired KT Health LLC, a Lindon-based provider of kinesiology tape and related sports medicine products in the retail market. Palladin, previously known as Palladin Capital Group, is a Boston-based private equity firm focused exclusively on retail and consumer products companies in North America.

KT Health was formed in 2008 and will continue to be led by its founders, John Mackay, Jim Jenson and Ryan Dewey. The founders and other shareholders will partner with Palladin by re-investing a significant portion of their equity. Terms of the transaction were not disclosed.

Mackay, CEO of KT Health, said, "We are excited to join forces

with the Palladin team, who have tremendous experience in growing consumer brands."

"We are delighted to partner with John, Jim, Ryan and the entire KT Health team to create the dominant player in the wider sports medicine products market," said Mark Schwartz, CEO of Palladin.

Myriad acquires diagnostics supplier for \$270 million

Myriad Genetics Inc. has announced that it has entered into a definitive agreement to acquire Crescendo Bioscience Inc., a global supplier of autoimmune diagnostics, for \$270 million in cash which will be reduced by \$25 million for the repayment of a loan made to Crescendo and customary adjustments in accordance with the acquisition agreement. Myriad is based in Salt Lake City.

The transaction is expected to close before the end of Myriad's fiscal year 2014, pending satisfactory completion of customary closing items and regulatory approval.

"Crescendo Bioscience fits well into our diagnostic portfolio

that is focused on saving lives and improving the quality of life of patients across major diseases," said Peter D. Meldrum, president and CEO of Myriad Genetics. "Crescendo has pioneered protein-based diagnostics for monitoring disease activity in patients with rheumatoid arthritis and this acquisition diversifies our business into a new high growth, multibillion dollar market opportunity. We are pleased to welcome the 130 employees of Crescendo to the Myriad team and look forward to the impact of this innovative and dedicated group on our organization."

"Crescendo has built a strong and growing position in the rheu-

matoid arthritis diagnostic market, and I believe Myriad will enable us to move to the next level in terms of scale and growth," said William Hagstrom, president and CEO of Crescendo. "We envision multiple opportunities over the next several years where, as a combined company, we can expand our presence into international markets and provide new innovative products that help improve the lives of patients suffering from autoimmune diseases."

Crescendo was founded in July 2002 and is a molecular diagnostic laboratory in the area of inflammatory and autoimmune diseases.



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UTAH'S BUSINESS JOURNAL

USPS # 891-300

Published weekly by:

Enterprise Newspaper Group
825 North 300 West Ste. 309
Salt Lake City, Utah 84103
801-533-0556 FAX 801-533-0684
www.slenterprise.com

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Subscription Rates:
Online only, \$55 per year
Print only, \$65 per year
Online and Print, \$75 per year

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Periodical postage paid at Salt Lake City, Utah
POSTMASTER: Send address corrections to:
P.O. Box 11778, Downtown Station
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UVU to host Big Business and Tech. Expo

Bennett Events has announced that The Big Business and Technology Expo will be held Tuesday, Feb. 25, and Wednesday, Feb. 26, at Orem's UCCU Center at Utah Valley University. The expo will run both days from 11 a.m. to 5 p.m. with free lunch (with admission) available throughout the day until 4 p.m. Admission is \$6 which includes lunch and both keynote sessions that are held at noon both days.

"Business is quite special in Utah. Utah County's job growth was recently named third among all of the nation's largest counties for job growth, and Salt Lake County is also good with double the job growth of the national average," said Roxanne Bennett, coordinator of the event. "While some outsiders wonder why, those

who know Utah's business scene know it's the people that make the difference. You don't really get to know people by e-mailing, posting and tweeting, but at The Big Business and Technology Expo people get the opportunity to meet, talk and spend time with other businesspeople. They also get to hear from some amazing keynote speakers, visit hundreds of exhibiting companies and eat the hottest lunch around that is free with their expo admission."

This year's keynotes on Tuesday will feature prominent Utah CEOs in the "Titans of Business CEOs Panel." Executives scheduled to appear include Tom Dixon of BlendTEC, Matt Holland of UVU, Alex Dunn of Vivint and Steve Lunt of Nu Skin. Wednesday's keynotes will feature the inaugural Big Business and Technology "Tech10," a unique and entertaining look at quick-fire presentations from Utah's top new technologies that are limited to eight minutes each with a two-minute question and answer session from a judges' panel. These presentations will showcase a new product or innovation on an existing product within the past 12 months.

The Big Business and Technology Expo is organized by Bennett Events. For eight years Bennett Events has sponsored events including the Salt Lake Business Conference, the Home and Garden Show, the UVU Women's Expos and The Pinners Conference.

HOME BIZ

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business was targeted for Lehi and Utah County personal property taxes for several years, for about \$1,500 annually. That stopped when he threatened a lawsuit.

"I am happy to try to work with people to figure out how to redraw that line to include or exclude [businesses] based upon what I would perceive as a reasonable approach, but I'm suggesting this bill is needed to — quote, unquote — remove, at least for very small businesses, the tool from the tool belt from a lot of the cities and towns just so that it isn't pushed too far.

"I do think that there is reasonable regulation that needs to be there. I think if you've got too much traffic to the home, that's reasonable [to regulate]. If you've got too much noise, that's reasonable."

Rep. Jim Dunnigan, R-Taylorsville, told Anderegg that the bill needs refinement. "I think you're on the right track, but that line in the sand needs to be worked a little bit," Dunnigan said.

Rep. Marie Poulson, D-Salt Lake City, said she is concerned "about the broad-based nature of this."

Rep. Craig Hall, R-West Valley City, spoke in favor of letting businesses and municipali-

ties work out their differences. If a problem exists with a city ordinance, residents can work to change the ordinance or vote people into office who will change it.

The state has 243 incorporated municipalities, he noted. "What may work in Salt Lake may not work in Sandy, may not work in Salina, may not work in Snowville. ... I think there might be an argument that we ought to let cities decide what works best for them. ... I don't know that the best solution is for the state to tell all 243 very different cities what they should do and what they should not do," Hall said.

But Anderegg said the bill would aid very small businesses. "When it's not having a deleterious effect upon other people, it allows them to operate free of encumbrance, and that's really the goal here," he said.

The bill discussed by the committee was a substitute bill. The original version of HB258 would have banned municipalities from requiring licenses for a business with annual revenue of less than \$250,000. That provision was deleted in the substitute bill.

A fiscal note on the substitute bill indicates that its enactment would cost local governments up to \$4.5 million annually in revenue from licensing fees. Anderegg said the figure was "woefully overstated" and could be perhaps \$1.5 million.

WellPoint sells 1-800-CONTACTS to private equity firm

Salt Lake-based 1-800 CONTACTS has been sold by WellPoint Inc. to private equity firm Thomas H. Lee Partners L.P. (THL). Financial terms of the transaction were not disclosed. WellPoint and THL had signed a definitive agreement to sell the online contact lens retailer last month.

Tim Roush, chief marketing officer of 1-800 CONTACTS, said the company doesn't anticipate

significant changes in its Utah operations. "The leadership of this company is fully committed to Utah," Roush said.

WellPoint, a health benefits company, sold 1-800 CONTACTS in order to focus more on its health-care services during changes to the national healthcare system.

The contact lens retailer's founder and chief executive officer, Jonathan Coon, will retire

from his position and the current president, Brian Bethers, will succeed him as CEO.

"On behalf of all of us at 1-800 CONTACTS, I want to thank Jonathan Coon for his vision in founding this company, his leadership in developing our culture, and his commitment to enhancing our technology platform and tools on which we will continue to build," Bethers said.

Wing Nutz franchisor sells 50 percent share

American Restaurant Concepts Inc., operator and franchisor of Dick's Wings and Grill restaurants, has acquired a 50 percent interest in Wing Nutz, which is based in Salt Lake City.

Wing Nutz currently has 10 restaurants in Utah and one restaurant in Idaho, with an additional restaurant about to open in Utah and one in Las Vegas, Nev. Under the terms of the deal, Amer-

ican acquired a 50 percent ownership interest in Paradise on Wings Franchise Group LLC, which is the franchisor of the Wing Nutz restaurants and owner of the Wing Nutz intellectual property, in return for a combination of cash and stock.

In a separate but related transaction, Blue Victory Holdings, a Louisiana-based private equity firm, acquired a 50 percent own-

ership interest in Wing Nutz Development LLC, which holds the operating assets and liabilities associated with running the Wing Nutz franchisees.

"We are pleased to have acquired a significant ownership stake in Wing Nutz as part of our strategy to drive growth and shareholder value by expanding into other brands," said Richard Akam, CEO of American.

CONFERENCE

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real deals. Corporate executives, private equity groups and other conference attendees will have an opportunity to meet and mingle at the ACG Utah Capital Connection social and buffet after the afternoon programs and Deal Link.

Conference sponsors include Zions, Diversified Insurance Group, Grant Thornton, Parsons Behle and Latimer along with Chase Bank, Parr Brown Gee and Loveless and Sorenson Capital. In-kind sponsors are Cornerstone Technologies, Economic Development Corp. of Utah, *The Enterprise*, Fluid Advertising, Governor's Office of Economic Development, KUER, PR Newswire/Vintage Filings and *Utah Business Magazine*.

King began his career in 1980 when he took a position selling a dramatically different new product called a "metalwood" for TaylorMade, back when the company was a start-up based in an abandoned TV factory in McHenry, Ill. Over the years, he rose in sales and marketing management to be-

come president and then CEO as TaylorMade-Adidas Golf evolved into an industry leader that produced products in every category, including drivers, fairway woods, hybrids, irons, putters, balls, footwear, apparel and outerwear. The 30-plus years King has spent passionately immersed in the golf industry have given him an extraordinary understanding of his customers and consumers. He has seen his company's sales blossom over the past 12 years from \$300 million to \$1.7 billion despite a frequently challenging economy and a slow-growing industry.

King admits to owing a portion of his success to his own personal passion for the game. Currently a two-handicapper, he's been honored as the golf industry's Executive of the Year and served as chairman of the National Golf Foundation. He has been the subject of the television show "Undercover Boss" and appeared on "The Apprentice" as a business role model.

More information about the ACG Utah Intermountain Growth Conference, including registration, can be found at www.acg.org/utah.



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Industry Briefs

ACCOUNTING

• **Mantyla McReynolds**, Salt Lake City, announced that **Shane Grant**, CPA and partner, will be the new leader of its tax department. Grant succeeds **Ken Oveson**, who is stepping down to prepare for his retirement. Oveson has worked at the company 16 years.

ASSOCIATIONS

• **The Davis Chamber of Commerce's** Women in Business Committee has announced that **Sue Johnson** of **Futura Industries** is the recipient of its 2014 Athena Award. The award will be presented at the annual Athena Luncheon, set for Feb. 20 at 11:30 a.m. at the Davis Conference Center in Layton. Johnson is president and CEO of Futura Industries, a manufacturer of custom aluminum extrusions, located in Clearfield. Johnson also serves on the Board of Trustees for Utah State University and Zions First National Bank; as chair of the Board of Trustees for the Northern Utah Academy of Math, Engineering and Science; and as chair of the board for the Employers Council.

• **The Utah County Association of Realtors (UCAR)** recently installed **Bill Freeze** as its 2014 president. In the past,



Bill Freeze

Freeze has served as treasurer, first vice president and vice president of the 1,500 member organization. He has worked in real estate for 15 years in Utah County and currently is a Realtor with RealtyPath in Provo. Freeze also serves as a board member for the Utah Valley Chamber of Commerce and committee chair for Provo's Freedom Festival.

BANKING

• **Zions Bancorporation**, Salt Lake City, announced that

its board of directors had declared a regular quarterly dividend of 4 cents per common share. The dividend is payable Feb. 27 to shareholders of record Feb. 20. Zions also said the board declared the regular quarterly cash dividends on the company's various perpetual preferred shares. Dividends on Series A, F, G, H and J shares are payable March 15 to shareholders of record March 1. Dividends on Series I shares are payable June 15 to shareholders of record June 1.

CONSTRUCTION

• **BHB Consulting Engineers**, Salt Lake City, has hired **Jason Dao** as a project engineer. Dao is a recent graduate from the University of Utah, receiving his B.S. in Civil Engineering in 2013, and he is now working toward a master's degree.



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EDUCATION/TRAINING

• **Northrop Grumman Corp.** recently provided grants worth nearly \$7,000 to support two science, technology, engineering and mathematics (STEM) educational initiatives and one job training program in Salt Lake City. It award a grant to Prototype-X, a For Inspiration and Recognition of Science and Technology (FIRST) Robotics Competition team. Consisting of 14 high school students, the Prototype-X team designs and builds robots for FIRST competitions. The company also awarded a grant to Neil Armstrong Academy, which serves pre-kindergarten through sixth-grade students with an emphasis on STEM education and problem-solving. The grant funds will be used to purchase and install a weather station at the school, educating students about meteorology and air quality. The station also will provide complete weather data for the northwest region of the Salt Lake Valley, resulting in more efficient use of irrigation systems and greater water conservation by local businesses and homeowners. The nonprofit Columbus Foundation, which also received

a grant, supports the growth, development and independence of disabled individuals through vocational training. Adults ages 18 through 30 receive employment support as they transition from high school to the workplace. Northrop Grumman's ongoing commitment to STEM education includes annual sponsorship of the High School Involvement Partnership program, which offers high school seniors hands-on job training and mentoring from Northrop Grumman employees, and the Northrop Grumman Engineering Scholars program, which provides academic-based scholarships to promising high school seniors who plan to pursue a career in engineering.

HEALTHCARE

• **Amedica Corp.**, Salt Lake City, has appointed **Jeff White** to its board of directors. White is principal at Medtech Advisory Group LLC, which advises early and mid-stage medical technology firms. He has more than 35 years of experience and has been involved in the development and growth of various companies in the surgical device and biomaterial industry. Prior to founding Medtech, White served as global director of business development for Synthes, and co-founded two medical device companies, including Applied Spine Technologies Inc., where he led efforts to develop innovative spinal devices for patients suffering from spinal injuries or degeneration. He has also held various positions with US Surgical Corp. and Richard Allan Medical Industries Inc.

LAW

• The board of directors of **Durham Jones & Pinegar** has appointed shareholders of the firm to chair its six major practice groups for 2014. The firm has 93 lawyers in five offices, four in Utah and one in Nevada. **Duane H. Gillman**, over Bankruptcy/Creditors' Rights, has chaired the group for the past two years and has practiced in the areas of business and personal reorganization, bankruptcy litigation, creditors' rights, and trustee and receiver representation for more than 25 years. **Russell K. Smith**, over Business & Finance, continues as chair for a fifth year. He regularly advises start-up and emerging-growth companies, along with venture capital firms and corporate investors. **Mark L. Astling**, vice chair, focuses his practice on federal and state tax issues, including business formations, equity compensation, mergers and acquisitions, and tax accounting. **Douglas A. Taggart**, chairman of Estate Planning, has over 30 years of experience in

sophisticated tax and estate planning and business and real estate transactions. **Clinton E. Duke**, over Intellectual Property, joined the firm in 2011 and assists clients with a variety of intellectual property matters. **J. Mark Gibb**, chairman of Litigation, is a trial and appellate lawyer whose practice focuses on complex commercial litigation, with an emphasis in intellectual property litigation and real property law. **Bryan J. Pattison**, vice chair, concentrates his practice on civil and appellate litigation, employment law and real estate development. **Gretta C. Spendlove**, chair of Real Estate, is experienced in representing buyers and sellers in purchasing, selling and developing real estate; creating legal entities; in buying and selling businesses; and handling intellectual property issues.

• Shareholders at **Parsons Behle & Latimer**, Salt Lake City, have elected **Raymond J. Etcheverry**, **Hal J. Pos**, **Laura S. Scott**, **Michael R. Kealy** (Reno Office) and **Michael P. Petrogeorge** to its 2014 board of directors. Etcheverry will continue serving as chairman of the board, president and CEO. Pos continues as vice chairman, vice president and treasurer. Scott and Petrogeorge continue as vice presidents. Kealy will serve as vice president and secretary. Etcheverry is a member of the firm's litigation department and practices in the areas of antitrust, intellectual property, securities, class action defense and other complex business litigation. Pos is a member of the environmental, energy and natural resources department and concentrates on environmental and mining matters. Scott is a member of the litigation department and concentrates her practice on real estate and banking litigation. Kealy is a member of the litigation department and practices commercial litigation and personal injury. Petrogeorge is a member of the litigation department and concentrates his practice on real estate litigation and complex commercial litigation.

• **Ray Quinney & Nebeker**, Salt Lake City, has elected **Emily Smith Loeffler** and **Gavin M. Reese** as shareholders. Loeffler is



Emily Smith Loeffler



Gavin Reese



a member of the firm's Litigation Section. Her practice includes complex corporate litigation and general business litigation in both state and federal court, with an emphasis on employment, unfair competition and intellectual property disputes. Smith also has experience in securities fraud and criminal defense, as well as civil rights appellate work. Reese is a member of the firm's Corporate Section. He assists clients with general corporate law and mergers and acquisitions, business entity selection and formation, and securities matters.

• **Workman Nydegger** shareholders have elected **John M. Guynn**, **Carl T. Reed** and **Justin Cassell** to the firm's board and named **Paul N. Taylor** equity shareholder. Guynn is a registered




Paul Taylor

patent attorney with more than 20 years of experience, including initial formulation of creative and broad-based patent strategies, preparation and filing of patent applications, arguments before the U.S. Patent and Trademark Office and foreign patent offices and litigation support. His education includes master's and bachelor's degrees in Chemistry from Brigham Young University. Reed's practice focuses on preparing and prosecuting patent applications with emphasis on computer, networking and software related applications. Reed's education includes a 1995 degree from Brigham Young University in electrical engineering. Cassell counsels clients in all areas of United States patent practice, ranging from patent procurement to opinion preparation to licensing. Prior to attending law school, Cassell worked as a design engineer with particular focus on industrial applications involving high temperature materials. Taylor is a registered patent attorney. He focuses his practice on preparing and prosecuting foreign and domestic patent applications in a variety of industries.

MEANT TO RENT



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see BRIEFS next page

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Industry Briefs

NONPROFITS

• The **Zions Bank** tower, 1 S. Main St., Salt Lake City, will be the site of an annual fundraiser, the **Fight for Air Climb**, on Feb. 22. This year is the first time for the Zions Bank tower to be the site of the event. The **American Lung Association** event supports efforts to help people with lung diseases who struggle to breathe each day. Beginning at 8 a.m., climbers can run, walk or inch their way up 372 steps leading from the skyscraper's lobby to its 18th floor. Climbers will be assigned start times for their ascent. The Fight For Air Climb is open to individuals and teams. Families can pace themselves as they climb together, or take an elevator to the Founders Room to congratulate participating family members. Climbers can enjoy free massages and refreshments on the 18th floor. Details are available at www.lungutah.org. The Firefighter Challenge portion of the climb involves fire departments across the state. Wearing between 70 and 80 pounds of gear, firefighters will climb and compete in a separate stairwell from other participants. The Salt Lake City Fire Department won last year with the fastest team time and the fastest individual time and raised more than \$2,500 for the ALA.

• **March of Dimes** has appointed **Doug Farr**, an attorney with Snell & Wilmer, as chair of Utah's Statewide March for Babies. Farr is responsible for building an executive leadership team that will lead the organization to its fundraising goal of \$450,000 through local sponsorships, national partnerships, as well as family and corporate teams. Funds from the March for Babies event support research and programs to prevent birth defects, premature birth and infant mortality. Walk events are scheduled for May 3 at The Gateway, May 10 at Ogden's Fort Buenaventura, and May 17 at Seven Peaks in Provo. Details are at www.marchforbabies.org. At Snell & Wilmer, Farr focuses his practice on commercial litigation and bankruptcy.

OUTDOOR PRODUCTS/ RECREATION/SPORTS

• The **Ski Salt Lake Shootout** returns for its seventh consecutive year. Eight professional ski photographers and 24 skiers will compete for cash prizes and bragging rights as they photograph Cottonwood Canyon resorts and Ski Salt Lake Feb. 10-15, 2014. Two-time defending champion

photographer is Steve Lloyd. Ski Salt Lake is again partnering with the Utah Avalanche Center (UAC) for the award party set for 7 p.m. Feb. 15 at Brewvies, 677 S. 200 W., Salt Lake City. The party is open to the public and all ticket proceeds are benefiting the UAC. Tickets are \$12 in advance and \$15 at the door. Tickets and more information are available at <http://utahavalanchecenter.org/event/ski-salt-lake-shootout>.

RETAIL

• **Kyle Treadway**, president and dealer principal of **Kenworth Sales Co.**, based in Salt Lake City, received the **2014 Truck Dealer of the Year** award from the American Truck Dealers (ATD) at the annual ATD Convention and Expo in New Orleans. Kenworth operates 20 Kenworth dealership locations in Idaho, Montana, Nevada, Oregon, Utah, Washington and Wyoming. It has expanded from three locations to 20 since 1999. Kenworth Sales Co. was founded in 1945 by his grandparents and Treadway took over the business from his father, Gene Treadway, in 2000.



Kyle Treadway

• **Retail Properties of America Inc.** has announced that a wholly owned subsidiary has entered into a lease with **GameWorks**, making **The Gateway**, Salt Lake City, GameWorks' first location in Utah. GameWorks is an arcade-style, skill-oriented video gaming facility offering a variety of food and beverages. The new location will occupy approximately 25,000 square feet on the second floor between Dick's Sporting Goods and Forever 21, across from the Olympic Legacy Plaza & Fountain. GameWorks is expected to open this fall. It will join Charming Charlie and Rocket Fizz, both of which recently opened new stores at The Gateway.

• **South Towne Center**, Sandy, has announced three new retailers: **Shoe Dept. Encore**, selling shoes; **Bella Ella**, women's clothing and accessories; and **Brow Spa 24**, skin care and beauty services. Shoe Dept. Encore specializes in men's, women's and children's casual, work, athletic and dress shoes and will be near Macy's on Level Two. It is the company's first Utah location. Owned by Shoe Show Inc., the store is slated to open this summer. Bella Ella Boutique, specializing in affordable women's clothing and accessories, is based in America Fork and has six retail locations and a full service website. Brow Spa 24 offers eyebrow threading,

skin care, Henna make-up services and eyelash extensions. Brow Spa 24 has five locations along the Wasatch Front and will open at South Towne Center this spring.

• **Pureza Salon & Medi Spa**, a full-service salon and medical spa, officially opened in Provo on Jan. 16. It is located at 4801 N. University Ave., Suite 340. It provides both medical and cosmetic procedures performed by an accredited medical staff and licensed aesthetician team. The spa features medical services including Dermapen, Dermasound, LED Lightwave, Botox, Juvederm, Restylane and Dermograph treatments. In addition to its medical services, the salon offers hair care, nail care, massage therapy, skin treatments including facials and spray tanning, and other services found in a traditional salon setting.

SERVICES

• **MultiLing**, Salt Lake City, has appointed four sales and marketing professionals. **Randy Scott** has been named vice president of marketing, while **Michael Degn**, **Barbara Vellone** and **Matt Goldberg** are in sales positions new to the company. Scott is responsible for the overall strategy and content creation to educate potential clients on MultiLing's services. He has two decades of U.S. and international marketing, product management, sales and business development experience. Degn assumes the role of vice president of sales operations and will manage all functions essential to sales productivity and will oversee client service objectives, including client acquisition and ongoing account relationship management. Degn has more than 15 years of sales management experience. Vellone has accepted the position of business develop-

ment manager, large law firms. As part of her new role, she will present webinars on best practices and innovations in IP services. Vellone has more than 20 years experience in the legal industry, including extensive experience in the patent industry. Goldberg will serve as corporate business development manager over the western U.S. region. He has 15 years of experience in engineering and legal services. He most recently worked with the RWS Group, focusing his attention on EP translations and validations and translations for PCT national phase entry.

TECHNOLOGY/LIFE SCIENCES

• **inContact**, Salt Lake City, has hired **Daniel Lloyd** as corporate general counsel. Lloyd has more than 15 years of corporate legal experience. He previously was with PROS Holdings and served as senior counsel for SunTrust Banks and EnterBridge Technologies and as senior commercial counsel for Research In Motion Ltd. Lloyd's education includes a bachelor of science degree in accounting and a bachelor of arts degree in economics from the University of Utah.

TRANSPORTATION

• **Ogden City** has appointed **Jon Greiner** as airport manager for **Ogden-Hinckley Airport**. Greiner served as interim manager for four months. Ogden City said he was selected following the review of more than 80 applications and in-depth interviews of a national base of candidates. The selection process included participation by various stakeholders, including the Ogden Regional Airport Association and the Ogden Airport Advisory Board, as well as input from federal stakeholders.

CORPORATE EARNINGS REPORTS

The following are recent financial reports as posted by selected Utah corporations:

Zions

Zions Bancorporation, based in Salt Lake City, reported earnings of \$294 million, or \$1.58 per share, for 2013. That compares with \$179 million, or 97 cents per share, for the 2012.

The 2013 earnings came despite a net loss in the fourth quarter of \$59.4 million, or 32 cents per share. Zions said the quarterly loss included impairment charges on collateralized debt obligation (CDO) securities as a result of both the company's decision to reduce risk within its CDO portfolio and the impact of the final provisions of the Volcker Rule. The loss also included debt extinguishment costs that resulted from the company's successful tender offer for some of its high cost subordinated debt. The total impairment charges and debt extinguishment costs were \$222 million pretax or 74 cents per share.

The 2013 fourth-quarter loss compares with net earnings of \$35.6 million, or 19 cents per share, for the 2012 fourth quarter.

"We are pleased with the improvement in loan growth, further strengthening of credit quality, and stabilization of the net interest margin during the quarter," Harris H. Simmons, chairman and chief executive officer, said in announcing the results. "Additionally, the steps we are taking to reduce risk in our securities portfolio, combined with continued strengthening of our capital ratios, positions us well to serve our customers and grow as the economy continues to improve."

In the fourth quarter, loans and leases held for investment, excluding FDIC-supported loans, increased \$795 million compared to the third quarter to \$38.7 billion. The company said the increases were predominantly in commercial and industrial loans primarily in Texas and California, and in one-to-four-family residential loans primarily in Texas and Utah.

Average loans and leases, excluding FDIC-supported loans, increased \$442 million.

Net interest income, excluding the effect of income from FDIC-supported loans, increased modestly compared to the previ-



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Opinion

Democrats shouldn't worry; Republicans are coming to their rescue

Some supporters of Pres. Obama may be worried about how he and the Democrats are going to fare politically as the problems of ObamaCare continue to escalate — and it looks like the Republicans have a chance to win a majority in the Senate.

But Democrats may not need to worry so much. Republicans may once again come to the rescue of the Democrats, by discrediting themselves and snatching defeat from the very jaws of victory.

The latest bright idea among Republicans inside the Beltway is a new version of amnesty that is virtually certain to lose votes among the Republican base and is unlikely to gain many votes among the Hispanics that the Republican leadership is courting.

One of the enduring political mysteries is how the Republicans can be so successful in winning governorships and control of state legislatures, while failing to make much headway in Washington. Maybe there are just too many clever GOP consultants inside the Beltway.

When it comes to national elections, just what principles do the Republicans stand for? It is hard to think of any, other

than their hoping to win elections by converting themselves into Democrats lite. But voters who want what the Democrats offer can vote for the real thing, rather than Johnny-come-lately imitations.



THOMAS SOWELL

Listening to discussions of immigration laws and proposals to reform them is like listening to something out of *Alice in Wonderland*."

Immigration laws are the only laws that are discussed in terms of how to help people who break them. One of the big problems that those who are pushing "comprehensive immigration reform" want solved is how to help people who came here illegally and are now "living in the shadows" as a result.

What about embezzlers or burglars who are "living in the shadows" in fear that someone will discover their crimes? Why not "reform" the laws against embezzlement or burglary, so that such people can also come out of the shadows?

Almost everyone seems to think that we need to solve the problem of the children of illegal immigrants, because these children are here "through no fault of their own." Do people who say that have any idea

how many millions of children are living in dire poverty in India, Africa or other places "through no fault of their own," and would be better off living in the United States?

Do all children have some inherent right to live in America if they have done nothing wrong? If not, then why should the children of illegal immigrants have such a right?

More fundamentally, why do the American people not have a right to the protection that immigration laws provide people in other countries around the world — including Mexico, where illegal immigrants from other countries get no such special treatment as Mexico and its American supporters are demanding for illegal immigrants in the United States?

The very phrase "comprehensive immigration reform" is part of the bad faith that has surrounded immigration issues for decades. What "comprehensive" reform means is that border control and amnesty should be voted on together in Congress.

Why? Because that would be politically convenient for members of Congress, who like to be on both sides of issues, so as to minimize the backlash from the voting public. But what "comprehensive" immigration reform has always meant in practice is amnesty up front and a promise to control

the border later — promises that have never been kept.

The new Republican proposal is to have some border control criteria whose fulfillment will automatically serve as a "trigger" to let the legalizing of illegal immigrants proceed. But why set up some automatic triggering device to signal that the borders are secure, when the Obama administration is virtually guaranteed to game the system, so that amnesty can proceed?

What in the world is wrong with Congress taking up border security first, as a separate issue, and later taking responsibility in a Congressional vote on whether the border has become secure? Congress at least should come out of the shadows.

The Republican plan for granting legalization up front, while withholding citizenship, is too clever by half. It is like saying that you can slide halfway down a slippery slope.

Republicans may yet rescue the Democrats, while demoralizing their own supporters and utterly failing the country.

Thomas Sowell is a senior fellow at the Hoover Institution, Stanford University. His website is www.tsowell.com.

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Two horses working for you or one? Avoid the mistake Americans make

Here's a question for you. Which would you rather have: one horse working for you, or two horses? Can you have two horses working for you, even if you owe money on one of the horses? Of course.

This example may seem obvious, but when it comes to real estate and equity, somehow everyone can't see it so clearly. Many people — and even financial experts — think one of the best ways to become financially secure is to invest in real estate and pay off the mortgage as quickly as possible. But just because it's common wisdom doesn't mean it's wise at all.



DOUG ANDREW

Let me show you why the rate of return on real estate equity is always the same. Let's say that you're filling out our statement of net worth, and you're listing out assets and liabilities. Let's say you have a piece of property, maybe even your house. It's worth \$100,000, so you list this as a \$100,000 asset. Let's say you have also a \$100,000 of liquid cash sitting in a bank, a credit union or an insurance company. What do you list that as? That's right, another asset.

So now you have \$200,000 in assets. Now, it may be true that you might have a \$100,000 mortgage liability for a net worth of \$100,000 on Day 1. But as of Day 2 forward, it's much greater if you keep them separated.

What happens if you pay 20 percent in a down payment, or you take the equity from your former property and put it into the new property in a bigger down payment, because you thought lower mortgages meant lower cost — and because you didn't understand opportunity cost?

What happens if you use your \$100,000

of liquid cash to pay off your property? What did you just do to your assets? You just took one \$100,000 asset, the property, and another \$100,000 asset, your cash, and you just combined them together into one \$100,000 asset. You just cut their value in half. But what happens if you separate 80 percent, or like I do, 100 percent of your real estate equity? What did you just do to your assets? You just increased them by as much as double.

Now, let's say the property appreciates this year by 5 percent. What is this worth at the end of the year? \$105,000. Well, let's say you thought it was a good idea to increase the rate of return by paying it off. So you pour all of your cash into the property, and now it increases 5 percent. What is it worth? \$105,000. How come we get the same answer?

Because the rate of return on real estate equity is always the same: zip, zero, nada. Whether the real estate goes up in value, down in value, full of cash, empty of cash, it doesn't make any difference.

But if you separate your equity from the property, you give it the ability to earn a rate of return. Let's say your separated equity earns 10 percent this year (which is what I've averaged the last six years), what is it worth at the end of the year? \$110,000.

Wait a minute, you made \$10,000 here and \$5,000 there, for a total of \$15,000. How much more is \$15,000 when earned this way, versus just \$5,000 earned with the house paid off? That's three times as much, or 300 percent.

But, you might be thinking, there's a mortgage there, right? Is that good or bad? That's good. In fact, this process is exactly what banks do—they pay interest to make

more interest. So let's say I borrowed the \$100,000 for the house at 6 percent. That's \$6,000. So, \$15,000 minus \$6,000 is a net of \$9,000, and \$9,000 is 80 percent more than that \$5,000 I would have earned through appreciation alone.

Now what if your house goes down in value? If your equity's in the property and you lose 10 percent, you will lose \$10,000. But, if you keep the equity separated, you will not lose, even if your property goes down. As Will Rogers once said, "People get more concerned about the return of their money, instead of the return on their money when things get bad."

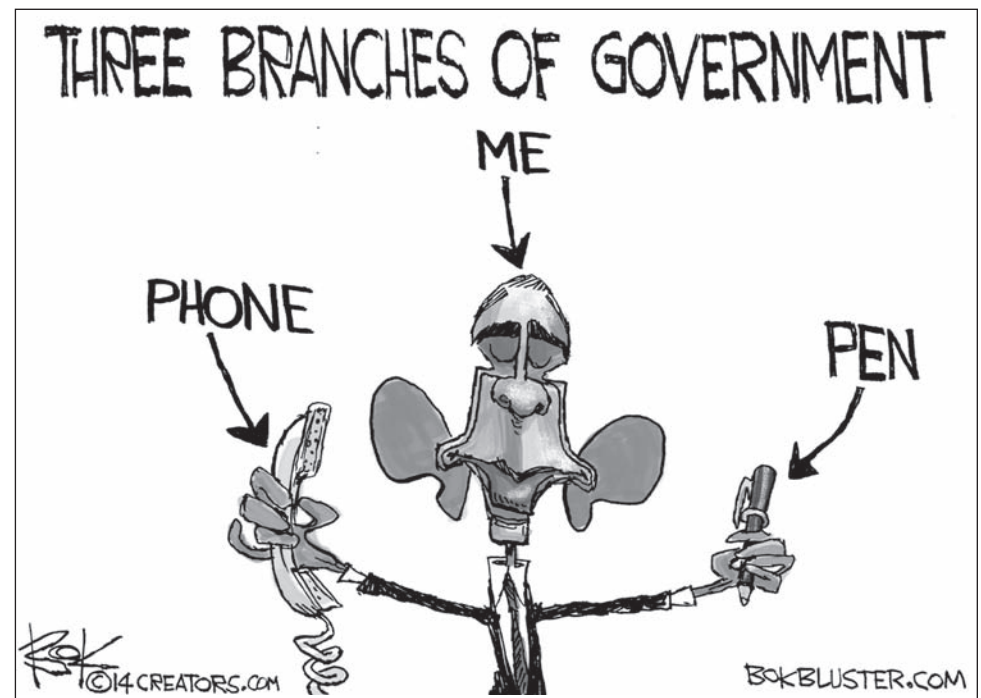
Let's say I borrowed on a non-owner-occupied income real estate property, a duplex, at 7 1/2 percent. That 7 1/2 percent tax-deductible interest is only 5 percent in a 33 percent bracket. So I made \$15,000

minus \$5,000, for a net of \$10,000. How much more is \$10,000 than \$5,000? 100 percent.

So as you can see, keeping your equity separated, liquid and earning a safe rate of return is worth far more than following the traditional method of using liquid cash to pay off the mortgage as quickly as possible.

To return to another analogy, would you hire an employee for \$50,000 if that employee made you an extra \$150,000? I think we all know the answer. So avoid the same mistake millions of Americans make and follow a better path to a brighter financial future.

Douglas R. Andrew is a best-selling author, radio talk show host and abundant living coach.



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Opinion

U.S. and Iran are far from final version of nuke deal

After Iran and the major powers signed on to an interim deal on Tehran's nuclear program, expectations were high. Over the past two weeks, they have fallen sharply as Iranian officials have made tough public comments, Israel's prime minister has reaffirmed his opposition to almost any conceivable deal, and several influential U.S. senators have threatened to enact new sanctions. This does not mean a final deal with Tehran is impossible, but it does mean that both sides, Tehran and the West, need to start thinking creatively about how to bridge what is clearly a wide divide and how to get around the main obstacle they will face — which is not abroad but at home.

The Iranian statements that have attracted so much attention came from both the foreign minister and president. The former, Javad Zarif, explained to CNN's Jim Sciutto that, contrary to what Washington had repeatedly claimed, Iran "did not agree to dismantle anything." Later, in an interview with me also on CNN, Pres. Hassan Rouhani explained that Iran would not destroy any of its existing centrifuges. He also indicated to me that Iran would not shut down its heavy-water reactor at Arak, a point of contention with the West, which worries the facility can produce plutonium that could be used to make a bomb.

Iran and America have fundamentally different views about an acceptable final deal. On the basis on my interview with Rouhani and talks with other Iranian officials, my sense is that the Iranian vision is as follows. Iran will provide the world with assurances and evidence that its nuclear program is civilian, not military. This means that the country would allow unprecedented levels of intrusive inspections at all facilities. This process has already begun. The interim agreement calls for international inspections at Iran's centrifuge production factories, mines and mills. Last week, for the first time in a decade, inspectors entered Iranian mines.

But Iran's officials are determined not to accept any constraints on their program. They speak often about the importance of being treated like any other country that has signed the nuclear Non-Proliferation Treaty, which to them means having the unfettered right to enrich uranium to produce electricity. In fact, the NPT says nothing about enrichment activities specifically. Many countries with nuclear power plants do not enrich but others do, which allows Iran to claim, reasonably, that enrichment has so far been a permitted activity. The only criterion that the treaty lays out is that all nuclear production must be "for peaceful purposes."

The American vision of the final deal is quite different and stems from the notion that Iran must take special steps to provide

confidence that its program is peaceful. It would allow Iran to enrich some small, symbolic amount of uranium, up to a 5 percent level (which makes it time-consuming to convert it to weapons-grade levels).



FAREED ZAKARIA

Beyond that, Tehran would dismantle thousands of its existing centrifuges and shut down its heavy-water reactor. Washington wants to lengthen the lead time between a civilian and military program.

Both sides will have to think hard about their core concerns. Iran's officials will have to come to terms with the fact that their country is being treated differently and for good reasons. Iran has a program that is suspicious — a massive investment to produce a tiny amount of electricity — and the country has deceived the world about its program in the past. Washington will have to recognize that while it will get more concessions than it thought possible on inspections, it will get fewer on the rollback of Iran's existing program. If it can ensure that it has a real lead time — six to nine months — that's a significant achievement. After all, if Tehran throws the inspectors out, that would change the situation instantly — and Washington would not need six months to react.

There are creative compromises that can bridge many of the gaps. Georgetown University's Colin Kahl and Joseph Cirincione, who both work on these issues, pointed out to me that one could shut down centrifuges without destroying them. In fact, Iran has more than 19,800 installed centrifuges, but fewer than half are operational. Such compromises have already been found. Iran had always said it would not ship away its store of 20 percent enriched uranium, but in the interim agreement, it agreed to neutralize it by dilution and oxidation. Similarly, Iran could keep its heavy-water reactor running but convert it to a light-water system.

I have come away from meetings with Rouhani and Zarif convinced that they are moderates who seek greater integration of Iran with the world. (Rouhani hinted to me, for example, that in the next few months, the leaders of the Green Movement would be released.) But I am also sure that they are operating under constraints, with many domestic opponents. The same could be said of the Obama administration. It is better that both sides start preparing the ground domestically for a final deal — and the compromises it would involve — rather than hoping that somehow if it works out in Geneva, it will work out at home as well.

Fareed Zakaria's email address is comments@fareedzakaria.com.

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Estate planning should also include conveying knowledge

Many are the stories of family wealth lost. In the late 19th century, industrial tycoon Cornelius Vanderbilt amassed the equivalent of \$100 billion in today's dollars — but when 120 of his descendants met at a family gathering in 1973, there were no millionaires among them.

Barbara Woolworth Hutton, daughter of the founder of E.F. Hutton and Co. and heiress to the Woolworth's five-and-dime empire, inherited \$900 million in inflation-adjusted dollars but passed away nearly penniless (her reputed net worth at death was \$3,500).

Why do stories like these happen? Why, as the *Wall Street Journal* notes, does an average of 70 percent of family wealth erode in the hands of the next generation and an average of 90 percent of it in the hands of the generation thereafter? And why, as the Family Business Institute notes, do only 3 percent of family businesses survive past the third generation?

Lost family wealth can be linked to economic, medical and psychological factors — even changes in an industry or simple fate. Yet inherited wealth may slip away due to a far less dramatic reason. What's more valuable, money or knowledge? Having money is one thing; knowing how to make and keep it is another. Business owners naturally value control, but at times they make the mistake of valuing it too much — being in control becomes more of a priority than sharing practical knowledge, ideas or a financial stake with the next generation. Or, maybe there simply isn't enough time in a business owner's 60-hour workweek to convey the know-how or determine an outcome that makes sense for two generations. A good succession planner can help a fam-

ily business deal with these concerns. As a long-term direction is set for the family business, one should also be set for family money. Much has been written about baby boomers being on the receiving end of the greatest generational wealth transfer in history — a total of roughly \$7.6 trillion, according to the *Wall Street Journal*, but so far, young boomers are only saving about 50 cents of each dollar they inherit.

If adult children grow up with a lot of money, they may also easily slip into a habit of spending beyond their means, or acting on entrepreneurial whims without the knowledge or boots-on-the-ground business acumen of Mom and Dad. According to online legal service Rocket Lawyer, 41 percent of baby boomers (Americans now aged 50-68) have no will. Wills are a necessity, and trusts are useful as well, especially when wealth stands a chance of going to minors.

Vision matters. When family members agree about the value and purpose of family wealth — what wealth means to them, what it should accomplish, how it should be maintained and grown for the future — that shared vision can be expressed in a coherent legacy plan, which can serve as a kind of compass.

After all, estate planning encompasses much more than strategies for wealth transfer, tax deferral and legal tax avoidance. It is also about conveying knowledge — and values. In the long run, nothing may help family wealth more.

Mark Lund provides 401(k) consulting for small businesses and investment advisory services for select individuals at Stonecreek Wealth Advisors, Salt Lake City.



MARK LUND

How is a cup of coffee like a sale? When it's with a customer

I like coffee. Dark, black coffee. Espresso. No cream. No sugar. Just dark, black coffee. You?

But I look at coffee differently than you do. I don't "wake up and drink it." I venture out to a coffee shop and an early morning meeting, and *oh, by the way*, I have coffee.

My goal each day is to have an early morning cup of coffee with someone that can help me enhance relationships, make connections, build value and make sales. As a traveler, I can't do this every day. But I try my best to do it as often as I am able.

A meeting is a brand new way to look at the value of a cup of coffee. You may look at coffee as a cost or an expense. To me, coffee is an investment of time. It's not "how I drink it." Rather, it's "who I drink it with."

KEY POINT OF UNDERSTANDING: Whenever I meet someone for coffee in the morning, I find the meeting is relaxed and fun. It's a genuine exchange of information. Always

informal and humorous. And it's usually with someone I do business with or could do business with.

I try to have these meetings early. Very early. Between 7 and 8 in the morning. Sometimes I have two breakfasts. One at 7 and one at 8.

Often my appointments meet each other, so it becomes an additional networking opportunity. Many of my customers, prospects and connections have done business with my other customers, prospects and connections.

PERSONAL NOTE: When I'm done my with coffee and my meeting is over, I get back home as fast as I can so I can take our young daughter to school by 9. And no, I can't do it *every* day, but that is the goal every day.

Think about the impact of that. A sales call BEFORE the day starts.

Here's how that idea applies to you: If you have one cup of coffee a day with a customer or prospect, that's equal to 250 sales

calls THIS YEAR that will be relaxed, build relationships, make sales, gain referrals, and create business opportunities. Coffee and sales — not just coffee.

What could you do with an additional 250 meetings, appointments or actual sales calls? How much extra income would that convert to? How much quicker could you advance your sales cycle? My wallet is pulsating just thinking about it.

"But, Jeffrey," you whine, "my customers are scattered all over the country."

QUIT WHINING AND START THINKING: Drink coffee at your desk with a connection via Skype or vsee.com. Send Starbucks gift cards via aceofsales.com. It's so unusual that customers will set the meeting, and then talk about how innovative it was.

"But, Jeffrey," you whine, "what do I talk about during the meeting?"

Anything but business at the start of the meeting:

- Talk family.
- Talk kids.
- Talk hobbies.
- Talk sports.

- Talk vacation.
- Talk travel.
- Talk fashion.
- Talk books.
- Talk movies.
- Talk culture.
- Talk passion.
- Talk ideas.
- Talk social media.

Ask questions that allow you to ask more questions. NO NEWS, NO WEATHER, NO POLITICS, NO RELIGION, or anything negative about people or things.

"But Jeffrey," you whine, "what tone should I set inside the meeting?"

HOW TO SAY IT:

- Talk positive.
- Talk truth.
- Talk relaxed.
- Talk about things in common.

• Talk humor.

"But, Jeffrey," you whine, "what sales tools should I bring?"

TOOLS MAKE SALES FAST AND EASY:

- Bring a referral.
- Bring a book.
- Bring an idea.

- Bring an influential friend.
- Bring your Instagram on an iPad.

REMEMBER AND MEMORIALIZE:

- Take notes.
- Take a photo.
- Ask for his or her favorite — quote, book, movie, team, player.
- Make another appointment at the end of the meeting.
- It's under five bucks.
- It doesn't interfere with your workday.

"But, Jeffrey," you whine, "when do I start talking business?"

When the customer brings it up. Talk business when **THEY START.**

Jeffrey Gitomer is the author of 12 best-selling books including *The Sales Bible* and *The Little Red Book of Selling*. His best-selling *21.5 Unbreakable Laws of Selling* is now available as a book and an online course at www.gitomerVT.com.

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RURAL from page 1

anchors that are required to create prosperity, in this case, in the county."

The bill would provide funding for the Governor's Office of Economic Development (GOED) to do planning and create the business-expansion incentives. Reid said the bill would not affect recruitment and expansion activities of GOED or the Economic Development Corp. of Utah (EDCU).

"I'm not trying to supplant anything. It will be written very generally. ... What GOED already is doing, what EDCU is doing, what you're doing locally at the county level can be folded into it. It's there not to replace anything but to supplement and support what's going on," Reid said.

Creating individual economic maps for counties could lead to turnarounds like the one experienced in Ogden, where Reid served as economic development director. That city once was "kind of a run-down railroad town where the railroad essentially moved out and took the economics with it, and was on its backside," he said. But Reid arrived in 2000 and Mayor Matthew Godfrey's vision for the city was to make it "a high-tech, high-adventure community." Over six years, the city's taxable value grew by one-third and the city created, recruited or facilitated more than 8,000 new jobs and experienced a redevelopment of its downtown.

Speaking earlier at the conference, Lt. Gov. Spencer Cox said rural Utah could actually benefit from some of the challenges fac-

ing the state, such as those involving poor air quality in urban areas. Bad air quality is keeping the state from landing certain companies and their jobs and, in some cases, costing jobs.

"There are some industries that maybe at one time were located here (the Wasatch Front) when this was a much smaller valley that would be very welcome in some of our [rural] communities, and there may be some ways to help some of those industries relocate or help build up some of those industries in our rural areas. ..." Cox said.

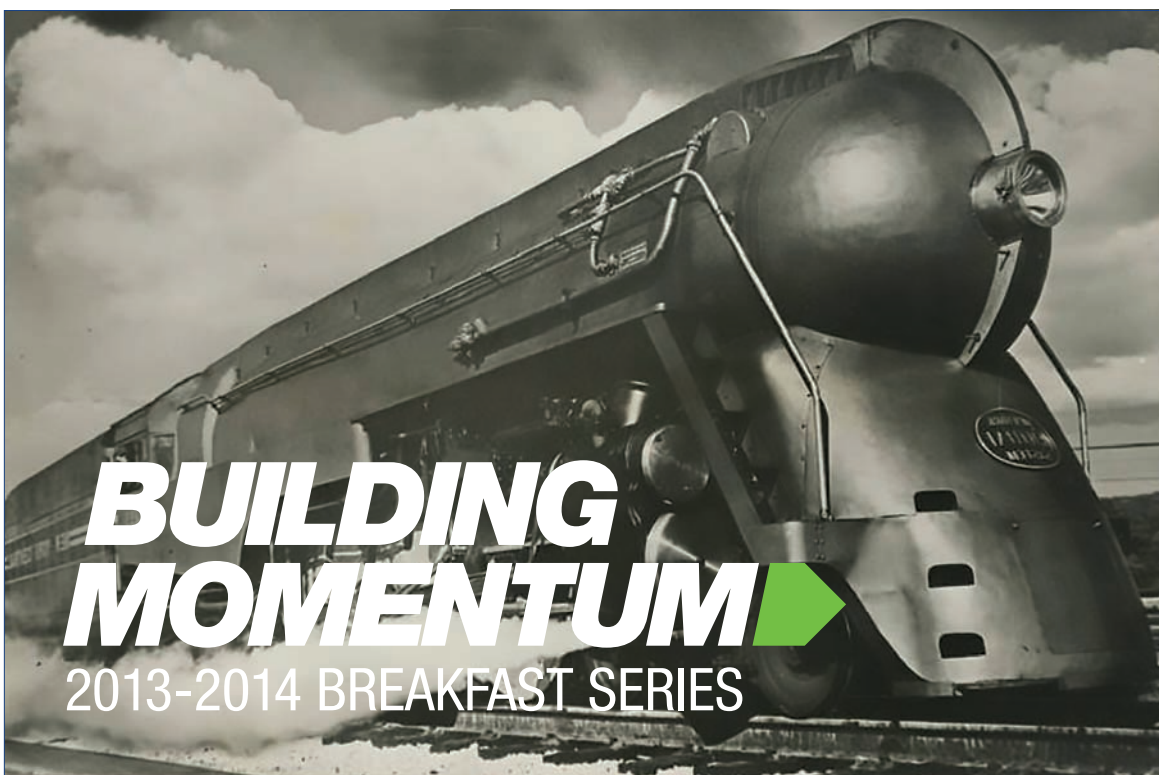
The state can help individual counties, he said.

"Every one of our counties is different," Cox said. "Every one of our communities is different, and I tell people, 'You've got to know who you are. What do you want to be when you grow up? And then tell us, and tell us how we can help facilitate that. Don't let us tell you how to do your job, but tell us how to help you do your job.'"

Irene Hansen, director of Duchesne County economic development, said one goal in helping industry in rural Utah is to retain local people.

"The best and brightest in their 30s sometimes have to go other places to make a living, and at the end of the day that's what this is really about, is building sustainable communities, keeping the best and brightest that want to stay in rural Utah, with having the opportunities that they can do that," she said.

"So this is about industry and making sure we're doing all we can. We don't hold very many cards, but what cards we hold, we'd better play well."



LEADING AUTHORITIES ON DEALMAKING AND CORPORATE GROWTH COMING TOGETHER TO NETWORK AND LEARN.

Breakfast Meeting

Tuesday February 11, 2014 @ 7:15am

Sarah Lehman

CEO, ENVE Composites

Little America Hotel

500 S Main Street Salt Lake City, UT

Register to attend at
www.acgutah.org



Calendar

February 10, 3-5 p.m.

Mexico Business Seminar. Event features Gov. Gary Herbert; Paul Ahlstrom, managing director, Alta Ventures; Al Zapanta, president and CEO, U.S.-Mexico Chamber; Javier Palomarez, president and CEO, U.S. Hispanic Chamber; and Eduardo Arnal, consul general of Mexico in Salt Lake City. Location is The Leonardo, 209 E. 500 S., Salt Lake City. Details are at <http://business.utah.gov/mexicosummit>.

February 11, 7:45-9 a.m.

Association for Corporate Growth (ACG) Utah Breakfast. Part of 2013-14 breakfast series. Speaker will be Sarah Lehman, president and chief executive officer of ENVE Composites. Location is Little America Hotel, 500 S. Main St., Salt Lake City. Details are at <http://www.acg.org/utah/>.

Feb. 11, 11:30 a.m.-1 p.m.

Business Growth Workshop, a Sandy Area Chamber of Commerce event. Presented by The Growth Coach. Location is Salt Lake Community College's Miller Campus, Miller Free Enterprise Center Building, Room 223, 9750 S. 300 W., Sandy. Free. Details are available at <http://business.sandychamber.com/events>.

February 12, 9-9:30 a.m.

"Staying in Compliance When You Have Employees in Multiple States," part of the 2013-14 Legal Breakfast Briefing Series presented by The Employers Council. Presenter Chris Scali, of the Scali Law Firm, will present an overview of employment laws to be aware of when operating in multiple states. Location is the Radisson Hotel, 215 W. South Temple, Salt Lake City. Cost is \$95 for council members, \$130 for nonmembers. Registration can be completed at (801) 364-8479 or info@ecutah.org.

Feb. 19, 8:30 a.m.-3 p.m.

International Protocol Seminar, presented by Protocol and Diplomacy International-Protocol Officer Association (PDI-POA). Event features discussions about avoiding protocol faux pas in professional, business, and government careers. Location is Priority Dispatch, 110 S. Regent St., Suite 500, Salt Lake City. Cost is \$30 (includes breakfast and lunch). Registration can be completed at business.utah.gov/protocol.

February 20, 7:30-9 a.m.

NAIOP Utah Member Meeting. Panel discussion is titled "The Gen Y Influence on Workspace Design." Panelists

include Julie Berreth, Architectural Nexus; Lance Henderson, DIRTT Environmental Solutions; Jenna Ayre, FFKR Architects; and Robert Pinon, MHTN Architects. Location is Layton Construction, 9020 S. Sandy Parkway, Sandy. Cost for nonmembers is \$100. Details and registration are at <http://www.naiop.org/en/Attend.aspx?type=chapter&view=Utah/Utah>.

Feb. 20, 8:30-10:30 a.m.

"Discrimination, Harassment and Retaliation: Managing to Minimize Liability," a small-group workshop presented by The Employers Council. Event is designed to help attendees learn practical strategies to help them manage in ways that minimize liability and promote respectful workplaces. Location is The Employers Council, 175 W. 200 S., Suite 2005, Salt Lake City. Cost is \$89 for council members, \$109 for nonmembers. Registration can be completed at (801) 364-8479 or info@ecutah.org.

Feb. 24, 12:15-1:45 p.m.

Utah Manufacturers Association Annual Membership Luncheon. Featured speaker will be Lt. Gov. Spencer Cox discussing the importance of manufacturing in Utah. Location is Little America Hotel, 500 S. Main St., Salt Lake City. Cost is \$50, \$350 for table of eight. Reservations may be made by contacting Annette at (801) 363-3885.

Feb. 25, 7:30-11:30 a.m.

"Risk Assessing and Risk Ranking," presented by Piercy, Bowler, Taylor & Kern (PBTK). PBTK will cover all three phases (pre-audit, fieldwork and reporting) of internal and IT auditing in a three-part series of seminars. The first seminar will focus on techniques for identifying an organization's risk universe and various methods in ranking those risks. Designed for experienced and new internal and IT auditors, plus others who have an interest in or responsibility for an organization's risks and controls. Speakers include Tom Green, who has performed internal audits for more than 17 years and has been the chief internal auditor for a publicly traded company, among other internal audit positions, and Sam Belnap, who focuses specifically on IT audits and IT-related risk assessments. Location is PBTK offices, 7050 Union Park Ave., Suite 140, Salt Lake City. Free. Registration by Feb. 21 is available at <https://pbtkriskassess.eventbrite.com>.

Feb. 25, 11 a.m.-1 p.m.

"Financing Your Exports: SBA Loan Guarantee Programs," part of the World Trade Center Export Series. Speakers include Steve Price, deputy district director of the SBA Utah District Office, and Mark Garfield, senior vice president and region manager of international banking for Zions Bank. Location is World Trade Center Utah, 60 E. South Temple, third floor, Salt Lake City. Free. Details are at <http://www.wtcutah.com/events/>.

February 26, 6:30-9 a.m.

Building Owners and Managers Association (BOMA) of Utah Legislative Breakfast. Event is the organization's first legislative breakfast on Capitol Hill with state legislators. BOMA Utah will provide transportation to the Capitol for members and guests. Registration can be completed before Feb. 21 at www.BOMAUtah.org.

Feb. 27, 10 a.m.-4 p.m.

ARIN on the Road, an American Registry for Internet Numbers (ARIN) networking and education event focused on Internet policy and network operations. Agenda includes sessions on ARIN services, the status of IPv6 adoption, current ARIN policy developments, and ARIN technical services. Location is Sheraton Salt Lake City Hotel, 150 W. 500 S., Salt Lake City. Free, but pre-registration is required. Registration can be completed at <http://www.cvent.com/events/arin-on-the-road-salt-lake-city/event-summary-c2398bc86ae946b1b3c004c6b-21f5e0d.aspx>.

Feb. 28, 11 a.m.-9 p.m.

The Utah Latin Expo, sponsored by the Latin American Chamber of Commerce. Activities include an Hispanic Economic Summit Luncheon, 11:00 a.m.-1 p.m.; a Safety & Excellence

Awards Gala, 7-9 p.m.; and business workshops, 9 a.m.-6 p.m. Location is the Salt Palace Convention Center, 100 S. West Temple, Salt Lake City. Free. Details are at www.utahlatinexpo.com.

March 6-8

Hearth, Patio & Barbecue Expo, owned and managed by the Hearth, Patio & Barbecue Association. Show will feature more than 350 manufacturers and suppliers, new product pavilions, a celebrity cook-off competition, and product demonstrations. Location is the Salt Palace Convention Center. Details are at www.hpbexpo.com. Open to trade representatives only.

March 6-7

Intermountain Sustainability Summit 2014. Features keynote speaker Interior Secretary Sally Jewell and five workshops. Location is Weber State University. Details are at <http://intermountain-sustainabilitysummit.com>.

Mar. 12-13, 8:30 a.m.-4:30 p.m.

"Complying with U.S. Export Controls," presented by the U.S. Bureau of Industry and Security (BIS) and cosponsored by the Utah District Export Council. Program will cover information that exporters need to know to comply with U.S. export control requirements on commercial goods. Location is Radisson Hotel, 215 W. South Temple, Salt Lake City. Cost is \$375. Online registration via credit card is available at <http://www.acteva.com/booking.cfm?bevaaid=237119>. Details and pay-by-check registration are available by contacting David Fiscus at David.Fiscus@trade.gov. Details are available by contacting the BIS Western Regional Office at (949) 660-0144.

March 13

ACG Utah Intermountain

Growth Conference and ACG Capital Connection. Event will feature industry experts and other tools to help people find the tools they need to make sourcing deals happen. New this year will be a "Deal Link" in which private equity groups and intermediaries active in the Intermountain region can schedule meetings in private executive suites for 30 minute blocks to discuss deals. Lunch keynote speaker Mark King, CEO of TaylorMade-adidas Golf, will discuss "Market Conditions Don't Determine Growth. ... You Do." Location is Grand America Hotel, 555 S. Main St., Salt Lake City. More information and registration are available at www.acg.org/utah.

April 3

Utah Economic Summit, organized and produced by the Governor's Office of Economic Development (GOED) and MediaOne. Speakers include Gov. Gary Herbert; Clayton Christensen, Harvard Business School professor; and Richard Marriott, chairman of the board of Host Hotels & Resorts. Location is Grand America Hotel, 555 S. Main St., Salt Lake City. Cost is \$150. Registration can be completed at www.UtahSummit.com.

April 25-26

Utah Investment, Business & Career Expo. Event is designed to showcase Utah businesses and investment opportunities in the public equity and real estate markets and to introduce businesses and financial services and career and business opportunities to the public to help people plan their financial futures, build their careers or start their own businesses. Location is South Towne Expo Center, 9575 S. State St., Sandy. More information is available by calling (801) 688-8929, emailing FortuneExpoUSA@gmail.com or visiting www.fortune-expo.com.

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Tighter profit margins might not be that bad after all

Many experts in the news are voicing concerns about corporations and their extraordinarily high profit margins. During the 2007-2009 recession, companies slashed costs and laid off thousands of workers in an effort to maintain profits. As things improved, profit margins soared with the lower costs of production. The fear is that those margins will begin to squeeze as companies have no

more room to cut costs and growing their top line (revenues) could be difficult in this environment. Some analysts suggest that tighter margins may ultimately be the death of this bull market. I think they may be missing the bigger picture.

As you probably well know, companies go through cycles as the economy goes through cycles. When times are tough, businesses

cut costs and forego expenditures to stay afloat. Once things improve, businesses feel more comfortable spending money and hiring to expand. This is exactly the cycle that companies are going through now. When the economy and the market crashed in 2008, capital expenditures dropped dramatically, unemployment shot up to over 10 percent and subsequently margins increased as well.

From 2007 to 2013 profit margins increased over 30 percent on average for the S&P 500 companies.

Productivity within corporate America, measured in the output per hour per U.S. worker, more than tripled from 0.80 in 2008 to 3.00 in 2013. While a 10 percent — or even 7 percent — unemployment rate is certainly not healthy, those employees who kept their jobs became dramatically more

productive. However, we are now at a point where the cycle has to change. Companies can only cut costs so much; at some point they have to boost sales to keep investors happy.

Analysts are worried that high unemployment, the political uncertainties and a still sluggish economy could hinder top-line sales growth. In their view, if the business cycle comes to a halt, then earnings could decline sending stock prices dramatically lower. Those high profit margins have provided companies with loads of extra cash on their balance sheets.

But this uncertain economy has not given companies a lot of confidence to deploy it. Yet there may be an alternative. If in fact sales growth is still slow and cost-cutting is maxed out, then companies will naturally look elsewhere to boost profits, in my view. One target could be expanding market share. Even if the pie is not getting bigger, companies can still go after a bigger slice. That would mean more capital expenditures, more hiring and more profits, even with the tighter profit margins that many fear. If a company's margins go from, say, 20 percent to 15 percent while their market share has grown by 30 percent then why does the margin percent matter to the investor? Expanding market share could also mean more mergers and acquisitions. Corporations are earning next to nothing on that

excess cash, which could make buying out a smaller company an attractive way to generate returns. In many cases, it's cheaper for large corporations to buy growth rather than create it internally. While I understand the concerns about shrinking margins, I don't see how it is an automatic negative for the stock markets. In many ways, this economic cycle is

not unique and is in fact trending along historical norms. Plus things are improving, despite being painfully slow. I would find it hard to believe that companies have not factored these changes into their projections already. I for one have never heard of a corporate executive who was hell-bent on *shrinking* his or her company. The focus is always growth. So if it is, in fact, true that revenue expansion will be slow, then companies will look elsewhere to grow profits. I think market-share expansion may be the target. I also think it could create pockets of investment opportunity for those willing to dig a little deeper for value. Whether it's the large corporation looking to acquire or the smaller company ripe to get bought out, there could be upside potential on both sides. The markets of "higher tides raise all boats" is fading, in my view. It's going to take more tactical, active management to find the pockets of opportunity. This may mean taking the contrarian viewpoint. In this scenario with profit margins, it means looking at a dire prediction as an opportunity in disguise.

Matt Pappas is a financial advisor with the Cottonwood Group of Wells Fargo Advisors, a wealth management team based in Salt Lake City. His website is cottonwoodgrp.com.



MATTHEW PAPPAS

EARNINGS

from page 7

ous quarter. Net interest income rose to \$432 million in the quarter, up from \$416 million in the fourth quarter.

Zions said credit quality showed continued improvement in the quarter, with nonperforming lending-related assets and classified loans declining 16 percent and 13 percent, respectively. The continued improvement resulted in a fourth quarter negative provision for loan losses of \$31 million.

Average total deposits for the fourth quarter rose \$700 million, or 1 percent, to \$46.3 billion, compared to \$45.6 billion for the third quarter of 2013.

Nutraceutical

Nutraceutical, based in Park City, reported net income of \$4.1 million, or 42 cents per share, for the 2014 fiscal first quarter ended Dec. 31. That compares with \$3.5 million, or 36 cents per share, for the same quarter of fiscal 2013.

Net sales totaled \$51.6 million in the quarter, up from \$49.7 million from the year-earlier period.

The company manufactures, markets, distributes and retails branded nutritional supplements and other natural products.

"Our fiscal 2014 first quarter results were a reflection of core strength in our branded business," Bill Gay, chairman and chief executive officer, said in announcing the results. "We believe these results correspond to a long-term macro trend of individuals seeking healthier and more active lifestyles as they age."

Gay said management is focused on niche acquisitions and the company had completed three acquisitions during the fiscal first quarter.

Overstock.com

Overstock.com Inc., based in Salt Lake City, reported net income of \$73.6 million, or \$3.01 per share, for the fourth quarter ended Dec. 31. That compares with \$8.8 million, or 37 cents per share, for the same quarter a year earlier.

Revenue totaled \$397.6 million, up from \$342 million.

For the full fiscal year, the company reported net income of \$88.5 million, or \$3.64 per share. In fiscal 2012, the company had

net income of \$14.7 million, or 62 cents per share.

Both fourth-quarter and full-year net income figures in 2013 included a \$72.7 million net impact of deferred tax asset valuation release.

Revenues in 2013 totaled \$1.3 billion, up from \$1 billion as both average order size and number of orders rose.

The company is a discount online retailer.

Myriad Genetics

Myriad Genetics Inc., based in Salt Lake City, reported net income of \$50.4 million, or 66 cents per share, for the fiscal second quarter ended Dec. 31. That compares with \$35 million, or 42 cents per share, for the same quarter a year earlier.

Revenue in the most recent quarter totaled \$204.1 million, up from \$149.1 million in the year-earlier quarter.

Myriad is a molecular diagnostic company involved in the discovery and commercialization of tests to assess a person's risk of developing disease, guide treatment decisions and assess risk of disease progression and recurrence.

"I am extremely proud of the Myriad team as this quarter represents the 10th consecutive quarter where our revenue growth has exceeded 20 percent," Peter D. Meldrum, president and CEO, said in announcing the results. "Looking ahead, we plan to continue to execute upon our strategic plan of transitioning our hereditary cancer market, expanding our business internationally, and diversifying our revenue base with new product launches."

USANA

USANA Health Sciences Inc., based in Salt Lake City, reported net earnings of \$20.3 million, or \$1.41 per share, for the fourth quarter ended Dec. 28. That compares with \$18.4 million, or \$1.27 per share for the same quarter a year earlier.

Net sales totaled \$186.3 million, up from \$168.5 million in the year-earlier quarter.

For the full year 2013, the company reported net earnings of \$79 million, or \$5.56 per share. That compares with \$66.4 million, or \$4.45 per share, in 2012. Sales totaled \$718.2 million, up from \$648.7 million in 2012. The company said 2013 was the 11th

consecutive year of record sales.

USANA develops and manufactures nutritional, personal care and weight-management products.

"The successful execution by our entire organization of the initiatives announced back in August led to a better-than-expected fourth quarter and cap a year of significant achievements and record operating results," Dave Wentz, chief executive officer, said in announcing the results.

Wentz described 2013 as "an exceptional year" for the company. "We implemented significant improvements to our business that have already produced positive results and that provide a foundation for long-term sustainable growth in the future," he said. "We ended the year with strong momentum that has continued into 2014."

He said the company expects to have another record year in 2014.

Headwaters

Headwaters Inc., based in South Jordan, reported a net loss from continuing operations of \$2.1 million, or 3 cents per share, for the fiscal 2014 first quarter ended Dec. 31. That compares with a loss of \$3.9 million, or 6 cents per share, for the same quarter a year earlier.

The net loss including discontinued operations was \$1.4 million, or 2 cents per share, compared with a net loss of \$5.9 million, or 9 cents per share, for the 2013 first quarter.

Revenue totaled \$165.6 million, up from \$149.6 million in the 2013 first quarter.

Headwaters provides products, technologies and services to the heavy construction materials, light building products and energy technology industries.

In announcing the results, Kirk A. Benson, chairman and chief executive officer, said the company had "a particularly strong" October, helping growth in the light and heavy construction materials segments of the company.

"We anticipate having as much success with our December roof tile acquisition as we have had with our trim board product, where we are successfully expanding sales," he said. "Marketing new niche products across our established core customer base is a key part of our growth strategy."

MEET KENT NELSON

For the past 30 years, I have assisted many clients along the Wasatch Front with their commercial banking needs. As a community banker, my expertise lies in understanding a customer's circumstances and finding the right financial solutions. If you need financing for commercial, investment or residential real estate, please give me a call. I have also helped many businesses with working capital lines of credit, equipment financing and SBA loans. I will work hard to turn your opportunities into reality.



Please call with whatever financial needs you may have. I am here to help.

CALL KENT AT
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FFOCUS

The Enterprise **13**

February 10, 2014

TRAVEL & RECREATION

INSIDE



If airlines sold paint

Alan Hess takes a lighter look of what it might be like if the airline industry started selling things besides tickets. **page 19**

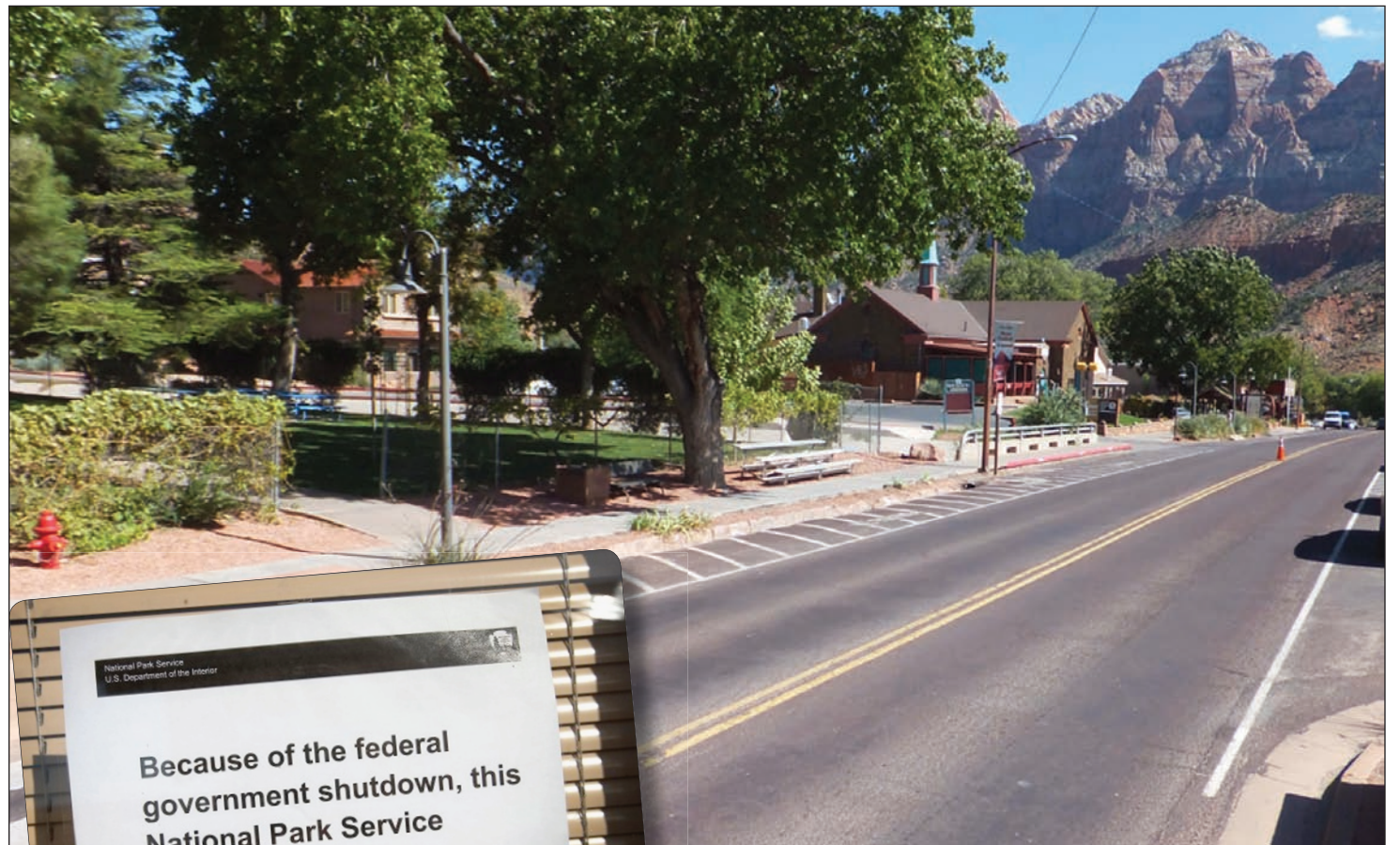
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Top Ski Resorts in Utah
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Issue Sponsor:



The main street through Southern Utah's Springdale, just outside the gates of Zion National Park, were pretty empty last October when the U.S. Congress failed to reach a budget deal and most government operations — including parks — were closed to visitors and employees furloughed.

No more shutdowns, please

The \$30 million hit Utah's tourism industry took during the federal shutdown last fall graphically illustrated how dependent we are on visitors

John Rogers
The Enterprise

Last October, when Utah's legislature came up the money and the office of Gov. Gary Herbert finalized a deal with U.S. Department of the Interior Secretary Sally Jewell, travel-centered business owners all over the state joined in a huge collective sigh of relief. The state's federally run tourist attractions would be back in businesses.

Arguably no other event has shed as much light on the dependence Utah has on its travel industry as the "great government shutdown of 2013." From Oct. 1-16, the U.S. federal government shut down most routine operations — including operation of national parks and monuments — after Congress failed to enact legislation appropriating funds for fiscal year 2014.

The nationwide shutdown began at 12:01 a.m. on Oct. 1 and lasted until

Oct. 17 when a temporary fix was negotiated in Washington. But, Utah's governing entities went to work immediately on Oct. 1 to find a way to get its parks back open. Herbert announced an agreement with the feds on Oct. 11 that would allow Utah to pay the bills in the parks until a budget deal was worked out. "Utah agrees to pay the National Park Service (NPS) up to \$1.67 million — \$166,572 per day — to re-open eight national sites in Utah for up to 10 days. If the federal government shutdown ends before then, the State will receive a refund of unused monies," an official press statement explained at the time.

While the governor's office negotiated with the Department of the Interior, the legislature went to work to find the money, eventually setting aside nearly \$8.7 million of Utah taxpayer dollars to pay for the sites to reopen. The shutdown had closed the state's five national parks: Arches, Bryce Canyon, Canyonlands, Capitol Reef and Zion; as well as two

national monuments: Cedar Breaks and Natural Bridges; and the Lake Powell National Recreation Area. The bill flew through both the Senate and House with unanimous votes, sponsored by Sen. Stuart Adams (R-Layton) and Rep. Don Ipson (R-St. George).

The partial shutdown took a nasty toll on Utahns' consumer confidence in general and on the state's tourist industry in particular. "You can't shut down without having an economic impact," said Vicki Varela, managing director of Utah's tourism, film and global branding office at a press conference when the shutdown ended. "Before the shutdown, things were at an all-time high. Visitation was up and we were looking at a record year. With a bump in the range of \$30 million, we're not likely to hit the record numbers we projected, but we have recovered quickly." Before the shutdown, Utah tourism was on track for its fourth straight year of

see SHUTDOWN pg. 16

Top Travel Agencies in UTah

Ranked by Total Sales in 2013

Company Name Address	Phone Fax Web	Total Sales in 2013	% Business (Vacation/ Leisure)	# of UTah Offices # of UTah Employees	Specialties	President/CEO
Christopherson Business Travel 5588 S. Green St. Salt Lake City, UT 84123	801-327-7700 801-327-7707 cbtravel.com	\$384 million	90% 10%	1 156	Business travel management, leisure travel, travel technology	Mike Cameron
Hess Corporate Travel 150 N. Main St. Bountiful, UT 84010	801-292-8687 801-292-8694 hesstravel.com	\$141 million	95% 5%	1 38	Business travel management	Alan H. Hess
Morris Murdock Travel 515 S. 700 E. Ste. 1B Salt Lake City, UT 84102	801-487-9731 DND morrismurdock.com	\$60 million	0% 100%	6 90	Cruises, tours, group packages, LDS Church history tours, meeting and incentives	Brian Hollien
Columbus Travel 563 W. 500 S. Bountiful, UT 84010	801-295-9568 801-295-9688 columbusvacations.com	\$23.5 million	10% 90%	1 22	Vacation travel including packages and cruises worldwide, corporate incentive travel	Mark Faldmo & Larry Gelwix
Snelgrove Travel Centers Inc. 145 W. Gentile St. Layton, UT 84041	801-544-1800 801-546-9480 snelgrovetravel.com	\$18.7 million	5% 95%	1 23	Ski vacations to Utah, Colorado and Lake Tahoe, all cruise lines, honeymoons, all inclusive vacations	Richard Snelgrove
Cruise & Travel Masters 4376 S. 700 E. Salt Lake City, UT 84107	801-268-4470 DND cruiseandtravel masters.com	\$18.6 million	40% 60%	1 40	We specialize in planning ocean and river cruises, international travel, honeymoons, destination weddings, anniversary trips, family vacations, family reunions, group and incentives, and business travel	Toby Nash
Destinations, Inc. 1194 W. SoUTh Jordan Pkwy. SoUTh Jordan, UT 84095	801-446-5000 801-446-5002 destinationsinc.com	\$18 million	95% 5%	1 14	Group, meeting, and event travel, emphasis on incentive travel	Rick Lambert
Clawson Travel Service 216 S. 1300 E. Salt Lake City, UT 84102	801-582-0303 DND DND	\$15 million	90% 10%	1 8	Corporate travel, international travel, business class travel	Brad Clawson
Wycoff World Travel 3501 S. Main St. Salt Lake City, UT 84115	801-487-5991 801-487-5995 wycofftravel.com	\$3.8 million	60% 40%	1 3	Business travel management, custom vacations, cruises and tours	David Anderson
All Points Travel, LLC 2751 Ft. Union Blvd. Salt Lake City, UT 84121	801-466-1101 801-466-6655 allpointstravelonline.com	\$2.13 million	5% 95%	1 3	Honeymoons and destination weddings, group travel, full service travel agency	Marjorie Donoghue & Corina Johnson
A Travel Center 4376 S. 700 E. #221 Salt Lake City, UT 84107	801-523-8030 DND yourvacationstation.com	\$2 million	0% 100%	1 DND	Vacation concierge services for vacation and cruises in the Caribbean, Hawaii, Mexico, Western Europe, and Alaska	James R. Svendsen
Thomas Travel 535 E. 4500 S. Ste. 200 Salt Lake City, UT 84107	801-266-2775 801-293-0991 thomastravel.com	DND	25% 75%	4 12	Groups, river cruising, leisure travel, cruising, escorted tours	Robert Guymon



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Current situation mandates careful corporate travel planning

Alan H. Hess
Hess Corporate Travel

“New company policy: Employees are expected to change the motor oil in their company cars personally, in order to save money. With the cost of oil changes at quick lube establishments reaching nearly \$35, you can save the company nearly \$20 by climbing under the car yourself.

You will be reimbursed for the cost of materials up to \$15; unfortunately, we are no longer able to cover the cost of snagged nylons. Be sure to clean grease and dirt from

under fingernails before calling on customers.”

Well, maybe not. But in the chaotic new world of business, everything is up for grabs, including who should book travel and how management keeps a handle on it all.

The current confusion in business travel comes primarily because of:

- Unprecedented access for consumers to information about every aspect of travel.
- New channels for buying travel.
- Airlines suffering serious financial distress.
- Tough economic times for companies, forcing additional scrutiny of all costs.

Ten years ago, only 12 percent of travelers booked their travel directly with the airlines — even fewer than those changing their own oil. As of 2012, 45 percent of air travel was booked directly with the airlines or through Internet purchase options.

It's all kind of new, and few companies are effectively managing these new capabilities. Though travelers know more than before, companies have a new problem: employees spending lots of time tinkering with their travel on the computer.

Well, what about it? Should business travelers use a travel agency or not? There is, after all, a cost associated with using a

travel agent. It is clear that no business can operate without revenue, and travel agencies are no exception. In the old days, almost all travel agency compensation came from airlines. All of that changed when airlines stopped paying commissions.

The illusion is that consumers have a choice between (1) paying a fee to a travel agency and (2) somehow getting the service for free. The truth is that there is a cost associated with managing travel. With a travel agency, the cost is clearly stated. However, the cost to companies handling travel inter-

see TRAVEL MGMT. pg. 18



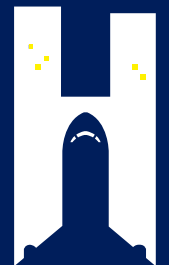
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Hotel Name Address	Phone Fax Web	Total # of Rooms	Year Established	Amenities Available	General Manager
The Grand America Hotel 555 S. Main St. Salt Lake City, UT 84111	801-258-6000 801-258-6911 grandamerica.com	775	2001	Restaurant, bar, 24-hour room service, indoor pool, outdoor pool, spa, fitness center, concierge	Bruce Fery
Hotel Monaco 15 W. 200 S. Salt Lake City, UT 84101	801-595-000 801-532-8500 monaco-saltlake.com	225	DND	Wired and wireless high speed Internet, hosted wine reception, complimentary morning coffee services, luxury bath amenities	Maryllynn Beck
Montage Deer Valley 9100 Marsc Ave. Park City, UT 84060	435-604-1300 435-604-1310 montagedeervalley.com	200	2010	Ski-in/ski-out on mountain location, spa and wellness programs, fitness center, executive business center, concierge, twice-daily housekeeping, four resort restaurants, 24-hour in-room dining, complimentary wireless Internet	Marcus Jackson
Stein Eriksen Lodge 7700 Stein Way Park City, UT 84060	435-649-3700 435-649-5825 steinlodge.com	184	DND	Ski-in/ski-out access to Deer Valley Resort, full-service concierge desk, 24 hour room service and in-room dining, twice-daily maid service, turndown service, same-day laundry, dry cleaning and pressing, secure parking in heated underground garage	DND
Waldorf Astoria Park City 2100 Frostwood Dr. Park City, UT 84060	435-647-5500 435-647-5525 parkcitywaldorfastoria.com	175	DND	Full gourmet kitchen, luxury rooms, modern mountain dining, full spa, hair and nail salon, fitness center	DND
Hyatt Escala Lodge 3551 N. Escala Court The Canyons Resort Park City, UT 84098	435-658-6100 435-940-1235 escalalodge.hyatt.com	150	DND	Valet parking, kitchenette in deluxe guest room, year round heated outdoor pool and whirlpool, steam rooms, saunas, 24-hour StayFit fitness center	Claudia Wattenberg
Hotel Park City 2001 Park Ave. Park City, UT 4060	435-940-5000 435-940-5001 hotelparkcity.com	100	DND	Concierge service, in-room dining, valet parking, gift shop, wireless high speed Internet, fitness center, audio-visual equipment, overnight shoe shine	DND
Amangiri 1 Kayenta Rd. Canyon Point, UT 84741	435-675-3999 435-675-8999 amanresorts.com	34	DND	Living rooms, gallery, library, dining, private dining room and cellars, spa, swimming pool, desert lounge	DND
The St. Regis 2300 Deer Valley Dr. East Park City, UT 84060	435-940-5700 435-940-5705 stregisdeervalley.com	DND	DND	Vallet parking, bellman, business services, concierge, high speed wireless Internet, mountain terrace, poolside service, restaurants and bars, sauna and steam rooms, shoe shine services, spa	DND



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SHUTDOWN

from page 13

record growth.

October is an especially profitable month for Utah's national parks, since optimal weather attracts a high volume of tourists. Typically, officials estimate a \$100 million yield for the month, so the parks' closures would have had an especially high impact on the state.

Juliette Tennert, chief economist in the Governor's Office of Management and Budget, estimated that the Utah tourism industry suffered \$30 million in losses due to the shutdown.

"Utah's national parks are the backbone of many rural economies and hard-working Utahns are paying a heavy price for this shutdown," Herbert said in a released statement announcing the deal to open the parks. "I commend Secretary Jewell for being open to Utah's solution, and the world should know Utah is open for business and visitors are welcome."

The shutdown also took a toll on the Utah consumer psyche. The Zions Bank Consumer Attitude Index decreased 14.6 percent in October, the largest decline recorded since the bank began the survey in 2011.

Each business effected by the shutdown has its own story to tell about its losses. At a rally outside the office of Rep. Chris Stewart (R-Utah) one business owner talked about her bed and breakfast business in Torrey, just outside Capital Reef National Park. She said more than 30 reservations had been cancelled because of the park closure.

Varela's agency released a number of horror stories from rural businesses affected by the shutdown. Since tourism provides between 29.3 percent and 41.9 percent of the employment in Wayne, Kane, Grand and Garfield counties, gateway businesses and communities were hard hit when national parks shut down. The Moab Area Travel Council estimated \$9.9 million in missed revenue to Grand County businesses, many of which were experiencing

record business in the days leading up to the shutdown. Ruby's Inn, near the entrance to Bryce Canyon, reported losing just less than \$1 million due to the shutdown. Lynn Syrett, the Inn's general manager, told state travel leaders that Utah paying to reopen the parks early saved Ruby's from another \$1 million in losses. Ed Nelson, general manager of Best Western Red Hills in Kanab, experienced a loss of 12 percent in business. Iron County reported about \$80,000 in lost revenue from cancellations, while a single hotel in Washington County serving Zion reported losing \$87,000 in the shutdown.

According to tourism and travel research firm D.K. Shiffet & Associates, Utah hit \$7.4 billion in direct travel spending in 2012, generating \$960 million in state and local taxes. Varela said national parks and businesses in gateway communities such as Moab, Torrey, Springdale and Tropic generate about \$1 billion a year.

Randy Shumway, chief executive officer for The Cicero Group, a market research firm based in Salt Lake City, said, "With tourism we expect people to come into Utah

and spend when they stay in a hotel, buy a coat or eat at a restaurant."

He said that the Utah legislature has been increasing its tourism spending in recent years, and the \$1.8 billion in planned expansion at the Salt Lake City International Airport as well as the establishment of the Utah Outdoor Recreation Office reflected the importance of tourism in Utah.

Varela said the effects of the shutdown were mitigated when her agency organized a strategy to redirect tourists to state parks, releasing "50 Awesome Alternatives" to Utah's national parks on its website the morning of the shutdown. State parks honored passes purchased at national parks.

Adams also touted the economic benefits provided to the state by tourists during the floor discussion on providing money to reopen the parks. "We understand another principle. Not only managing our affairs well, but we understand that when business does well, when tourist companies, restaurants, and hotels in Southern Utah do well, guess what? We have tax revenue, and our government does well."



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Powder Mountain Utah Hwy 158 8000 N. 5100 Eden, Utah 84310	801-745-3772 801-745-3771 powdermountain.com	7,000	154	7	6,900 9,105	25% 40% 35%
Canyons Resort 4000 Canyons Resort Dr. Park City, UT 84098	435-649-5400 435-615-3456 canyonsresort.com	4,000	182	19	6,800 9,990	10% 44% 46%
Park City Mountain Resort 1345 Lowell Ave. Park City, UT 84060	435-649-8111 DND parkcitymountain.com	3,300	116	19	6,900 10,000	17% 52% 31%
Snowbasin 3925 Snow Basin Rd. Huntsville, UT 84317	888-437-5488 801-620-1100 snowbasin.com	3,300	104	10	6,400 9,350	20% 50% 30%
Snowbird Ski & Summer Resort Hwy 210, Little Cottonwood Canyon Snowbird, UT 84092	801-933-2222 801-933-2100 snowbird.com	2,500	95	12	7,760 11,000	27% 38% 35%
Alta Ski Area Hwy 210, Little Cottonwood Canyon Alta, UT 84092	801-359-1078 801-572-3939 alta.com	2,200	116	10	8,530 10,550	25% 40% 35%
Deer Valley Resort 2250 Deer Valley Dr. S. Park City, UT 84060	435-649-1000 DND deervalley.com	2,026	101	21	6,570 9,570	27% 41% 32%
Solitude Mountain Resort 12000 Big Cottonwood Canyon Solitude, UT 84121	800-748-4754 801-536-5777 skisolitude.com	1,200	65	8	7,988 10,035	20% 50% 30%
Brighton Ski Resort 8302 S. Brighton Look Rd. Brighton, UT 84121	801-532-4731 DND brightonresort.com	1,050	62	7	8,755 10,500	21% 40% 39%
Beaver Mountain Resort 40000 E. Highway 89 Garden City, UT 84028	435-946-3610 435-753-4822 skithebeav.com	828	48	5	7,200 8,800	35% 40% 25%
Brian Head Resort 329 S. Hwy 143 Brian Head, UT 84719	435-677-2035 DND brianhead.com/winter	665	65	9	9,600 10,920	30% 35% 35%
Eagle Point 150 S. West Village Cr. Beaver, UT 84713	435-438-3700 DND eaglepointresort.com	600	39	5	9,100 10,500	20% 35% 45%
Sundance Resort 8841 N. Alpine Loop Rd. Provo, UT 84604	801-225-4107 801-223-4510 sundanceresort.com	450	42	5	6,100 8,250	20% 40% 40%
Wolf Mountain 3567 Nordic Valley Way Eden, UT 84310	801-745-3511 DND wolfmountainutah.com	110	22	4	5,400 6,400	35% 45% 20%



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Source: Governor's Office of Economic Development and the Economic Development Corporation of Utah, FY 2012-13

TRAVEL MGMT.

from page 14

nally can be subtle.

Companies considering self-administered travel programs should consider the following: Travel is a big expense — the second or third largest for many companies, and deserves management attention at least on a par with other aspects of the core business. Managing travel is not a no-brainer. Airline fares are a product of the most complicated pricing models in the world, and finding real value can be tricky. What seems like the lowest price may not be as low as it appears.

Effective management control is al-

most impossible for companies when travelers book their own travel on the Internet. Travelers have been known to spend additional company money just to get frequent flyer miles or purposely wait to book a flight until the only class of service available is an expensive one that can be upgraded. Without oversight, companies lose control of how their money is spent.

Do travel agencies effectively represent their customers? In simplest terms, companies want the lowest price, and airlines want highest revenue. Neither get their wish. The mission of airline yield management is to extract as much money from customers as circumstances will allow. The model is something like this: the less you need to go, the cheaper the ticket; the more you have to

go, the more expensive the ticket.

In the days when airlines provided sole travel agent compensation, it was easier to determine whom the travel agent represented and whether a conflict of interest existed. Even then, there was always strong motivation for travel agents to find the best deals to cement customer loyalty. Under the new model, travel agents charge fees to customers for services performed. Good performance is rewarded by loyalty.

In the final analysis, the invisible hand of the marketplace decides the value of travel agents. It's really very simple: If the value is there, customers will pay for the service. If not, they may change their own oil.

Travel's impact on Utah's economy

According to the U.S. Travel Association, annual travel spending in Utah reached \$5.5 billion in 2012, supported 72,300 jobs in the state and provided \$1 billion in tax revenue.

How would it sound if the airlines also sold paint?

Buying paint from a hardware store...

Customer: Hi. How much is your paint?

Clerk: We have regular quality for \$12 a gallon and premium for \$18. How many gallons would you like?

Customer: Five gallons of regular quality, please.

Clerk: Great. That will be \$60 plus tax.

Buying paint from an airline...

Customer: Hi, how much is your paint?

Clerk: Well, sir, that all depends.

Customer:

Depends on what?

Clerk: Actually, a lot of things.

Customer: How about giving me an average price?

Clerk: Wow, that's too hard a question. The lowest price is \$9 a gallon, and we have 150 different prices up to \$200 a gallon.

Customer: What's the difference in the paint?

Clerk: Oh, there isn't any difference; it's all the same paint.

Customer: Well, then, I'd like some of that \$9 paint.

Clerk: Well, first I need to ask you a few questions. When do you intend to use it?

Customer: I want to paint tomorrow, on my day off.

Clerk: Sir, the paint for tomorrow is the \$200 paint.

Customer: What? When would I have to paint in order to get the \$9 version?

Clerk: That would be in three weeks, but you will also have to agree to start painting before Friday of that week and continue painting until at least Sunday.

Customer: You've got to be kidding!

Clerk: Sir, we don't kid around here. Of course, I'll have to check to see if we have any of that paint available before I can sell it to you.

Customer: What do you mean, check to see if you can sell it to me? You have shelves full of that stuff. I can see it right there.

Clerk: Just because you can see it doesn't mean that we have it. It may be the same paint, but we sell only a certain number of gallons on any given weekend. Oh, and by the way, the price just went to \$12.

Customer: You mean the price went up while we were talking?

Clerk: Yes, sir. You see, we change prices and rules thousands of times a day, and since you haven't actually walked out of the store with your paint yet, we just decided to change. Unless you want the same thing to happen again, I would suggest that you get on with your purchase. How many gallons do you want?

Customer: I don't know exactly. Maybe five gallons. Maybe I should buy six gallons just to make sure I have enough.

Clerk: Oh, no, sir, you can't do that. If you buy the paint and then don't use it, you will be liable for penalties and possible confiscation of the paint you already have.

Customer: What?

Clerk: That's right. We can sell you enough paint to do your kitchen, bathroom, hall and north bedroom, but if you stop painting before you do the bedroom, you will be in violation of our tariffs.

Customer: But what does it matter to you whether I use all the paint? I already paid you for it!

Clerk: Sir, there's no point in getting upset; that's just the way it is. We make plans based upon the idea that you will use all the paint, and when you don't, it just causes us all sorts of problems.

Customer: This is crazy! I suppose something terrible will happen if I don't keep painting until after Saturday night!

Clerk: Yes, sir, it will.

Customer: Well, that does it! I'm going somewhere else to buy my paint.

Clerk: That won't do you any good, sir. We all have the same rules. Thanks for flying—I mean painting—with our airline.

Alan Hess is the president of Hess Corporate Travel in Bountiful.



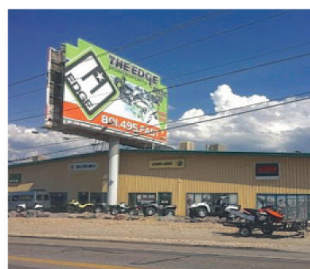
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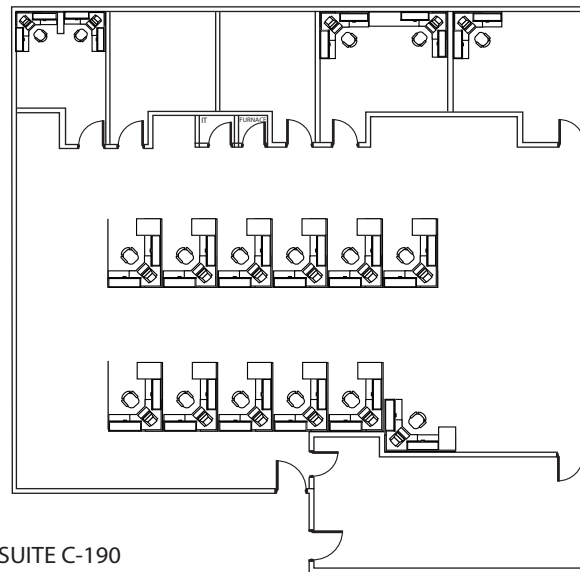
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Holladay Custom Home \$1,295,000

Gorgeous custom design, soaring ceilings, 2 story windows in main floor family area with mountain views, highest quality cabinets and finishes throughout, large main floor master, wonderful walkout from lower level rec room, custom designed wet bar, theater room, plus 2 bedrooms, 2 baths, and separate mother-in-law apt in lower level, large 3 car garage, delightfully landscaped!



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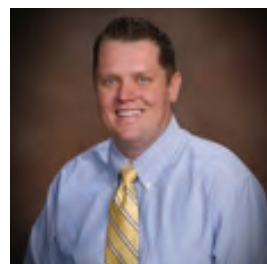
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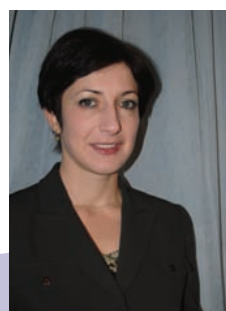
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