

Focus

THE WORKPLACE

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Utah is in talks with officials of Boeing Commercial Airplanes to bring production of the company's 777X aircraft to the state. Such a move could mean a major economic impact for hundreds of smaller companies in support of the airplane assembly operations.

Domino effect would mean more than just airplane assembly jobs

Brice Wallace
The Enterprise

If Utah does become the site of Boeing Commercial Airplanes' 777X aircraft production, it's likely to mean lots of work for hundreds of smaller companies.

Gov. Gary Herbert has had preliminary talks with Boeing officials about Utah's interest in landing the production operations and Boeing's top executive has said the company will "open the process competi-

tively and pursue all options for the 777X" in the wake of a machinist union in Washington state rejecting a contract proposal from the company.

If history is an indicator, should Utah eventually become home to 777X production, subcontractor and vendor opportunities likely would blossom. For example, Exelis, a company that has expanded its aerospace business in Utah, said this summer that it has more than 300 Utah-based companies that provide it with goods and services. In

see **BOEING** pg. 9

Avenue H opens online portal

Utah's small businesses can now join Avenue H — the insurance marketplace created by the state of Utah that meets requirements of the Affordable Care Act — through its new online registration and enrollment tool. Avenue H allows small Utah companies with one to 50 employees to purchase health insurance from Utah-based insurance companies. As Gov. Gary Herbert noted when the marketplace was created, "It provides Utah companies a Utah solution for their health insurance needs."

By filling out a short form on AvenueH.com, employers can get a quote for their

company's 2014 health insurance rates and buy coverage online. Registration is simple and takes only a few minutes, according to Patty Conner, director of Avenue H.

"AvenueH.com's new consumer enrollment tool is an evolution of the way we have been helping small businesses offer insurance benefits to their employees," said Conner. "Utah's small-business owners can now register their employer group online and get their employees insured in less than 30 days."

Avenue H has been successfully en-

see **AVENUE H** pg. 4

'Hurrah for gas prices'; CPI drops

Contrary to recent years, gas prices again led the way as consumer prices dropped in northern Utah again in October. The Zions Bank Wasatch Front Consumer Price Index (CPI) decreased 0.3 percent from September to October on a non-seasonally-adjusted basis. Over the past 12 months, prices have increased in Utah by 1.2 percent but have fallen for two consecutive months. The national Consumer Price Index, released by the Bureau of Labor Statistics, also fell 0.3 percent from September to October and has increased only 1.0 percent over the past 12 months.

Consumers paid about \$3.44 per gallon of gasoline in October, compared to \$3.58 in September, and overall transportation costs fell 1.8 percent month-over-month. Transportation costs are now down 3.7 percent year-over-year because consumers have paid substantially less for gasoline this year than last year. Gasoline prices are down approximately 9 percent year-over-year, and this has weighed down the entire CPI to the extent that the CPI has actually increased 2.5 percent over the past 12 months when transportation costs are excluded.

Gasoline prices are continuing to fall in November, as well. The average price of gasoline in Utah has already fallen about 10 cents per gallon since the beginning of the month, and consumers nationally are seeing similar trends. About 25 percent of the nation's pumps are selling gasoline for under \$3, according to AAA. Looking ahead to the remainder of 2013, gasoline prices will likely continue to fall due to growing supplies.

The Wall Street Journal recently reported that October's national gasoline supply was at a three-year high, yet refiners have continued to operate at, or near, full capacity because of swelling demand for diesel fuel in Latin America and Europe. This is pushing down gasoline prices because, on average, a barrel of crude oil produces 19 gallons of gasoline and 11 gallons of diesel fuel, and refineries cannot produce one fuel type without producing the other. Continued demand for diesel fuel will keep gaso-

see **CPI** pg. 9



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Salt Lake Comic Con producer Dan Farr (center) poses with costumed attendees at the inaugural event held in September at the Salt Palace. Response to this year's convention has made it possible for Farr to schedule two more Comic Con gatherings in 2014.

Comic Con - and its economic impact - returning to Utah in 2014

John Rogers
The Enterprise

An overwhelming fan response in September to the inaugural Salt Lake Comic Con has spawned two new Utah events for 2014. Dan Farr Productions, DBA Salt Lake Comic Con, has announced it will produce two Comic Con events next year, including a 2014 Salt Lake Comic Con FanXperience (FanX) set for April 17-19 and the Second Annual Salt Lake Comic Con 2014 to be held Sept. 4-6.

The first such event, Sept. 5-7, was sold out and outside estimates peg the economic impact to Utah at \$31 million. The Comic Con is a blend of gaming, TV, movies, comics, technology and pop culture that organizers promote as appealing to geeks and non-geeks alike. Social marketing was the primary tool in attracting an estimated 70,000-80,000 attendees. Held at the Calvin L. Rampton

Salt Palace Convention Center, this year's Comic Con only had access to 70 percent of the center's facilities. Organizers are working to book the full facility for the coming five years.

Comic Con International has been around since 1970 and licensed more than 600 events in 2012. The top-drawing event is held in San Diego and now tops 130,000 attendees each year. The 2013 Salt Lake event ranks fourth in attendance for events held to date this year.

Norman Reedus, star of the TV series "Walking Dead" will headline the April FanX and will be joined by his costar, Chandler Riggs. Brent Spiner and Marina Sirtis from "Star Trek: The Next Generation," Kelly Hu from "X2: X-Men United" and Adam Baldwin of "Firefly" are also slated to attend. Over 100 additional celebrities and guests will be announced between now and the April event, according to organizers.

"Fans in and around Utah

have spoken and made it clear that one event a year is not enough," said Dan Farr, Salt Lake Comic Con show producer. "This FanX will build upon the accomplishments of the first Comic Con and has expanded into virtually the entire Salt Palace Convention Center. With continued support from the fans we can rival the largest Comic Cons in North America."

Comic Con patrons come dressed as characters from movies, television and even video games. Farr says that his organization tries to promote a family-friendly atmosphere.

Tickets for the 2014 events are available at the organizer's website, <http://saltlakecomiccon.com>, and special discounts are available to attendees of the inaugural event as well as military personnel, seniors and kids.

With additional space available in 2014, organizers expect to add many more features, social events and benefits for attendees.

Wendy's to sell 54 Utah restaurants

The Wendy's Co. has announced plans to sell 54 restaurants, including one under development, in the Salt Lake City market to a subsidiary of NPC International Inc., the eighth-largest restaurant operator in the U.S. NPC operates more than 1,200 restaurants including 37 Wendy's restaurants in two states.

Wendy's announced plans in July to geographically concentrate its restaurant ownership through the sale of about 425 company-op-

erated restaurants in 13 U.S. markets, primarily in the West. Restaurants are being sold to qualified operators on a market-by-market basis, with the completion of this process targeted by second quarter 2014.

Included in these agreements are specific plans to reimage certain restaurants in Wendy's contemporary Image Activation restaurant design. They also include development plans for new restaurants.

As a result of system optimization, Wendy's president and CEO Emil Brolick said the company expects to generate a higher operating margin and stronger free cash flow, along with further enhancing the quality of its earnings with a more predictable revenue stream from a higher percentage of royalty and rental income.

As part of its system optimization initiative, the company has now sold or has signed agreements for 172 total restaurants this year.

Committee passes out bill to prompt EV charging stations

Brice Wallace
The Enterprise

People wanting to see increased use of electric vehicles got a metaphorical boost from a legislative committee last week.

The legislature's Public Utilities and Technology Interim Committee unanimously passed out, as a committee bill, a measure that proponents believe will lead to more electric vehicle (EV) charging stations in Utah.

The bill, sponsored by Rep. Patrice Arent, D-Salt Lake City, states that an entity selling electric vehicle battery charging services would not be considered a public utility, unless it is involved in other activities that subject it to regulation by the Utah Public Service Commission as a public utility.

The bill vote follows up on a recent PSC order approving proposed tariff revisions that included clarifying language stating that those battery charging services are not considered the resale of electricity. Rocky Mountain Power, a division of PacifiCorp, had proposed adding the clarifying language.

"There is no easy solution to cleaning up our air," Arent told the committee. "There's no one item that's going to suddenly change everything. But one item we can be looking at is to encourage the use of electric vehicles. That's a wonderful opportunity, but those vehicles have to be charged."

Arent said she knows a person who has purchased a Nissan Leaf electric car and put solar panels on his garage, but the vehicle's range is only about 80 miles "and occasionally he may want to go someplace else in the state besides this area."

"That's really the key," she said. "We need to make sure that we have charging stations in convenient locations so that he can drive more than an 80-mile range. Some people will be able to purchase the Teslas, and those have a longer range, but not everyone. And the good news is, the public will have those opportunities. We've got governmental entities and a lot of companies in the private sector that really want to step

up and do the right thing, which is great, but to do that, we want to make sure that they don't have excessive regulation. ..."

The bill would allow charging stations to be able to recover the costs of providing the service, she said. Even with the PSC ruling, "there are many businesses particularly that would want to have this in Utah code," Arent said.

Vicki Bennett, sustainability director for Salt Lake City, said the city has had EV charging stations open to the public for a few years, but the six sites have only 110-volt power.

"It's been somewhat of a chicken-and-an-egg issue," Bennett said. "We've had many citizens, both within the city and commuting into the city, request it because they said, 'We really would like to get electric vehicles. We understand how it's going to help air quality.'"

But the city wondered how much funding should be put toward the stations because "there weren't a lot of electric vehicles," she said. "Well, now we're lucky. We actually have a couple of places selling them. We have more and more that we see on the road, so the demand is increasing."

The city is increasing power at the stations to the 220-volt level and would like to provide more stations, and the city expects more businesses would like to do the same.

"It could even be an economic boon for them," Bennett said, adding that a movie theater, for example, could promote itself by saying, "'Come to our movie, plug in while you're here,' and it's a low cost for somebody to recharge."

David Taylor, manager of regulatory affairs for Rocky Mountain Power in Utah, said the utility is OK with Arent's bill because in its current form it is consistent with the PSC's ruling.

The proposed tariff changes approved by the PSC were supported by a group that included the Utah Office of Consumer Services, the Southwest Energy Efficiency Project (SWEET), Utah Clean Energy (UCE), Salt Lake City Corp., the Utah Clean Cities Coalition and the Wasatch Clean Air Coalition.

MIG buys Mt. View Center

MIG Real Estate, a Newport Beach, Calif.-based real estate investment company, has purchased Mountain View Corporate Center, an 84,421-square-foot, Class A office building in Murray. This is the company's first acquisition in the greater Salt Lake City market.

Located at 756 and 764 E. Winchester St., the building was attractive to MIG because of its high occupancy rate and advantageous location, according to MIG officials. Current tenants include Motorola and Liberty Mutual.



Weber State Downtown, the university's new presence on Washington Boulevard in Ogden, opened last week and will be a center for creative interaction for business and entrepreneurship.

WSU hopes its downtown Ogden facility will be 'mecca for innovation'

Brice Wallace
The Enterprise

Weber State University has marked the opening of a downtown Ogden facility expected to be “a mecca for innovation.”

The building at 2314 Washington Blvd. to be known as Weber State Downtown is set up for co-working — a collaborative approach to business and entrepreneurship that encourages serendipitous and creative interactions — according to the university.

The ribboncutting for the 18,000-square-foot building occurred last week. Two floors will function as headquarters for Start-Up Ogden, which promotes software development, entrepreneurs and new business.

“The building will be a mecca for innovation,” said Alex Lawrence, the university’s vice provost of innovation and economic development. “Startups, entrepreneurs, students and other community members now have a world-class, cutting-edge, technology-enabled location where they can meet and work. Weber State Downtown will serve as an epicenter for economic development, and tech companies and entrepreneurs will be drawn to Ogden because of it.”

The second and third floors will feature an open layout for StartUp Ogden. The second floor will contain a conference room equipped for state-of-the-art meetings and presentations and several “living room” areas with modern furniture, televisions and game stations that provide a relaxed atmosphere. The second floor also will be home to WSU’s Small Business Development Center and Ogden’s Business Information Center, which provide training, consulting and referral services to area business owners and prospec-

tive entrepreneurs.

A 40-person classroom with new iMacs and an 80-inch screen will enable local professionals and WSU faculty to teach credit and noncredit continuing education courses that are tech-related.

“We are delighted to be a part of this partnership and look forward to serving the business community in this new, more accessible location,” said Bruce Davis, vice provost and dean of continuing education.

The building’s ground floor will house a WSU Campus Store and café with gourmet drinks and pastries. Archways with glass garage doors will separate the campus store from the café’s dining area, which can be used during after-hour university functions and partner events. The Campus Store will feature WSU merchandise, Weber Wear clothing, name-brand technology products and an Apple Authorized Service Center. The store officially will open Jan. 7, the date of university’s 125th anniversary.

The building also will feature fiber Internet offered throughout, and bicycle commuters can take advantage of bike racks, lockers and showers.

The grand opening last week kicked off Startup Weekend Ogden, the local branch of an international event that helps entrepreneurs and technologists build software companies over a 54-hour period. Startup Ogden hosted the event.

University president Charles Wight said the building brings the university back to its origins.

“Weber State opened in downtown Ogden nearly 125 years ago,” Wight said. “We’re delighted to once again have a strong presence so close to where it all began. At Weber State Downtown, bright minds will dream up many brilliant ideas that will impact our

university, our community and our world.”

Ogden Mayor Mike Caldwell said Weber State Downtown is one more facet of a solid relationship between his city and the university. “We want Weber State students to look to Ogden as a great place to live, work, play and raise a family after they graduate, and I think this is a great step in that direction,” he said.

The building will be available, for a fee, to community members or small-business owners. A fee of \$50 per month provides access to the building, \$75 per month provides access and dedicated working space, and \$99 per month provides access, dedicated working space and use of the showers and lockers. People interested in gaining access can sign up during the grand opening or after Jan. 6 in the location’s WSU Campus Store.

Details about the facility are available at <http://weber.edu/downtown>.

Depression not necessarily cause of lower wages, WSU study finds

Alleviating older Americans’ depression won’t automatically result in them having more cash for the holidays, according to a study co-published by a Weber State University assistant professor.

“Older Americans, Depression, and Labor Market Outcomes,” written by Brandon Koford, WSU assistant professor of economics, and assistant professor Attila Cseh of Valdosta State University in Georgia, challenges the assertion that depression causes lower wages. Although a correlation exists between depression and lower wages, the study indicates deeper traits might be to blame.

“People go in and out of depressive symptoms, and that’s not really what causes people’s wages to change,” Koford said. “There’s something else going on. These decreases in wages are present even when people aren’t depressed.”

The study found that experiencing symptoms of depression had little effect on wages for either men or women. Experiencing symptoms of depression also had little effect on the hours study participants worked or whether they worked full time.

“I think that feeling better is a sufficient reason to seek help, but we have to be realistic about its labor market outcomes,” Koford said.

Jeff Steagall, dean of WSU’s John B. Goddard School of Business & Economics, said behavioral economics studies like Koford’s and Cseh’s take into account the fact that humans are not always rational.

“Dr. Koford’s work is a fine example of how the economics profession is using its models and statistical techniques to shed light on key questions in a variety of other disciplines,” Steagall said.

For their study, Koford and Cseh used data from the Health and Retirement Study (HRS), gathered by the University of Michigan’s Institute for Social Research. In addition to gathering other data, the HRS ranked participants on a depression scale based upon the Center of Epidemiologic Studies Depression Scale questionnaire.

Koford’s and Cseh’s sample included responses gathered from nearly 12,000 working baby boomers age 65 or younger who were tracked from 1994 to 2008.

The study was published in the online version of Eastern Economics Journal in September and will be printed at a later date.

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ADT raising old allegations in new suit against Vision Security

John Rogers
The Enterprise

Florida-based electronic security giant ADT is again suing Utah's Vision Security LLC. ADT is hoping to prohibit Vision sales agents from making sales pitches that ADT deems deceptive and to obtain further damages and attorney fees. The new lawsuit comes just two months after Vision and Security Networks LLC settled with ADT for \$2.2 million and agreed to a permanent injunction for engaging in similar practices.

Previously, Vision stated that it did not tolerate deceptive sales practices and that customer complaints likely came from isolated "rogue" sales agents. However, following the August settlement, former Vision Security managers provided ADT with copies of audio and video recordings of Vision sales agent training sessions. As alleged in the lawsuit, those recordings show Vision has been training its sales force to sell alarm systems by posing as GE technicians making service

calls to upgrade customers' alarm panels at no cost at the direction of local police and fire departments.

"The new revelation in our lawsuit alleges that Vision trained more than 100 sales agents to use false sales pitches and urged them to record and share these pitches with others," said Hannah Lim, chief litigation officer at ADT. "We will continue to litigate aggressively against companies that misrepresent ADT to consumers."

"ADT has a responsibility to ensure its 6.5 million customers receive highly reliable life safety and lifestyle services from us and not an imposter," said David Bleisch, chief legal officer at ADT. "We abide by responsible sales practice guidelines established by leading industry organizations, and we encourage all home security companies to follow best practices to reinforce positive perceptions about the electronic security industry."

Vision did not answer an *Enterprise* request for a response to ADT's allegations.

Study shows Utah home values actually down from recession years

The U.S. Census Bureau has released the latest statistics from the American Community Survey that shows a median home value in Utah of \$209,000 during the post-recession period of 2010-2012 — down from the recession period value of \$227,400. The recession period is defined as 2007-2009. According to an analysis conducted by the Utah State Data Center, a division of the Bureau of Economic and Business Research within the David Eccles School of Business at the University of Utah, which conducted the research, the survey also showed a post-recession median home ownership rate of 69.7 percent, a decrease from 71.8 percent during the recession.

"The two most striking statistics in the recent Census Bureau release are the decline in the rate of homeownership and the increase in housing cost burden for renters," said Jim Wood, director of the Bureau of Economic and Business Research at the UofU. "The seemingly small drop in homeownership rates from 71.8 percent to 69.7 percent amounts to 13,000 fewer homeowners in the state. Many of these displaced homeowners ended up as renters.

"And for renters," Wood con-

tinued, "economic conditions worsened as the job market deteriorated. Although rental rates were steady, the cost burden for renters increased as the income of renters declined. The recent data show that 40.5 percent of renters spent 35 percent or more of their household income on rent. Prior to the recession, the percent of renters spending 35 percent or more of their income on rent was 34.7 percent. With 260,000 renter households statewide, this shift results in about 15,000 additional households facing a cost burden of at least 35 percent."

The American Community Survey, an ongoing Census Bureau survey that samples a small percentage of the population every year, provides a wide range of important statistics about all communities in the country. The American Community Survey gives communities the current information they need to plan investments and services. Retailers, homebuilders, police departments and town and city planners are among the many private- and public-sector decision makers who count on these annual results.

AVENUE H

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rolling groups for several years. Through an agreement with federal health officials, Avenue H meets all the requirements of the ACA, but is controlled by the state of Utah and not federal officials.

With Avenue H, employers are able to give their employees an affordable flat dollar amount for their health insurance. Employees then take those funds and shop for insurance on AvenueH.com. They

BOEING

from page 1

2011, IM Flash Technologies, based in Lehi, said it was supported by 99 companies that had more than 600 employees working on-site.

A long-term contract extension was voted down 2-to-1 by the International Association of Machinists & Aerospace Workers District 751. Ray Conner, Boeing's president and chief executive officer, said he, Gov. Jay Inslee and the Washington state legislature "had hoped for a different outcome."

"We are very disappointed in the outcome of the union vote," Conner said in a prepared statement. "Our goal was two-fold: to enable the 777X and its new composite wing to be produced in Puget Sound and to create a competitive structure to ensure that we continue market-leading pay, healthcare and retirement benefits while preserving jobs and our industrial base here in the region. But without the terms of this contract extension, we're left with no choice but to open the process competitively and pursue all options for the 777X."

Michael Sullivan, a spokesman for the Utah Governor's Office of Economic Development (GOED), said Nov. 15 that Herbert had met with Boeing representatives earlier that day for preliminary discussions about Utah's interest in having additional business with Boeing in Utah, where the company already has several hundred employees. Herbert indicated state officials are interested and were prepared to have substantive discussions in the future, but those discussions had not yet been scheduled, Sullivan said.

"I am grateful for the partnership Utah has with Boeing and I appreciate the interest in growing the existing Utah operation," Herbert said in a prepared statement. "One of the country's best businesses expanding in one of the country's best places for business makes a lot of sense for many reasons."

"Utah is open for business," Spencer Eccles, GOED's executive director, said in a prepared state-

ment. "We appreciate that Utah is being recognized as a global business destination. We hope to work with not only companies like Boeing but with any other major corporations who are interested in doing business in the state."

A *Seattle Times* editorial indicated that the 777X production could be offered to Salt Lake City; Long Beach, Calif.; and Huntsville, Ala., "just for starters." An Associated Press story quoted Alex Pietsch, Inslee's leader on aerospace issues, saying he expected competition for the 777X production from South Carolina, Texas, southern California, Utah, Alabama and Georgia.

Boeing, based in Chicago, has 170,000 employees worldwide. Its Salt Lake City operations began 25 years ago as McDonnell Douglas Corp., which merged into Boeing in 1998.

The company manufactures vertical fins for versions of the 787 aircraft at a facility near the Salt Lake City International Airport and is working to remake the former 850,000-square-foot Kraft-Maid Cabinetry building in West Jordan's Bingham Industrial Park as a site to fabricate composite components for the 787 Dreamliner aircraft's horizontal stabilizers. That West Jordan facility is expected to be operational next year.

Last December, Boeing was approved by the GOED board for a nearly \$1.4 million tax credit incentive over 20 years designed to increase composite manufacturing in Utah, with the first phase featuring about 100 new high-paying jobs for the West Jordan facility. The GOED incentive was to be added to up to \$225,000 in special training funds matched by Boeing and another Utah agency providing up to \$100,000 in inaugural "WorkKeys" program funding to help give the company greater accuracy in determining the skill set of potential new employees.

Not counting the West Jordan facility, Boeing has a Utah workforce of about 575.

West Jordan wasted no time positioning itself as a possible site for any Boeing expansion. In a news release Nov. 15, Mayor Melissa Johnson echoed Gov. Gary Herbert's announcement expressing gratitude for the partnership

now they have a second option for joining Avenue H. "We wanted to give employers a choice in how they join Avenue H," said Conner. "Signing up online is convenient and quick, but most employers don't have the time to learn all there is to know about insurance. Brokers, on the other hand, are insurance experts who can answer complicated questions, but they have other clients to assist, too." The new registration and enrollment system lets employers choose which method they prefer.

with Boeing.

"The city is very excited and proud to join the Boeing family of partners," she said. "Taking the partnership to the next level is a logical step for us."

The release noted that the city has been constructing additional infrastructure to provide more water and power to the Bingham Industrial Park area in order to accommodate additional expansion. Within West Jordan's general plan, there are an additional 350 acres of land adjacent to the existing 76-acre Boeing site planned for manufacturing land use, and the city's Economic Development Strategic Plan supports additional job creation in aerospace industries, it said.

Boeing said last week that production of the 777X is set to begin in 2017, with first deliveries targeted for 2020. Already, design work is under way and suppliers will be named in the coming months, it said.

Boeing also said last week that the 777X program already has resulted in agreements for 259 airplanes from four customers across Europe and the Middle East, representing the largest product launch in commercial jetliner history by dollar value — more than \$95 billion at list prices.

The orders and commitments include Lufthansa with 34 airplanes, Etihad Airways with 25, Qatar Airways with 50, and Emirates with 150 airplanes, the company said.

Currently, the existing 777 aircraft has 55 percent of market share in its category in terms of backlog and 71 percent of the in-service fleet worldwide. The 777X family includes the 777-8X and the 777-9X. The 8X will seat 350 passengers and offer range capacity of more than 9,300 nautical miles. The 9X will have seating for more than 400 passengers and a range of more than 8,200 nautical miles. Boeing said the 9X will have the lowest operating cost per seat of any commercial airplane.

Conner has said the 777X will be 12 percent more fuel-efficient than any competitor airplane, "necessary in today's competitive environment."

Industry Briefs

ASSOCIATIONS

• The **Economic Development Corp. of Utah** presented two awards at its recent annual members meeting in Salt Lake City. **Harris H. Simmons**, chairman, president and chief executive officer of Zions Bancorporation, received the **Thayne Robson Award** for service to economic development in the public sector. **Sandy Mayor Tom Dolan** received the **Nick Rose Award** for service to economic development in the private sector.

• The **United States Hispanic Chamber of Commerce (USHCC)** has appointed **Greg Winegardner**, regional president for Wells Fargo, as the newest member of USHCC's



Greg Winegardner

board of directors. Winegardner, a financial services veteran with more than 41 years of experience, joined the Wells Fargo team in 1982 and has served the company in numerous leadership positions for nearly 32 years. Since 2009, he has served as regional president for Wells Fargo in Utah, and before that he was regional president for New Mexico and western Colorado. He also has served as community banking president for Wells Fargo in Durango, Colo.; Flagstaff, Ariz.; and Victoria, Texas.

BANKING

• **Harris H. Simmons**, chairman, president and chief executive officer of Zions Bancorporation, was named the **National EY Entrepreneur of the Year 2013**

Financial Services Award winner. The award is part of a program founded and produced by EY and is designed to encourage entrepreneurial activity and recognizes leaders and visionaries who demonstrate innovation, financial success and personal commitment as they create and build world-class businesses. Simmons was honored at the **Entrepreneur Of The Year Awards** gala, the culminating event of the **EY Strategic Growth Forum** in Palm Springs, Calif. Awards were presented in 10 additional categories. The **EY Entrepreneur Of The Year Award** winners were selected by an independent panel of judges and from more than 250 regional award recipients.

ENERGY/NATURAL RESOURCES

• **HollyFrontier Corp.**, based in Dallas, announced that its board of directors has declared a special cash dividend of 50 cents per share. The dividend is payable Dec. 16 to holders of common stock of record Nov. 29. The board also approved a regular quarterly dividend of 30 cents per share, payable Dec. 27 to stockholders of record Dec. 6. The special dividend is the fourth declared this year and the 11th since the HollyFrontier merger. HollyFrontier Corp. is an independent petroleum refiner and marketer. Through subsidiaries, it operates several refineries, including one in Woods Cross. A subsidiary of HollyFrontier also owns a 39 percent interest in Holly Energy Partners LP.

HOSPITALITY/FOOD SERVICE

• **Zermatt and Homestead Resorts**, Midway, has hired **Andrew Spear** as director of restaurants. He will oversee all front-of-house operations within the four restaurants: **Z's Steak & Chop Haus**, **Matty's Bistro**, **Simon's Restaurant** and **Fanny's Grill**.



Andrew Spear

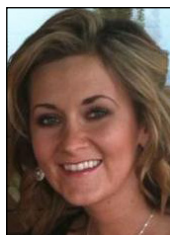
Spear had 10 years of experience in the food service industry, most recently with **Montage Deer Valley** as its food and beverage manager.

MANUFACTURING

• **Truman Hunt**, president and chief executive officer of **Nu Skin Enterprises Inc.**, Provo, rang the **New York Stock Exchange** opening bell Nov. 20 as part of a celebration of the company's growth. The company produces skin care and nutrition products.

NONPROFITS

• The **GOAL Foundation** has hired **Clairese Walton** as its volunteer and festival coordinator.



Clairese Walton

She will oversee and implement foundation volunteer programs and provide an administrative role at all foundation created or supported events. Walton has a decade of event planning, team leadership and strategic planning and execution experience. Prior to joining the **GOAL Foundation**, Walton was the catering director for **Union Grill**, where she oversaw customer service, management, budgets, strategic planning and direction of the **Union Grill** catering team. She has completed several courses from **Weber State**

University and is a graduate of the **Leadership of Northern Utah** program.

REAL ESTATE

• **Extra Space Storage Inc.**, a Salt Lake City-based real estate investment trust that owns and/or operates 1,007 self-storage properties, announced that its board of directors has declared a **quarterly dividend** of 40 cents per share of common stock for the 2013 fourth quarter. The dividend is payable Dec. 31 to stockholders of record Dec. 13.

RESTAURANTS

• **McAlister's Deli**, a fast casual restaurant chain based in Mississippi and Georgia, said that its **Odessa, Texas-based franchisee, Southwest Deli**, will develop 24 restaurants in Utah and three other states as part of a multi-unit development agreement. **Southwest Deli** operates 14 restaurants in Texas and New Mexico, with the new agreement including continued development there as well as adding Utah and Idaho. It will open three restaurants in Texas and one in New Mexico in the 2014 first quarter, with four additional locations to be opened later in the year. Founded in 1989, **McAlister's** has more than 320 restaurants in 24 states.

SERVICES

• **Sprague Pest Solutions**, based in Tacoma, Wash., has promoted **AJ Treleven** to service center manager of its Salt Lake City service center. **Treleven** started his career with **Sprague** as a service technician during college and joined **Sprague** full-time in 2012 after two years in the insurance industry following graduation.



AJ Treleven

He worked as a national account representative handling **Sprague's** regional sales efforts, as well as national sales in conjunction with **Copesan Services**. **Sprague** has been servicing commercial customers in the Utah market since 2001. It provides pest management services in five states.

TECHNOLOGY/LIFE SCIENCES

• **Listen Technologies Corp.**, Bluffdale, has promoted **Tracy Bathurst** to vice president of product development and product management. **Bathurst** will be in charge of all new product development initiatives as well as the management of product life cycles. **Bathurst** has over 24 years of engineering and executive level product management experience in the audio-visual and telecommunications industries. He joined **Listen Technologies** in 2011 as product group leader of the **ListenPoint** product line. He is a graduate of **Southern Utah University** with a **Bachelors of Science in Industrial Technology**.

• **FSLogix**, Orem, has hired **Brad Rowland** as chief marketing officer. **Rowland** will help develop and execute go-to-market strategies, pipeline building programs and corporate communications. He has nearly 25 years of experience in the information technology and software industry, including senior leadership positions in global product management and marketing. Prior to **FSLogix**, he ran product marketing for leading product teams at **Symantec**, and, prior to that, was vice president of marketing and product management at **AppStream**, director of global product management at **Wyse Technology**, and director of thin client computing at **Southwestern Bell Mobile Services**.

Ford Building sold to Kaufman

Kaufman Financial Group, parent company of international wholesale insurance broker **Burns & Wilcox**, has purchased the historic **Ford Building** in Salt Lake City.

"We had been searching for a high quality, historic downtown office building that would put **Burns & Wilcox** closer to our clients and attract top talent," said **Kaufman Financial Group** chairman, president and CEO **Alan Jay Kaufman**. "We are excited to add the **Ford Building** to our real estate portfolio and appreciate the hard work of **CBRE** in bringing us this opportunity."

Burns & Wilcox currently operates from an office just south of the city. The **Ford Building** purchase will give the company an option to relocate downtown.

The building — an 84,500-square-foot office building

located at 280 W. 400 S. in Salt Lake City — was originally the sales showroom for the **Ford Motor Co.** The two-story warehouse was renovated and converted into office space in December 1999.

"The seller of the property was instrumental in the west-side downtown renovation movement," stated **Craig Thomas** of **CBRE**, which handled the transaction. "The **Ford Building** is a great example of how a quality renovation can create a desired asset."

Originally designed by architect **Albert Kahn**, a **Detroit, Mich.**, icon, the **Ford Building** is **Kahn's** only work in the Intermountain West. Accepted to the **National Register of Historic Places**, the property is known for the "SLC Pepper" mural on the block wall of the property's parking structure.



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What are you thinking? Here are a few of my thoughts

The minute I get a thought, I capture it. For the past year or so, I've been texting myself through voice dictation. It works. It's the same way I am writing this column. Voice to text. It works.

I'm about to show you — and share with you — some of those random thoughts. They are in no particular order, and as I paste them into this Word document I'm reading them aloud and altering them. (That's how I edit.) I'm reading them and expanding them on the spot so they become even more valuable and applicable to a salesperson. You.

ON QUESTIONS:

When someone asks you a question, ask yourself, "Why are they asking this, and what does this mean in terms of this person moving toward a purchase?"

There's a motive behind every question a prospect asks. And that motive is the sales driver. In reality, they're thinking to themselves, "If this function works, I can increase my sales. That's the motive, not the function."

For example, they may ask you, "Can this function take

place?" If you answer, "yes," then you've gone right past sale. If you answer "yes" and then ask, "What will this function lead to?" or "What makes this function important to you?" you will then uncover the real buying motive. In sales this is known as the hot button. The reality is, it's your money.



JEFFREY GITOMER

WHAT ARE YOU THINKING?:

- In sales, the largest chasm is the difference between knowing and doing. You already know everything; the problem is you're not doing it.

- How many of you cannot afford to buy what it is you are selling? And how does that affect your belief system? And how does that affect your passion to close the sale?

- Whoever said, "Thoughts are things," only had it partially correct. The better statement is, "Thoughts become things when plans are made, belief is strong, and action is taken."

- In a game of "sales chess" you have to be thinking at least two moves ahead or you'll likely lose your queen.

WHAT DO THEY REALLY

WANT?:

Your customer doesn't want to buy a ball bearing. They want to keep their plant producing. Customers want outcome, not product. Your customer does not want a can of paint, brushes, and rollers. Your customer wants a beautiful room or a updated look to the exterior of their home. Sell OUTCOME, not product.

BE SPECIFIC:

Is your presentation full of generalizations or customization? If you only generalize for the enterprise and generalize about the business, you will lose. But if you customize for your customer, or their customer, they can visualize what's in it for THEM, and they will buy.

SHOW ME THE MONEY, NOT THE PERCENTAGE:

Don't give me a percentage. Give me a dollar amount. EXAMPLE: You say, "We lost 7 percent of our customers this year." Really? HOW MUCH IS THAT IN DOLLARS? That will make you mad. Large companies refer to this as "churn." I define churn as *management's inability to keep customers loyal*. And these same companies who call it churn only present it as a percentage.

"Our churn rate is 3.2 percent." Why doesn't management have the intestinal fortitude to present that as a dollar amount? Answer: They don't want anyone to know, and it places the burden on salespeople to replace the 3.2 percent in order to get to last year's numbers. Not good.

WHAT'S THE REAL CHALLENGE WITH CRM?:

Customer relationship management is the most purchased, least-used and least-adopted software in the history of computers. Why? The salesperson looks at it as management's tool for accountability. CRM adoption rates would triple if salespeople viewed it as something that could help them make a sale.

If you have CRM software for your sales and service people, and you have a 72 percent adoption rate, that means 28 percent of your sales team, and/or your service team, did NOT adopt it, and most likely hate it. I feel reasonably certain that of the 72 percent that did adopt it, a high percentage of them look at it as something they "had to do" rather than something that would help them.

ON IMAGINATION AND WOW!:

Salespeople are missing huge opportunities for engagement and opportunities to gain response from customers by not being imaginative or creative in their communications.

- Show me a sales script, and I'll show you a boring message.

- Show me a slide deck prepared by marketing, and I'll show you a boring message.

- Show me an email prepared by a salesperson, and I'll show you a boring message.

Where's the value? Show me the value. Where's the WOW? Show me the WOW! If you show me WOW and value, I will respond, I will engage, I will connect, and I will buy.

Those are my thoughts and ideas of the moment. All captured the second they occurred to me. Hope they get you thinking, taking action, and capturing yours.

Jeffrey Gitomer is the author of 12 best-selling books including The Sales Bible and The Little Red Book of Selling. His new book, 21.5 Unbreakable Laws of Selling, is now available.

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This presentation is a synopsis of what Doug has invested well over \$3 million in his entrepreneurial career to learn and apply for a life of success and abundance. Doug has presented twice at the Genius Network Mastermind Group (200 of the top entrepreneurs in America) about how to create predictability in your business and life and how to go from inspiration to motivation to implementation to grow ten times in your business. Doug's presentations were captured and distributed to all attendees by popular demand following both Genius Network Mastermind conferences. Subsequently Doug is being featured in SUCCESS magazine during the first quarter of 2014. For subscribers of SUCCESS magazine, Doug prepared a special 1-hour DVD presentation on, "Twelve Keys to a Meaningful Transformation to the Top of Your Industry and Beyond". Because Doug is a weekly columnist with The Enterprise, we have invited Doug to present this valuable information as a sneak preview to our subscribers in an effort to help Utah Businesses make 2014 the best year ever for their business and for continued exponential growth thereafter. Doug has trained more than 3,000 entrepreneurs including some of the most prominent CPAs and tax attorneys in America and continues to mentor many of them. Kick-Start the new year with insights into how to take your business to the next level and beyond.

Calendar

Nov. 26, noon-1:30 p.m.

Utah Chapter of the Association for Corporate Growth (ACG) Executive Roundtable. Open to corporate executives and business owners. Dinesh Patel, partner emeritus at Signal Peak Ventures (formerly vSpring Capital); former president, CEO and cofounder of TheraTech Inc.; and founder of several other companies will discuss "Building a Strong Team and Why It Matters." Location is Grant Thornton, 155 N. 400 W., Suite 500, Salt Lake City. Free for ACG corporate members, \$10 for corporate guests. RSVPs can be completed by contacting Linda Blake at linda@acgutah.org or (801) 359-8613.

December 4, 10 a.m.-noon

Safety Training Seminar, presented by the Utah Manufacturers Association. Event features two classes: "Guide to the Workers' Compensation Audit" and "Personal Protection Equipment." Location is Martin Door Manufacturing, 2828 S. 900 W., Salt Lake City. Free and open to all companies, including those not insured with the Workers Compensation Fund. Lunch will be served. Registration can be completed by contacting Annette Beckstrand at (801) 363-3885 or teresa@umaweb.org.

December 4, 3:30-5:30 p.m.

"How to Raise Money," a seminar organized by the Wayne Brown Institute. Event will feature a discussion about current trends, the basics of the fundraising process, finding the right investor, and how to raise capital from the perspective of a seasoned entrepreneur and an investor. Location is Gateway Tower West, 15 W. South Temple, No. 1200, Salt Lake City. Free. Details are at eventbrite.com.

December 5, 8-10 a.m.

"Advanced Immigration Issues for Technology Companies," a Utah Technology Council (UTC) and Holland & Hart clinic. Roger Tsai, an attorney at Holland & Hart, will discuss how employers seeking to sponsor immigrant workers for permanent residency must undergo a good faith recruitment process to search for U.S. workers, often referred to as the PERM Labor Certification process. The seminar will help human resource professionals to develop best practices for job descriptions, to plan a successful recruitment program and to learn about the newest U.S. Department of Labor adjudication trends. Location is Holland & Hart LLP, 222 S. Main St., Salt Lake City. Free for UTC members, \$30 for nonmembers. Details

and registration are at <http://www.utahtech.org/events/>.

December 5, 8:30 a.m.- 4 p.m.

2013 Fall Policy Conference of the Utah Health Policy Project, titled "We have Liftoff! Real-Time Data from the Launch of Obamacare." Discussion will focus on the first 50 days of implementing the Affordable Care Act. Speaker and panel discussion topics will include "A Critical Look at the Launch of Utah's Health Insurance Marketplaces," "Navigators: Early Reports from the Trenches," "Bumps in the Road: The View from Other States" and "Utah's Options for Medicaid Expansion." Location is Red Lion Hotel, 161 W. 600 S., Salt Lake City. Cost is \$25, \$15 per ticket for small nonprofits (15 employees or fewer). Registration can be completed at <https://www.eventbrite.com/event/8062319615>.

December 5-6

Summit Directors & Officers Training Conference, presented by the National Association of Corporate Directors (NACD) and Brigham Young University Marriott School of Management. Event is designed for board chairs, corporate directors and senior executive officers of publicly traded corporations and corporations growing toward publicly traded status. Location is Montage Deer Valley Resort, Park City. Early registration is \$500. Information and registration are available at www.summitconf.org.

Dec. 11, 8:30 a.m.-4:30 p.m.

"Leading from the Edge: Managing Teams in Difficult Situations," hosted by CEObuilder and Bank of American Fork. Ken Burnett, vice president and director of training and business development at Bank of American Fork, will discuss leadership lessons that kept alive the crew of Ernest Shackleton's 1914 excursion in the Antarctic, and how those lessons can be applied to business and life. To prepare for the forum, participants are encouraged to read "Leading at the Edge: Leadership Lessons from the Extraordinary Saga of Shackleton's Antarctic Expedition." Location is Bank of American Fork, Riverton Branch Conference Room, 2691 W. 12600 S., Riverton. RSVPs by Dec. 9 should be made by contacting Christopher Liechty at christopher.liechty@bankaf.com or (801) 642-3094. The afternoon discussion may be closed for members only if sensitive matters are discussed.

December 11, 8-9:30 a.m.

Utah Technology Council

(UTC) Industry Breakfast. Event will feature former UTC trustee Fraser Bullock, co-founder and a managing director of Sorenson Capital, who will discuss "A Few Big Picture Questions" of a successfully funded tech company in Utah from the private equity side. Location is Thanksgiving Point, 3003 N. Thanksgiving Way, Amber Room, Lehi. Cost is \$35 for UTC members, \$60 for nonmembers. Details are at <http://www.utahtech.org/events> or (801) 568-3500.

December 12

Society of Marketing Professionals Services' Annual Charity Gala Luncheon. Location is the Museum of Natural History. Sponsored by FFKR Architects. Details and registration are available at www.smpsutah.org.

December 12, 8-9:30 a.m.

"Solar Photovoltaic Energy: Generating Your Own Electricity," presented by Hunt Electric. Event will focus on the logistics of Rocky Mountain Power's 2014 Utah Solar Incentive Program application. This program offers cash incentives to its customers for installing solar equipment at a home or business. The class is formatted to help owners, architects and other people have a better understanding of renewable energy systems, design, installation and work procurement. Instructor is Brok Thayne, certified PV installation professional. Location is Hunt Electric Training

Center, 1863 W. Alexander St. (2410 South), Salt Lake City. Cost is \$20. Details are at <http://www.huntelectric.com/training.htm>.

December 12, noon-1 p.m.

Investment Survival Workshop Lunch, presented by Sax Angle Partners, an equity hedge fund based in Park City. Attendees will receive a free copy of the book *The Investment Survival Guide* by Harvey Sax. Location is Bambara Restaurant, 202 S. Main St., Salt Lake City. Cost is \$25. Details and reservation information are available at <http://workshops.saxangle.com>.

December 13, 8-9:30 a.m.

"All Things Press Release," Utah Technology Council's annual PR Breakfast. Public relations professionals will discuss AP style, SEO and press releases, tips for optimizing press release success, creating and maximizing an online press room, and wire posting. Location is Instructure, 6330 S. 3000 E., Suite 700, Salt Lake City. Cost is \$15 for UTC members, \$30 for nonmembers. Details and registration are at <http://www.utahtech.org/events/>.

December 18, 10 a.m.-noon

Safety Training Seminar, presented by the Utah Manufacturers Association. Event features two classes: "Return to Work" and "Fall Protection Awareness." Location is Swire Coca-Cola,

12634 S. 265 W., Draper. Free and open to all companies, including those not insured with the Workers Compensation Fund. Lunch will be served. Registration can be completed by contacting Annette Beckstrand at (801) 363-3885 or teresa@umaweb.org.

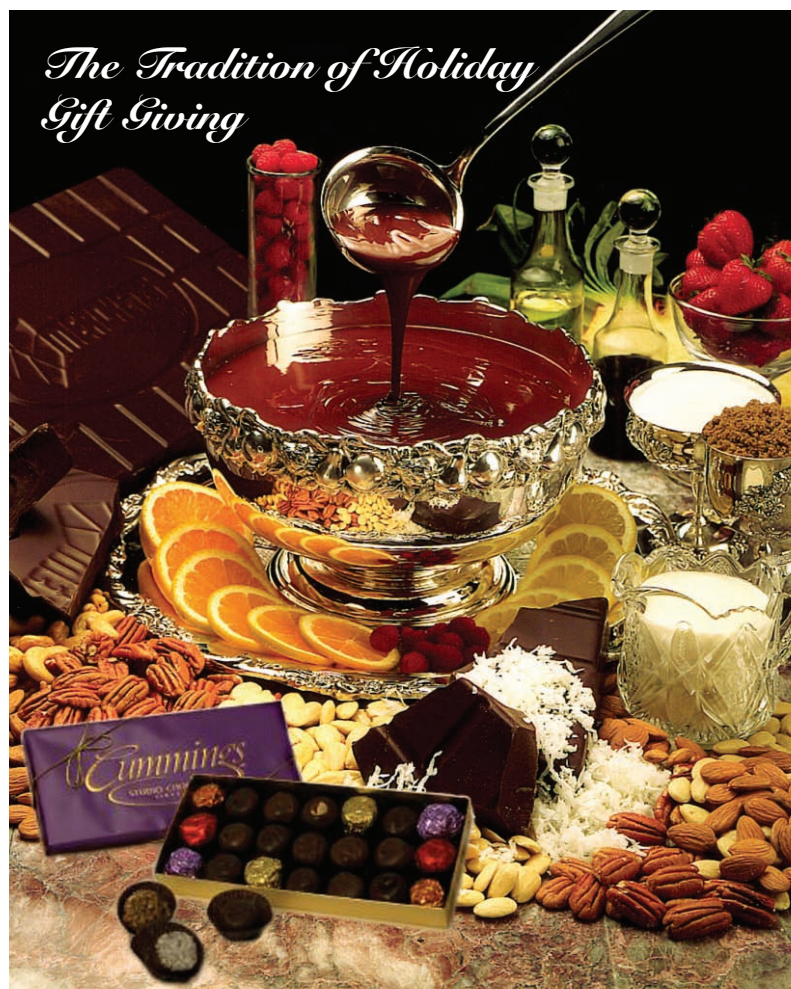
January 7, 7-11:30 a.m.

2014 NAIOP Utah Commercial Real Estate Symposium. Event includes a keynote panel session involving real estate leaders and reviews and forecasts for industrial, investment, office, retail and multifamily market sectors. Theme is "Learning with the Masters." Location is the Hilton Salt Lake City Center, 255 S. West Temple, Salt Lake City. Cost is \$95 for members of the Appraisal Institute, BOMA, CCIM, CREW, IREM, NAIOP, SIOR and ULI associations; \$125 for nonmembers. Details and registration are available at <http://bit.ly/2014UTsymposium>.

January 12-15

"Snow Summit Utah," presented by NAIOP Utah. Event will be a gathering of commercial real estate industry representatives and other business leaders from across North America. Includes a special dinner Jan. 14 featuring Mitt Romney as keynote speaker. Location is Hyatt Escala Lodge, Park City. Details are at www.naiop.org/Utah.

see CALENDAR pg. 9



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CORPORATE EARNINGS

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

BSD Medical

BSD Medical Corp., based in Salt Lake City, reported a net loss of \$8.3 million, or 26 cents per share, for the fiscal year ended Aug. 31. That compares with a loss of \$8 million, or 27 cents per share, for the prior fiscal year.

Revenues for the year totaled \$3.7 million, up from \$2.1 million in the prior year.

The company did not provide a listing of figures specifically for the fourth quarter.

BSD develops, manufactures, markets and services medical systems that treat cancer and benign diseases using heat therapy.

In announcing the results, Harold Wolcott, BSD's president, said the company grew total revenues by 77 percent with only a 13 percent rise in operating expenses. Figures were aided by sales resulting from an agreement with Terumo Europe NV to distribute BSD's MicroThermX Microwave Ablation System product line, he said.

"We began shipping product during the third quarter under our Terumo agreement which covers more than 100 countries with a market potential in excess of \$1 billion," Wolcott said. "Although it is early in our relationship, we are

pleased with the market penetration to date."

FX Energy

FX Energy Inc., based in Salt Lake City, reported net income of \$6.5 million, or 12 cents per share, for the quarter ended Sept. 30. That compares with \$2 million, or 4 cents per share, for the same quarter a year earlier.

Excluding a non-cash foreign currency exchange gain of \$11.5 million, the company said it would have had a net loss of \$5 million, or 10 cents per share, during the most recent quarter. Excluding an exchange gain of \$10.5 million, the year-earlier third quarter would have resulted in a net loss of \$8.5 million, or 16 cents per share.

Revenues totaled \$8.2 million in the most recent quarter, compared with \$9.6 million a year earlier.

FX Energy is an independent oil and gas exploration and production company with production in the U.S. and Poland.

"Though production declined modestly last quarter, we expect an improved result for the fourth quarter," Clay Newton, vice president of finance, said in announcing the results. With expected daily average production expected to rise, "should prices remain stable, total revenues should enjoy a substantial gain," he said.

Franklin Covey

Franklin Covey Co., based in Salt Lake City, reported net income of \$4.3 million, or 47 cents per share, for the fiscal fourth quarter ended Aug. 31. That compares with \$3.4 million, or 18 cents per share, for the same quarter a year earlier.

Sales totaled \$61.6 million, up from \$51 million in the year-earlier quarter.

For the full fiscal year, the company reported net income of \$14.3 million, or 80 cents per share. That compares with \$7.8 million, or 43 cents per share, for fiscal 2012.

Sales totaled \$190.9 million, compared with \$170.5 million for fiscal 2012. Franklin Covey said the fiscal 2013 figure was "the best fiscal year ever for the company's current business."

Franklin Covey creates and distributes content, training, processes and tools used to improve productivity.

Park City Group

Park City Group, based in Salt Lake City, reported a net loss applicable to common shareholders of \$1.2 million, or 7 cents per share, for the fiscal first quarter ended Sept. 30. That compares with \$5,600, or zero cents per share, for the same quarter a year earlier.

Revenues in the most recent quarter totaled \$2.8 million, up from \$2.7 million in the year-earlier quarter.

The company is a cloud-based software company that uses data

management to help retailers and their suppliers.

"Our core business is well positioned for more rapid growth over the next several years and we expect this to become clearer as this year unfolds. ... Given our comfort level with how the company is positioned, we allocated a significant number of personnel to non-revenue producing activities. While these activities may not be reflected in our near-term results, we expect significant return on a long-term basis," Randall K. Fields, chairman and chief executive officer, said in announcing the results.

Security National Financial

Security National Financial Corp., based in Salt Lake City, reported net earnings of \$4 million, or 11 cents per share, for the third quarter ended Sept. 30. That compares with \$1.3 million, or 36 cents per share, for the same quarter a year earlier.

Revenues totaled \$50.6 million, down from \$63.7 million in the prior-year quarter.

SNFC has three business segments: life insurance, cemeteries/mortuaries and mortgages.

"I am particularly pleased with the results of our operations for the first three quarters of 2013. Companywide, this was our fourth-best nine-month result in the history of the company," Scott Quist, chairman, president and chief executive officer, said in announcing the results.

Dynatronics


Dynatronics Corp., based in Salt Lake City, reported a net loss of \$107,784, or 4 cents per share, for the fiscal first quarter ended Sept. 30. That compares with a loss of \$51,145, or 2 cents per share, for the same quarter a year earlier.

Sales in the most recent quarter totaled \$7 million, down from \$7.2 million in the year-earlier quarter.

Dynatronics manufactures, markets and distributes medical devices, orthopedic soft goods and supplies, treatment tables and rehabilitation equipment.

"While sales of manufactured capital products and supplies remained even or improved, reduced sales of distributed medical products and supplies, including exercise products, nutritional supplements and taping products, accounted for the decrease in sales for the quarter ended Sept. 30, 2013, compared to the prior year period," Kelynn H. Cullimore Jr., chairman and president, said in announcing the results. "The continued general economic weakness in our primary markets, combined with uncertainties surrounding the implementation of the Affordable Care Act, have dampened demand and contributed to lower sales numbers."

Cullimore said the Dynatron Thermostim Probe product, to be introduced by year-end, and the expansion of the company's distribution channel "will be the impetus to return Dynatronics to profitability."




Return of the Wolves

The Next Chapter

Mon. Nov. 25, 9PM

What's happened since wolves were reintroduced into Yellowstone and parts of Idaho almost 20 years ago? KUED explores why the wolf remains one of the most controversial animals.

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LUND

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need is in place, people are likely predisposed to believe in the potential of equity investing. So there is a collective American psychology — as yet unshaken — that the stock market is a strong option for investing, making money and building wealth. (The same unshaken assumption remains in the housing market, even after everything homeowners have been through.)

That powerful collective psychology has contributed to the longevity of bull markets — and it isn't going away. We had the bulk of the federal government shut down for 16 days last month, and yet the S&P 500 gained 4.46 percent in October. After 10 months of 2013, the index was up 23.16 percent YTD — and this is a year that has brought fears of a conflagration in the Middle East, the threat of a U.S. credit rating downgrade and a “fiscal cliff,” sequester cuts, a banking crisis in Cyprus that scared the international financial community, and continued high unemployment. Stocks have vaulted past all of it.

Consider the view from this wide historical window: in the last 10 years, the S&P 500 has averaged better than a 7 percent annual

return, even with its appalling 47 percent drop from October 2007 to March 2009. Since 1926, the S&P has a) had 23 years where it returned 10 percent or better, b) never gone negative over a 20-year period, and c) advanced 8 to 10 percent a year on average.

If you bought and held, congratulations. The point is: you stayed in the market. You didn't cash out in late 2008 or early 2009 and decide to buy back at the top (as some bearish investors have recently done). It isn't time to throw caution to the wind. The Federal Reserve is not going to keep easing forever; QE3 will eventually end, perhaps early in 2014. When it does, Wall Street will react. The market may price it in, or we may see something worse happen. When you look at all the hurdles this bull market has overcome in the past few years, however, you have to think there is at least a bit more upside to come. Wall Street is optimistic and the performance of stocks certainly demonstrates that optimism, even as bearish thoughts persist.

Mark Lund is an independent investment advisor, investor coach and author of The Effective Investor. He has written articles for or been quoted in The Wall Street Journal, The Salt Lake Tribune and The Enterprise.

CALENDAR

from page 7

February 6, 8 a.m.-5 p.m.

30th annual Investors Choice Venture Capital Conference, presented by the Wayne Brown Institute. Designed to present opportunities for early-stage and/or high-growth companies to participate in the angel/venture capital process. Location is Zermatt Resort & Spa, 784 W. Resort Drive, Midway. Cost is \$395 for first attendee, \$295 for each additional attendee from the same firm, with discounted early-bird registration available. Details are available at eventbrite.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 future, 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.

CPI

from page 1

line supplies high and prices relatively low over the next several months.

Food at home prices, down 0.7 percent month-over-month, fell again in October primarily due to a decrease in the price of produce and dairy products. Produce prices have now fallen three consecutive months after increasing in six of the eight prior months. Over the past 12 months, prices for food at home are only up 0.6 percent, well below their historic average annual increase of 3.0 percent. Food away prices saw a modest decline of 0.2 percent after jumping about 1.6 percent over the past two months thanks in part to a slight decline in prices at fast

food restaurants.

In other categories, clothing costs increased 0.5 percent as retailers continued to switch out their cheaper summer clothing lines for their more expensive winter clothing lines. Recreation prices, particularly sporting goods prices, increased in anticipation of the upcoming winter ski season. Medical care and housing costs increased 0.3 percent and 0.2 percent, respectively, and the prices for other goods and services increased 0.5 percent. Utility prices decreased 0.7 percent as electricity costs fell in certain areas across the Wasatch Front. Education and communication prices fell 0.2 percent — a decrease in the price of personal computer and Internet plans offset a slight increase in the price of elementary education.



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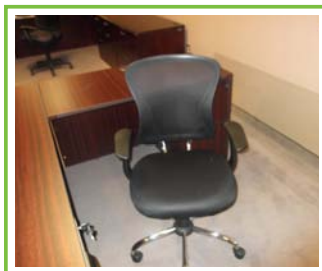
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Opinion

Things are tough enough; see if you can lighten the mood

Today *The Enterprise* publishes its annual *Focus* edition on the workplace. As we think about the places we all work we find that tough business times — like those out of which we are currently working our way — tend to render our offices, plants and stores rather humorless. On this subject, a friend who works on the sales crew of a local media company told me recently, “We’re so stressed it’s hard to have any fun at work — it’s not like it used to be.”



JOHN M. ROGERS

We all still seem to be able to put on a happy face for the client or customer, but when it’s just us, things are pretty dour.

It reminds me of the old joke about the fellow who dies and when he meets up with St. Peter, the gatekeeper gives him a choice. “You’ve lived a pretty good life, taken care of your family and been pretty honest. But we do things a little differently here than you might expect. I’m here to give you a choice of where you want to spend eternity.”

The guy is pretty confused. “What do you mean?”

St. Pete responds, “You get to spend a few days here in heaven and then a few

days in hell and then decide for yourself where you want to be.” So the guy takes a tour of heaven. He finds it beautiful and pleasant. There are choirs singing. The animals all get along and everyone is absolutely kind and helpful. And the streets are paved with gold — just like he had heard.

“OK, now spend a day or two in hell and come back and tell me what you’ve decided.” In hell, the guy finds beautiful white sandy beaches, endless parties — the people are all happy and laughing. Most of his old friends are there (naturally). And to top it all off he has front row season tickets to the Jazz. He rushes back to St. Peter and says, “As hard as it is for me to believe, I choose to live forevermore in hell.”

He’s immediately dispatched back to Hades, where he finds brimstone and burning lakes, miserable people chained to their work and endless beatings from Satan. “Hey, what’s the deal?” he yells at Satan. “I was just here the other day and it was all fun and games. What gives?”

“Last week you were a recruit,” Lucifer responds. “Now you’re an employee!”

So, what’s happened to humor in the

workplace? One local HR manager believes people are afraid of appearing to be not serious in fear of losing their jobs. “They feel a need to fly under the radar and not stick out. The job is that important to them.”

It wasn’t always that way. There was a giant wave of humor during the Great Depression, for example. The Marx brothers and Jack Benny were born of tough times. It was Groucho Marx that said in the 1931 movie “Monkey Business,” “I’ve worked my way up from nothing to a state of extreme poverty.”

Just after World War II, future president Dwight Eisenhower told a recovering nation, “A sense of humor is part of the art of leadership, of getting along with people, of getting things done.”

I think that tasteful humor is a key to success at work. Done right, humor can lighten the mood, loosen up the crew and even add to productivity.

Michael Kerr, an international business speaker and author of *The Humor Advantage: Why Some Businesses are Laughing all the Way to the Bank*, says the amount or type of humor you’ll find in any given workplace depends almost entirely on the culture. “In workplaces that encourage people to be themselves — that are less

hierarchical and more innovative — people tend to be more open with their humor,” he says. “Even people who aren’t always comfortable sharing their humor tend to do so in more relaxed environments where the use of humor becomes second nature with everyone’s style.”

Kerr says dozens of surveys suggest that humor can be at least one of the keys to success. A Robert Half International survey, for instance, found that 91 percent of executives believe a sense of humor is important for career advancement, while 84 percent feel that people with a good sense of humor do a better job. Another study by Bell Leadership Institute found that the two most desirable traits in leaders were a strong work ethic and a good sense of humor.

One word of caution. As with anything else, humor has its time and place. And there’s never a time or place for inappropriate humor — that humor that causes others to feel uncomfortable.

Otherwise, see if you can be the one to lighten the place up. Maybe it’s time to break out the lampshade.

John Rogers is the managing editor of the Enterprise. He can be reached by email at john@slenterprise.com.

Self-reliant people would ruin the left's reason for being

A friend recently sent me a link to an inspiring video about an upbeat young black man who was born without arms. It showed him going to work — unlike the record number of people living on government payments for “disabilities” that are far less serious, if not fictitious.

How is this young man getting to work? He gets into his car and drives there — using controls set up so that he can operate the car with his feet.

What kind of work does he do, and how does he do it? He is involved in the design of racing cars. He sits at his computer, looking at the screen, with the keyboard on the floor, where he uses his toes as others use their fingers.

His story recalls the story of Helen Keller, who went to an elite college and on to a career, despite being both deaf and blind. Her story was celebrated in books, in television documentaries and in an inspiring movie, “The Miracle Worker.”

But our culture has changed so much over the years that the young man with no arms is unlikely to get comparable publicity. Helen Keller’s achievement was seen as an inspiration for others, but this young man’s achievement is more like a threat to the prevailing ideology of our times.

The vision on which the all-encompassing and all-controlling welfare state was built is a vision of widespread helplessness, requiring ever more expanding big government. Our “compassionate” statisticians would probably have wanted to take this young man without arms, early on, and put him in some government institution.

But to celebrate him in the mainstream

media today would undermine a whole ideological vision of the world — and of the vast government bureaucracies built on that vision. It might even cause people to think twice about giving money to able-bodied men who are standing on street corners, begging.

The last thing the political left needs, or can even afford, are self-reliant individuals. If such people became the norm, that would destroy not only the agenda and the careers of those on the left, but even their flattering image of themselves as saviors of the less fortunate.

Victimhood is where it’s at. If there are not enough real victims, then fictitious victims must be created — as with the claim that there is “a war on women.” Why anyone would have an incentive or a motivation to create a war on women in the first place is just one of the questions that should be asked of those who promote this political slogan, obviously designed for the gullible.

The real war — which is being waged in our schools, in the media and among the intelligentsia — is the war on achievement. When President Obama told business owners, “You didn’t build that!” this was just one passing skirmish in the war on achievement.

The very word “achievement” has been replaced by the word “privilege” in many writings of our times. Individuals or groups that have achieved more than others are called “privileged” individuals or groups, who are to be resented rather than emulated.

The length to which this kind of think-

ing — or lack of thinking — can be carried was shown in a report on various ethnic groups in Toronto. It said that people of Japanese ancestry in that city were the most “privileged” group there, because they had the highest average income. What made this claim of “privilege” grotesque was a history of anti-Japanese discrimination in Canada, climaxed by people of Japanese ancestry being interned during World War II longer than Japanese Americans.

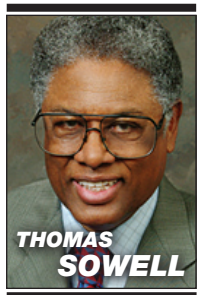
If the concept of achievement threatens the prevailing ideology, the reality of achievement despite having obstacles to overcome is a deadly threat. That is why the achievements of Asians in general — and of people like the young black man with no

arms — make those on the left uneasy. And why the achievements of people who created their own businesses have to be undermined by the President of the United States.

What would happen if Americans in general, or blacks in particular, started celebrating people like this armless young man, instead of trying to make heroes out of hoodlums? Many of us would find that promising and inspiring. But it would be a political disaster for the left — which is why it is not likely to happen.

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THOMAS SOWELL



THE BASE

Opinion

China's coming challenges

"We are all struck by the contrast between Beijing and Washington," said George Yeo, the former foreign minister of Singapore. He was referring to the quality of governance in the two capitals — in particular, the sense pervasive in Asia that the United States has lost its ability to execute public policy with competence (see Iraq, Obamacare). Beijing, on the other hand, has been carefully and systematically planning a series of reforms that will likely make China the world's largest economy within a decade.

The contrast is particularly striking because China faces huge challenges and will need to make major economic, political and social reforms as it navigates through the "middle income trap" that has affected so many once-fast-growing developing countries. The United States, on the other hand, remains the world's most innovative economy with a dynamic and growing society. It simply needs some common-sense policies on a range of issues — such as infrastructure, entitlements and immigration. And yet it's hard to foresee progress on any of these fronts in the next few years in Washington.

Yeo and I were among a group of visitors invited to China by the Berggruen Institute, a global think tank, for meetings with China's top leaders, including President Xi Jinping. They were more confident and relaxed than at any point in the more than 20 years that I have been visiting China. In the past, they talked about China's weaknesses and problems and always about how they were far behind the United States. I heard little of that on this visit. But the country continues to search for ideas and best practices from everywhere. "One of the reasons China has succeeded so far," Xi told us, "is that we have been willing to learn from others, even small countries like Singapore."

The task today is huge but no greater than in the past. China's original market-oriented reforms were announced by its leader, Deng Xiaoping, in 1978. (Imagine creating a market economy from nothing and finding managers for it when the entire national university system had been shut down for a decade!) The second burst of reforms, globalizing one of the world's most isolated economies, was announced in 1993 by President Jiang Zemin. The Communist Party plenum starting this weekend will mark the third major push for reform in modern Chinese history.

In recent years, Beijing has dithered. It has known what to do but has chosen to put off things that would be politically difficult. Instead it has used cheap credit as a stimulus to boost the economy every time growth faltered. But senior officials have acknowledged this and seem determined to make good on their promises this time. "If we loosen credit, if we expand the fiscal deficit, that would be like an old saying where one carries firewood to extinguish a fire," Premier Li Keqiang said to the group.

China's leaders have promised "unprecedented" market-oriented reforms that are "comprehensive, economic, social and political." We will have to wait and watch to

see what that means but, for sure, it means no moves toward democracy. It will likely involve administrative changes that make China's bureaucracy more efficient, effective and honest. Local courts, for example, long dominated by corrupt local politicians, are likely to be streamlined, perhaps with the creation of an American-style federal circuit.

In fact, so far, the country has actually moved in the opposite direction politically, clamping down on the Internet as part of a Maoist campaign against dissent.

One participant described this as a strategy that "moves left politically so that you can move right economically." He said it mirrored Deng Xiaoping's approach, which is summarized in a joke that he once instructed his driver to turn the left signal on while turning to the right.

Many in my group of visitors to China were confident the country would manage this process successfully. "The Chinese ruling elite is fully aware of the rising political and social tensions in the country," said Yeo, "and they respond to them and allow a good bit of openness in the society and on the Internet. But they will keep intervening to stop these tensions from getting out of hand. They are engineers, and in any system, you need some friction to slow things down. Too much friction will stop the machine, but too little will cause systemic instability."

It's a powerful metaphor. But one wonders whether a political system can be run like a machine, full of mechanical parts. A nation, after all, is full of people, who are sometimes animated by passions, expectations, fears and anger. Managing those might prove a tough challenge for even the finest engineers.

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FAREED ZAKARIA

Learn from the lesson of the folded paper

In business it's all about growth. The upward rise on the chart. The boost to the bottom line. The lion's share of the market share. But as a professional, as a leader and as an individual, how does one accomplish more? What if it could be 10 times more? This is the difference between exponential growth and linear growth. Do this mental exercise with me. Imagine I have a regular piece of copy paper. We're going to fold it half, and then we'll fold it in half one more time. Now, imagine that we could fold this sheet of paper in half 48 more times, for a total of 50 times.



DOUG ANDREW

I have asked CPAs and tax attorneys, people who work with numbers, to give me their estimate on how thick they think this piece of copy paper would be if it were doubled a total of 50 times (which is the same as folding it in half 50 times — it's doubling, doubling, doubling, etc.) They have guessed quite a range: Many will say somewhere between three-eighths to an inch thick; others will estimate a foot or so; and a few will go as far as 200 miles (while others laugh).

The reality? If you were to fold a simple sheet of copy paper in half 50 times, it would be 93 million miles thick. That is the same as from here to the sun. If you could fold it over one more time, 51 times, it would be the thickness from here to the sun and back. That's exponential growth versus linear growth.

How this does apply to you? I have found that successful professionals who lead prosperous companies understand the difference between exponential growth and linear growth. It would be the difference of, let's say, at age 30, you're making \$75,000 a year and you think, "Oh, by the time I'm 60, I want my net worth, or my nest egg, to be 10 times that." But why settle for linear growth? What if the goal were exponential growth?

Many successful people grow their business or net worth by 10 times every five years. In this example, instead of growing your net worth 10 times by age 60, you could be growing it 1 million times! That's right. If you were able to grow exponentially — by 10 times every five years — you would have a million times growth instead of just 10 in the same 30-year period.

That's the magic of compound interest. That's why Albert Einstein called it the eighth wonder of the world. This is the significance of exponential versus linear growth. This is abundance, folks.

I have taught CPAs, tax attorneys, financial advisors and successful professionals the power of compound interest for decades. No matter how much they thought they knew before, when they have that "aha" moment and truly grasp what compound interest can do, their futures (and their clients' futures) are never the same again.

So as you look at your personal wealth, and your company's, start thinking exponentially. Learn more about the principles of True Wealth. Because isn't it time you lived an abundant life?

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

Bearish thoughts persist in a bull market

At the end of October, the S&P 500 was up 24.39 percent in the past 12 months. What investor wouldn't want gains like that? As uplifting as that market advance was for many, some baby boomers missed out on it. They were simply too afraid to get back into stocks — they couldn't dispense with their memories of 2008.

Would most boomers take a 4 percent return instead? Earlier this year, the multinational investment firm Allianz surveyed Americans with more than \$200,000 in investable assets.

Allianz found that for most of these people, protecting retirement savings was financial priority number one. Aversion to risk ran high: 76 percent of the respondents said that they would prefer an investment vehicle that offered a 4 percent return with no chance of loss of principal over an investment that of-

fered an 8 percent return without principal protection.

In the equity markets, risk and reward are not easily divorced. They come together in an imperfect marriage, a problematic one — but it is one you may need to put up with these days if you are seeking decent yields. With interest rates so minimal, fixed-rate, risk-averse investing can put you at a disadvantage even against mild inflation. If you turn your back on equity investing right now, you could find yourself thwarting your retirement savings potential.

Psychology froze some boomers out of the Wall Street rebound. The awful stock market slide of 2008-09 left many midlife investors skittish about stocks. As Wall Street history goes, that was an extraordinary, aberrational stretch of market behavior. These events, and the fears that fol-

lowed, may have scared certain investors away from stocks for years to come.

What price risk aversion? At the end of the third quarter, more than \$8 trillion was sitting in U.S. money market accounts, doing basically nothing. It wasn't being lost, but it sure wasn't returning much. In the Allianz survey, 80 percent of baby boomers polled viewed the stock market as volatile; 38 percent said that volatility was prompting them to keep some or all of their cash on the sidelines.

While all that money isn't being exposed to risk, it is also bringing investors meager rewards. Consider the psychology of our society for a moment. Generation after generation is told to save and invest for future objectives, most prominently a comfortable retirement. That need, that purpose, is not going away. As long as that societal

see LUND pg. 9



MARK LUND

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