

# THE Enterprise

## UTAH'S BUSINESS JOURNAL

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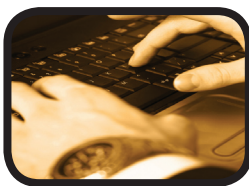
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### THIS WEEK



#### Legal Matters

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### UTAH Focus

#### Small Business in Utah

In this edition.

THE Enterprise

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## Children's clothing manufacturer to expand operations

Naartjie Custom Kids Inc., a West Valley City-based manufacturer and retailer of children's clothing, accessories and footwear for ages newborn through 10 years old, is preparing to vastly expand its corporate offices and website store fulfillment operations.

Currently located at 2688 S. Redwood Road, the company has leased approximately 30,000 square feet at 3675 W. California Ave., Salt Lake City, where it plans to move in July, said director of marketing Joe Norwood.

"We're tripling the size of our website facility and probably tripling the size of our corporate office as well," he said. Norwood was unsure how many employees would make the move, but estimated the number to be around 35.



The name Naartjie (pronounced nar chee) is an Afrikaans word for a small, sweet citrus fruit found in Africa. The firm was founded in Cape Town, South Africa in 1989 by designer Anne Eales, who decided she wanted an alternative to the basics-dominated children's clothing brands that were available to her as she shopped for her three young boys. The first store was launched in Cape Town in 1992. Naartjie South Africa and the worldwide rights to the brand were purchased in 2001 by Naartjie USA, creating an International company and brand. The first U.S. store was

see NAARTJIE page 4

## First quarter SL County real estate report shows some improvement

Office vacancy in Salt Lake County fell slightly, while industrial lease activity is strong and asking lease rates for retail space are modestly lower, according to a first quarter 2011 market report by Commerce Real Estate Solutions, Salt Lake City.

#### Office Space

During the first quarter of 2011 the Salt Lake office market direct vacancy rate reduced slightly to 15.41 percent. Lease rates inched up slightly over the previous quarter and landlords are continuing to offer concessions to lure new tenants. Direct absorption was a positive 166,103 square feet for the first quarter of 2011, starting the year off strong. There were no new buildings completed in the first quarter, however four buildings totaling 518,312 square feet are currently under construction. The office market is beginning to show signs that the recovery has begun.

#### Industrial Market

The overall vacancy rate slightly increased to 7.42 percent from 7.26 percent last quarter. Although Salt Lake County market activity has increased, this vacancy rate increase sug-

gests companies are still downsizing and giving up space. The Salt Lake market has seen a 56 percent increase in lease activity in the first quarter of 2011 compared to the same period last year. Sales also showed a significant increase in activity, bringing the total market increase to 60 percent, according to the report. Lease rates are beginning to show signs of stabilizing. Rents in the 50,000 square foot range are going up and the spread between asking lease rates and actual lease rates are beginning to tighten. Landlords will continue to offer concessions such as free rent as incentives to keep their properties leased. Construction has effectively come to a stop in buildings under 100,000 square feet with both developers and users still starving for commercial real estate debt capital.

#### Retail Space

Asking lease rates are modestly lower for the quarter in all sub-markets, excluding the central east, which showed a slight increase from \$18.99 per square foot to \$19.26 per square foot. This modest decrease was reflect-

see REAL ESTATE page 2

## Indoor inflatable playground franchise eyes Utah market



A typical Pump It Up store measures 10,000 square feet and has ceiling heights of 14 to 16 feet.

By Barbara Rattle  
The Enterprise

Pump It Up, a Tempe, Ariz.-based firm that is the nation's largest franchise of indoor inflatable playgrounds for private parties for birthdays and programs such as corporate events, school outings, field trips and other outings, has an eye on the Utah market.

The company is seeking franchisees to open two — perhaps three — locations in the greater Salt Lake City area.

"I came on in June 2009 and in about January 2010 we started looking at some great markets out there that we are not in," said

CEO Lee Knowlton. "We kind of created a Top 10 list and Salt Lake City easily fell in there — the population, the demographics, the income, lifestyle, family values — all of that. So we started working on looking at the market and franchisee interest and more aggressively targeting the market to see if we can match up our concept with a great owner/operator to be able to open a store that we think would be very successful."

The typical Pump It Up store measures about 10,000 square feet and has ceiling heights of 14 to 16 feet.

see PUMP page 2

## Intermountain Bobcat to build new facility, double staff

By Barbara Rattle  
The Enterprise

Murray-based Intermountain Bobcat plans to break ground in June or July for its third location.

The firm has purchased 8.1 acres at 3451 W. 2100 S., West Valley City, where it plans to construct a 12,000 square foot sales, parts, service, financing and rental operation that should be operable in early 2012, said Jeff Scott, vice president-Wasatch Division manager. The new facility will employ between 20 and 25 people, effectively doubling Intermountain Bobcat's existing staff, who work at locations in Murray and St. George.

Founded in 1968, Intermountain Bobcat chose the West Valley City site in part due to



its location and also due to incentives from the city, Scott said. The construction project is a design-build job that will be completed by Hughes General Contractors.

Selling, servicing and renting equipment ranging from compact tractors to 4x4 utility vehicles, Intermountain Bobcat is the only authorized Bobcat dealer for Utah, southern Idaho and southwestern Wyoming.

The firm is an arm of Scott Machinery Co., also founded in 1968. Scott Machinery was

see BOBCAT page 2



## REAL ESTATE

from page 1

ed across the board in all types of retail. Sunflower Farmers Market and Whole Foods both launched new stores in the downtown CBD periphery with strong openings. Most retailers are reporting first quarter sales increases of 6 to 10 percent in year-over-year sales numbers from first quarter 2010. Sales of significant retail properties throughout the U.S. totaled \$1.5 billion in February, a 171 percent increase from one year earlier showing an availability of funding.

### Investment Activity

Overall investment activity is increasing, according to first

quarter year-over-year results in both dollar volume and number of transactions completed. A notable increase in investment volume is projected through 2011. Cap rates are compressing for prime properties, while increasing for the rest. Overall cap rates increased in all categories of commercial real property types, except multi-family. This suggests a narrowing of the gap between buyers and sellers expectations and highlights the popularity of securing positions in the multi-family sector due to its ability to quickly adjust rental rates to improving market conditions. Activity is partially spurred by the beginning flow of debt capital to the marketplace through a variety of lending

sources.

### Buyer Profile

- Instate/out-of-state: currently 65 percent/35 percent, previously 50 percent/50 percent.
- 1031 exchange: 23 percent, previously 40 to 50 percent.
- Cash buyers: currently 50 percent cash, previously 5 to 10 percent.

## BOBCAT

from page 1

founded by D. Brent Scott and his sons, David and Jeffrey, and was the original John Deere Industrial dealer for Utah. During the four decades it has been in business, Scott Machinery expanded to eight locations representing John Deere, Hitachi, Bobcat and other allied brands. The firm sold the John Deere/Hitachi business and assets to Honnen Equipment in 2009. An affiliate, Scott Intermountain Companies, operates a division, Intermountain Compact Equipment Supply, that sells aftermarket supplies such as tracks, engines and allied products to the compact equipment industry. A new venture and division, Intermountain Sustainable Power Systems, will be the Utah supplier of Endurance Wind Power products.

## PUMP

from page 1

“When we’re looking at spaces we typically can’t go into a regular strip center mall that doesn’t have the ceiling height,” Knowlton said. “So we look at ex-big box type places or industrial type locations that tend to have those ceiling heights. Or we build to suit. We typically like 60,000 to 70,000 kids ages two to 10 in a 20-minute drive time area. Certainly middle income and up.” Pump It Up’s franchise fee is \$40,000, plus 6 percent ongoing royalties and a 1 percent fee that funds a national marketing campaign. Build-out can cost between \$150,000 to \$300,000 depending on the location and the area of the country in which the store is located.

“Salt Lake City is more middle-of-the-road on construction costs,” Knowlton said.

Birthday celebrations at Pump It Up range in cost from roughly \$100 to \$400 based on the length of the party, the number of attendees and the services and products required. Company staff are able to provide themed party rooms, food and beverages and goodie bags, and will transport gifts to and from parents’ vehicles into the facility. In addition, parents can bring their children in to enjoy Pump It Up for about \$7 to \$8 per hour, per child.

“Our concept is not only fun and celebratory in terms of birthdays, but it’s really good for you in the exercise sense,” Knowlton said. He noted Pump It Up has partnered with the Ad

Council of America to promote the recommendation that children exercise 60 minutes a day. As part of the Jump It Up Challenge, children receive a punchcard; once they’ve jumped six times they get a free jump session.

Knowlton said Pump It Up is somewhat unique in that its party rooms are private — the rooms are reserved only for one group.

“A lot of similar concepts, when you go into the play area you can be with other children from other parties and groups,” he said. “There’s nothing necessarily wrong with that, but sometimes your child is interacting with children, maybe there are different age groups, and it doesn’t always go well.”

Trained staff monitor all the children’s activities; Knowlton said Pump It Up has an extremely strong safety record among its more than 150 locations.

In addition to birthday parties, Pump It Up also hosts school field trips, Scout troop events, Easter egg hunts, Fourth of July events, “Cooking With Santa,” Thanksgiving events and fund-raisers for schools. In the latter case, as much as 50 percent of a fund-raising activity’s revenues will be donated to the participating school.

The average location employs approximately 30 full- and part-time staffers. Knowlton said the company is on schedule to open 10 to 12 new stores this year, and interest from potential Utah franchisees has already been expressed.



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## Red Rock Brewing to open 320-seat eatery in Murray



Red Rock's downtown location, launched in 1994, seats about 280. A Park City location was launched six years ago.

**By Barbara Rattle**  
The Enterprise

Red Rock Brewing Co., a Salt Lake City-based restaurant and brewery, is slated to open its third eatery this summer in Murray.

The approximately 320-seat establishment, the company's largest, is expected to open in mid-July at the Fashion Place Mall, just outside the shopping center's food court, said marketing manager Mike Brown. It will operate under the name Red Rock Place, and has received a full-service restaurant license from the Utah Department of Alcoholic Beverage Control.

Brown said the Murray location was chosen not only because of the success of national chain restaurants in the area — such as Macaroni Grill and Red Lobster — but also because “we've been wanting to find something that would get us a little further down south in the valley to make sure that we keep the name out there and continue the success of the franchise.”

The first Red Rock opened in downtown Salt Lake City in 1994. It seats roughly 280. A Park City location followed six

years ago. Red Rock also operates two breweries — one within the downtown location and another at approximately 400 West and 400 North in Salt Lake City.

Many members of the approximately 100-member staff that will operate the new Murray location have already been hired, Brown said, and some are currently being trained at the existing locations. While the Murray site will bear some similarities to the downtown store, architect Kin Ng “has been very particular about wanting to make sure that it has its own feel, though staying within the Red Rock look.”

Days and hours of operation, as well as the menu at the new location, will be at the discretion of its general manager, but should be similar to those of the downtown restaurant.

Red Rock is controlled by three partners — Robert Jensen, Hank Rutter and Eric Dunlap. The firm has been recognized for its world-class beers by the North American Brewers Association, The Great American Beer Festival, The World Beer Cup, and the Australian International Beer Awards. Red Rock has also received many regional awards.

## Texas company buys seven Utah pawn stores



Austin-based EZCORP Inc. has acquired seven pawn stores located in the Salt Lake City area. The stores, which have been operated under the Jumping Jack Cash brand, were purchased for cash from Jumping Jack Cash Utah LLC. The acquired stores include four traditional pawn stores, two “super stores” and one jewelry-only specialty store.

“The acquisition of these stores gives us an immediate and significant pawn presence in the Salt Lake City area,” said Eric Fosse, president of EZCORP's North American operations. “Salt Lake City is a very attractive area for us, and these pawn stores complement our existing 17 EZ Loan Services stores in Utah. This acquisition also aligns with our strategic initiative to diversify our product offerings, delivery methods and geographies. With our previously announced planned acquisition of 15 Mister Money pawn stores in Iowa, Wisconsin and Illinois, which is scheduled to close later this month, we will have extended our U.S. pawn operations into three new states this year. These acquisitions enable us to leverage our existing operational structure, while giving us a solid base for continued expansion.”

EZCORP is a provider of specialty consumer financial services. It provides collateralized non-recourse loans, commonly

known as pawn loans, and a variety of short-term consumer loans, including payday loans, installment loans and auto title loans, or fee-based credit services to customers seeking loans. At its pawn stores, the company also sells merchandise, primarily collateral forfeited from its pawn lending operations. The firm operates more than 1,000 stores, including over 500 pawn stores in the U.S. and Mexico and over 500 short-

term consumer loan stores in the U.S. and Canada. The company also has significant investments in Cash Converters International Ltd., which franchises and operates a worldwide network of more than 600 stores in 21 countries that provide financial services and sell pre-owned merchandise, and Albemarle & Bond Holdings PLC, one of the U.K.'s largest pawn-broking businesses, with over 140 stores.

Summons by Publication in the Third Judicial District Court in and for Salt Lake County, State of Utah: PEAR SPERLING EGGAN & DANIELS, P.C., v. CHAD L. SAYERS, ET AL. THE STATE OF UTAH TO DEFENDANTS CHAD L. SAYERS; PSNET, INC.; AND PSNET COMMUNICATIONS, INC.: You are hereby summoned and required to answer to the Complaint on file with the above-entitled Court. Within twenty (20) days after service of this Summons, you must file your written answer with the clerk of the above-entitled Court at 450 South State Street, Salt Lake City, Utah 84111, and to serve upon or mail to Walter A. Romney, Jr. of Clyde Snow & Sessions, Attorneys for Plaintiffs, 201 South Main Street, Suite 1300, Salt Lake City, Utah 84111, a copy of said answer. If you fail to do so, judgment by default will be taken against you for the relief demanded in said Complaint, which has been filed with the Clerk of said Court.

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## Avalon Health Care buys 40,500 square foot building for new HQ

Avalon Health Care Inc., a Utah-based provider of health-related services for patients throughout the western U.S., has purchased a 40,500 square foot building at 206 S. 2100 W., Salt Lake City, that will serve as the company's new headquarters.

Presently located at 255 E. 400 S., Salt Lake City, company executives could not be reached for comment.

According to NAI West, whose commercial real estate brokers Bill Murray, Rick Davidson, Brandon Smith, Collin Perkins and Jim Balderson brokered the transaction, Avalon bought its new building from International Commercial Properties LLC. Avalon traded its net equity in its existing downtown building and restaurant as a credit toward its down payment on the purchase price of the newly

acquired building. The structure was completed roughly two years ago and Avalon is expected to take occupancy in the next 60 to 90 days, once renovations are complete.

"I believe it's a unique transaction wherein the net equity of a former headquarters building was traded for the purchase of a new headquarters location," Murray said. "This arrangement allows

Avalon to occupy its new building utilizing its net equity from the two downtown properties. This will assist Avalon in consolidating its extensive operations and activities into one location as efficiently as possible."

Avalon is a privately held group of health care companies serving people in Utah, Arizona, California, Nevada, Washington and Hawaii.

## Utah State Bar elects new officers

Lori Nelson, a partner in the Salt Lake City law firm of Jones Waldo Holbrook & McDonough, has been elected president of the Utah State Bar for 2012-2013.

Nelson has served as chairperson and co-chairperson of the Family Law and Governmental

Relations committees, respectively. She will serve as president-elect for 2011-2012, replacing Rodney Snow, who will take over as Bar president in July.

Also in the recent elections, Utah State Bar members selected commissioners to serve three-year terms representing their areas of the state.

In the Third Division, serving Salt Lake, Tooele and Summit counties, current commissioner Dickson Burton was re-elected and Eve Furse and Robert Rice were elected as new commissioners. Burton, a 27-year member of the Utah State Bar, had served approximately six months of a one-year term as Third Division commissioner.

Furse is currently a Senior City Attorney with Salt Lake City Corp., specializing in civil litigation, and Rice has practiced at the Salt Lake City-based firm of Ray Quinney and Nebeker since 1993. In the First Division, serving Cache, Box Elder and Rich counties, Herm Olsen was reelected to another three-year term. Olsen has been a practicing attorney for more than 30 years, and previously served as legislative counsel for former Utah Congressman Gunn McKay.



Nelson



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## NAARTJIE

from page 1

opened in Santa Clara, Calif. in March of 2001. Today, there are 48 stores in the U.S. and 25 in South Africa, although customers are located in almost 30 countries. Merchandising headquartered in Burlingame, Calif., while the Naartjie design studios and South African operations remain in Cape Town.

The company describes its clothing as a "truly unique synthesis of European fashion trends with western casual lifestyle." A dominant focus is placed on natural fabrics that are garment-dyed, pre-washed and pre-shrunk for easy wear, low maintenance and comfort.

Naartjie leased its new location with the assistance of Tom Freeman and Travis Healey of Commerce Real Estate Solutions.

## Connecticut insurance distributor opens office in West Valley City

Futurity First Insurance Group, a Rocky Hill, Conn.-based independent nationwide insurance distributor, has opened an office in Utah.

Corby Hansen, formerly with MetLife, Morgan Stanley and Bankers Life and Casualty Co., is the office's district sales manager. The branch is located at 3441 S. Decker Lake Dr., West Valley City.

Hansen said he is joined by three other agents and is looking to add a fourth.

Futurity First sells a full line of insurance products — with the exception of property and casualty — from “the best of the best companies,” Hansen said. “So we represent Mutual of Omaha, ING, John Hancock, Lincoln, MetLife.”

Hansen described Futurity

First's business model as unique.

“I've been at MetLife and at Bankers Life where I was a captive agent and I could only

sell that company's product,” he said. “What Futurity First has done is they don't produce any insurance, they're just a distribution channel.

But the tradeoff is we're actually W-2 employees and receive medical benefits and 401(k) contributions, have an office and management support and a team atmosphere. It's the best of being captive combined with the best of being an independent agent. It's actually a really unique concept; I had not seen it done very many, if any, places.”

Futurity First was founded roughly four years ago. It has 15 offices across the country.



Hansen

## WVC-based PneumaTrek sold to Cleveland company

PneumaTrek National Inc., a West Valley City-based purveyor of hydraulic and pneumatic systems and fluid power components, has been sold to Bearing Distributors Inc. (BDI), Cleveland.

Founded in 1975, PneumaTrek has eight employees, will retain its name and has become a division of BDI, said former owner Dennis Iverson, who is now PneumaTrek's manager.

“The addition of PneumaTrek to the BDI Family fosters our continued westward expansion within the U.S. and allows us to support a number of our global customers with locations in the Intermountain region,” said John Ruth, president of BDI-USA.

Iverson said PneumaTrek sells to OEMs as well as large companies such as Autoliv and Thiokol — “any place that has automated machinery.” He said while BDI is an international firm with a strong presence in the east-



ern U.S., “when they approached me and I wanted to get familiar with them, I found their closest location was in Nebraska. They're kind of moving westward and filling in the U.S. with their distribution.”

“They call us their support group,” Iverson said of BDI. “They'll help us to grow our business and give us the finances to do so. We need to hire more people and take on bigger inventories and they'll help us do that.”

Iverson said he opted to sell because he is nearing retirement age and the transition was a good opportunity.

BDI is a leading industrial distributor to manufacturing companies throughout the world, with locations in the U.S., Canada, Mexico, Europe and Asia.

## Steel firm leases 56,000 square feet in SLC

Chicago-based Ryerson Steel, a leading distributor and processor of metals in North America, has leased 56,000 square feet at 514 W. Picket Circle, Salt Lake City.

Executive vice president and chief financial officer Terence Rogers declined to comment on the transaction.

Ryerson operates a full-line service center at 560 S. Main St. in Clearfield.

According to Hoovers.com, Ryerson offers its 40,000 customers steel products (carbon, stainless and alloy) and aluminum, brass, copper, and nickel alloys. It buys bulk metal products (in sheets, bars and other forms) from metal producers and processes them to meet the specifications of its customers — machine shops, fabricators and machinery makers. The company also offers pipes,

valves and fittings; metal roofing, flooring and grating products; and fabrication services. Ryerson operates 90 facilities in the United States and Canada as well as in China. Private investment firm Platinum Equity owns Ryerson.

The company leased the Salt Lake City facility with the assistance of Travis Healey and Rusty Bollow of Commerce Real Estate Solutions.

**KeyBank** presents: **biznet connect entrepreneur series**  
**SPRING SMALL BUSINESS EXPO**

**Monday, May 16, 2011**

This Spring, BizNet Connect is hosting the 4th Annual Spring Business Expo on Monday, May 16, 2011, to kick-off National Small Business Week. The Spring Expo highlights Utah's growing businesses and is offered in partnership with Entrepreneur Launch Pad, Local First and Utah's Own, giving you the opportunity to network with other businesses while promoting your own products or services.

New this Spring is the addition of an outdoor Farmers Market on our patio as well as several free small business workshops.

**Cost:** \$75 for full exhibitor or Farmers Market table  
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**Location:** SLCC - Miller Campus  
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**Time:** Set-up: 7:30 a.m.  
 Expo: 9:00 a.m. - 1:00 p.m.  
 Workshops: 11:00 - 12:30 p.m. and 1:00 - 2:30 p.m.

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**MAY 11, 2011**

**SALT PALACE CONVENTION CENTER**  
 Grand Ballroom, 100 South West Temple

The Women's Bureau's National Dialogue on Workplace Flexibility  
 8:30 - 11:30 A.M. • Cost: FREE

Forum Luncheon, Mark Eaton  
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## • Calendar •

• May 10, 7:15-9:15 a.m.: **“Doing Business in Europe,”** presented by the Association for Corporate Growth-Utah chapter. A group of European government officials and experts will discuss topics involving the euro, European regulatory issues, market entry barriers and other current issues related to trade between

the U.S. and Europe. Location is the Little America Hotel, 500 S. Main St., Salt Lake City. Free to ACG members, nonmembers pay \$30. For more information contact Linda at (801) 359-8613 or info@acgutah.org.

• May 11, **Expo Forum Luncheon**, presented by the Salt Lake Chamber. Guest speaker will

be local businessman and former Utah Jazz player Mark Eaton. He will speak about “The Four Commitments to a Winning Team.” Location is the Grand Ballroom of the Salt Palace Convention Center, 100 S. West Temple, Salt Lake City. Cost is \$20. Register at www.slchamber.com.

• May 11-13: **Eighth Annual**

**Utah Tourism Conference.** This year’s event will be held at the Grand Summit Hotel at the Canyons Resort in Park City. The conference is co-sponsored by the Utah Office of Tourism and the Utah Tourism Industry Coalition. National and local tourism experts will speak. The agenda also includes strategic marketing and research trends, international marketing, a legislative update, changes in the group/motorcoach market and destination marketing. Individual conference registration is \$175. Two or more representatives from the same company can register for \$150 per person. For conference information and registration, visit www.utahtourism.org, call UTIC at (801) 505-5266 or contact the Utah Office of Tourism at www.travel.utah.gov or (801) 538-1900.

• May 12, noon-5 p.m.: **“Staying Relevant in a Fluid Marketplace,”** sponsored by International Association of Business Communicators (IABC) and the Salt Lake and Utah Valley chapters of the Public Relations Society of America (PRSA). Topics will include “Mastering Your Message – Reporters, Bloggers, YouTube and the Enduring Art of the Sound Bite,” “Social Media Success Stories: How Utah Companies are Harnessing New Media Power,” “How Your Company Can Take Advantage of Utah’s Pro-Business Message,” and “Fighting Hunger Together Facebook Challenge.” Location is the Downtown Marriott, 75 S. West Temple, Salt Lake City. Cost ranges from \$50 to \$140 based on membership level and is available through May 11 at <http://www.slprsa.org/events.php>.

• May 12, 2:30-5 p.m.: **“Banking on Women: Insights from Entrepreneurs,”** presented by Westminster College, GECapital and the Utah Microenterprise Loan Fund. Speakers will include Jacque Butler, founder and CEO of MedQuest Solutions; Spencer Eccles, executive director of the Governor’s Office of Economic Development; and a panel of Banking on Women program participants moderated by Lorena Riffo-Jensen, founder of Vox Creative. Location is the Gore Auditorium in the Bill and Vieve Gore School of Business, 1840 S. 1300 E., Salt Lake City. Free. RSVP at <https://www.westminstercollege.edu/apps/forms/index.cfm?form=441>.

• May 12, 11 a.m.-12:30 p.m.: **“An Employer’s Guide to Garnishments: Simple Advice for Complying With Court-**

**Ordered Garnishments and Other Involuntary Payroll Deductions,”** hosted by Associated Builders and Contractors of Utah. Presenter will be Joe McAllister, an attorney with Bostwick & Price PC. Location is the ABC offices, 2130 S. 3140 W., Suite B., West Valley City. Cost is \$25 for ABC members, \$35 for nonmembers, lunch provided. Nonmembers must pre-pay. Register with Jodi at (801) 708-7036 or [jfrank@abc-utah.org](mailto:jfrank@abc-utah.org).

• May 12, 3-4:30 p.m.: **“Digital Tools for B2B Marketers: How to Leverage Analytics, Online Testing and Automation to Improve Marketing ROI,”** presented by the Utah Technology Council. Speaker will be Mike Ward, senior manager Omniture Demand Marketing, and Scott Harris, senior manager Enterprise Marketing. Location is the offices of Adobe, Cowbell Meeting Room, 550 E. Timpanogos Circle, Building G, Orem. Free to UTC members, nonmembers pay \$30. Register at [www.utahtech.org](http://www.utahtech.org).

• May 17-18, 8 a.m.-4 p.m.: **“Master Your Business Through Strategic Financial Decisions,”** sponsored by Bank of Utah. Key presenter will be Kyle D. Enger, a founding partner and principal of the Business and Banking Institute, BBI Financial LLC. His interactive presentation will define financial management in simple, clear language, and illustrate how businesses can master their company finances in order to succeed. Location is the offices of the Utah Association of Certified Public Accountants Education Center, 220 E. Morris Ave., Salt Lake City. Cost is \$349 for the first registrant from a company, and \$299 for additional names. Registration includes breakfast, lunch and materials for both days. Seating is limited. Register at [https://www.bankofutah.com/business-seminars-financial\\_management.html](https://www.bankofutah.com/business-seminars-financial_management.html) or call (801) 409-5172.

• May 17, 3-5 p.m.: **“Equity Finance 101,”** sponsored by the Utah Technology Council. Presenter will be Kent Thomas, founder of Advanced CFO Solutions. Location is the UTC offices, 2855 E. Cottonwood Parkway, Suite 110, Salt Lake City. Free to UTC members, nonmembers pay \$30. Register at [www.utahtech.org](http://www.utahtech.org).

• May 18, 8-9:30 a.m.: **“Building Your Business through Networking: One Relationship at a Time,”** presented by the Salt Lake Chamber. Larry Olson, presi-

see CALENDAR page 8

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# Legal Matters

## How recent changes in the tax law affect you, your family and your business

President Obama signed the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 on Dec. 17, 2010. The act extends the Bush-era tax cuts for two years, even though some of those tax cuts had already expired. The following is a brief summary of some of the changes which will likely affect you, your family and your business.

### Estate, Gift and Generation Skipping Tax Provisions

- **Estate Tax.** The act reinstates the estate tax, but allows the executor of estates of decedents who died in 2010 to elect to apply the §1022 modified carryover basis provisions. If an election is not made, the reinstated estate tax provisions apply to the estates of decedents who died in 2010. The act extends the due date for (1) filing an estate tax return; (2) paying the estate tax; and (3) making disclaimers under IRC §2518(b) for nine months after the date of enactment. Similarly, the act extends the due date for filing generation-skipping transfer tax returns.

- **Exclusion from Estate Tax.** The act increases the applicable exclusion amount to \$5 million, which is adjusted for inflation



**Bradley Bowen**

after 2011. It also reduces the maximum estate and gift tax rate to 35 percent. The act significantly changes existing law by providing that a surviving spouse's applicable credit amount may be increased by the unused exclusion of a deceased spouse. However, new IRC §2010(c)(5) requires the executor of the deceased spouse to make an irrevocable election on a timely filed Form 706 to permit the surviving spouse to claim the unused exclusion. The surviving spouse may only use the unused exclusion of his or her "last deceased spouse." This rule is intended to prevent the accumulation of unused exclusions of multiple spouses, but could have the unintended effect of reducing the exclusion of the surviving spouse where the "last deceased spouse" had a smaller unused exclusion than a prior deceased spouse.

- **GST Tax.** The act retroactively reinstates the federal GST tax on transfers to grandchildren, more remote descendants and/or trusts for their benefit as of Jan. 1, 2010. The GST exemption has been increased from the \$1 million amount allowed from 2001 through 2009 to \$5

million. The GST tax is 0 percent for 2010 only, and 35 percent thereafter.

These new estate, gift and GST tax provisions expire on Dec. 31, 2012, and the Internal Revenue Code will then apply the rules as though the amended provisions "had never been enacted." Significant planning opportunities exist, but the time to craft your strategy is limited. The following are just a few of the many alternatives you may want to implement:

- **Dynasty Trust.** A gift of assets to an irrevocable dynasty (multi-generational) trust removes the value of the asset and any future appreciation from the donors estate.

- **Installment Sale to Grantor Trust.** You may sell an asset for fair market value to an irrevocable grantor trust in exchange for a promissory note bearing interest at the Applicable Federal Rate ("AFR"). If the asset sold appreciates in value faster than the AFR, the appreciation will have been transferred, tax-free, to the trust. The grantor usually makes a gift to the trust sufficient for it to be able to make the payments required under the note. The higher gift and GST exemptions create the opportunity for larger sales and larger gifts, such that greater tax-free wealth transfers can be achieved.

- **Leveraging Gifts.** The higher gift and GST exemptions make the possibility of leveraging gifts through the structuring and sale of business interests, and the acquisition of life insurance in an irrevocable life insurance trust more attractive than ever before. Such planning opportunities have been limited in the past due to a \$1 million GST exemption. The much higher \$5 million exemption facilitates a number of planning opportunities, and the grantor trust can be enriched further by the grantor's payment of any income taxes owed by the trust. In addition, life insurance may be used in the trust to accomplish a "multiplier effect." Relatively small premiums can generate a large, income and estate tax free benefits for generations of future trust beneficiaries, with proper planning. There are a multitude of strategies that can be used that reach far beyond the scope of this article, and which must be tailored to the individual needs of each client.

### Individual Income Taxes

- **Income tax rates.** The 10, 25, 28, 33, and 35 percent individual income tax brackets are extended for an additional two years, through 2012. The maximum individual income tax rate would have increased to

see TAXES page 13



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## CALENDAR

from page 6

dent of Les Olson Companies, will be the featured speaker. Location is the Salt Lake Chamber, Eccles Board Room, 175 E. 400 S. Cost is \$15 and includes a continental breakfast. RSVP with Maria Nelson at [mnelson@slchamber.com](mailto:mnelson@slchamber.com) or (801) 328-5047.

• May 19, 9:30-11 a.m.: **“How to Choose the Right Advertising,”** hosted by The Walton Group Inc. Part of the Utah Valley Chamber University, the event will feature a panel of advertising professionals discussing different advertising options. Linda P. Walton, president of The Walton Group, will serve as the panel moderator. Panelists will

include Egon Bolt, advertising representative for Media One; Andy Pew, online advertising representative for Media One; Sarah Ehrmantraut, advertising representative for the Daily Herald; Dana Robinson, Mr. Media; and Jeff Sheets, professor of advertising at BYU. Location is Zions Bank, 462 W. 800 N., Orem. Free. For more information, visit [www.thewaltongroupinc.com](http://www.thewaltongroupinc.com).

• May 23, 8 a.m.-2 p.m.: **Thirty-Third Annual Utah Taxes Now Conference,** presented by the Utah Taxpayers Association. This year’s conference title is “Using Return on Investment to Make Sound Public Policy.” Leaders from the Utah State Senate, House of Representatives, Governor’s office, policy experts and community leaders will cover a broad range of tax issues, including “Does a Better Economy Mean Bigger Government?” “Medicaid Reform — Reality is NOT Negotiable,” “Legislative Session 2011: The Year of Education Reform,” “Ding Dong! The Police Fee is Dead!” and “Restaurant Tax: Maverik vs. McDonalds.” Location is the Little America Hotel, 500 S. Main St., Salt Lake City. Cost is \$100 for Utah Taxpayers Association members, \$125 for nonmembers.


Space is limited to 300 attendees. Register at [www.utahtaxpayers.org](http://www.utahtaxpayers.org).

• May 24, 8 a.m.-noon: **“Employment Law in the Trenches: Arming Your Front Line,”** sponsored by The Council attorneys will provide a basic overview of major employment laws and tips for avoiding trouble. Topics to be covered include key Utah employment laws, ADA and Workers’ Comp, hiring and references, overtime pay and exemptions, discrimination, harassment and retaliation, employee privacy and drug testing, leave laws, and employment at will and terminations. Location is the Radisson Hotel, 215 W. South Temple, Salt Lake City. Cost is \$125 for council members, \$199 for nonmembers, full breakfast buffet and materials included. Register at <http://ecutah.org/employmentlaw.pdf>.

• May 26, 8:15 a.m.-1:30 p.m.: **Zions Bank’s 10th Annual Trade and Business Conference.** Keynote speaker will be former President of Colombia Álvaro Uribe. The conference will also focus on global and domestic economic trends, international risk and overseas opportunities for Utah companies. During the event, Zions Bank will also honor the recipient of the “Global

Pacesetter” award, a distinction given annually to a Utah company demonstrating international success. Location is the Downtown Marriott, 75 S. West Temple, Salt Lake City. Cost is \$35 and includes lunch. Seating is limited. Register online at [www.zionsbank.com/conference](http://www.zionsbank.com/conference) or by calling (801) 844-8573.

• June 9, 8 a.m.-4:30 p.m.: **“InsideOut Coaching,”** presented by InsideOut Development. Participants will learn how to implement a simple and repeatable coaching process that can be applied in a variety of situations; how to coach others to maximize potential by creating awareness, setting goals and creating focused action; help others develop action plans to increase performance, establish accountability and increase productivity; navigate difficult conversations with more confidence and greater accountability, and communicate feedback in fast and effective ways. Location is the Marriott Salt Lake City Center, 220 S. State St., Salt Lake City. Cost is \$449 (there is an early bird discount of \$429 until June 2), or \$399 for two or more. Register at <http://www.insideoutdev.com>.



### Do you want a Healthier Workplace?

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**What is the number one aspect of a marketing campaign that is most commonly missed?**

Understanding the return on investment. Most businesses don’t approach marketing in a scientific fashion, by starting with the ROI and working backward into the amount they should spend to achieve the desired results. Spending money on marketing should be reviewed analytically, both before a campaign is launched and especially afterwards to measure results, learn failed and successful processes, and apply this knowledge to the next campaign.

**Why is marketing important to small, local businesses?**

Marketing is important to any entity, but my advice for local and/or small businesses is that they should not try to cut corners by using a relative or a friend. We often see poorly done websites, not very meaningful logos, and a lack of brand cohesiveness – even small businesses should appreciate the importance of excellent branding. We understand what it’s like to be a small business. We brainstorm with clients at no charge, give free advice, and even offer a start-up package that is very affordable.

**Marketing often seems to be the first thing to go during budget cuts. Is this a good idea?**

Choosing to cut marketing is shortsighted, because many assume that marketing is a frivolous expense. When times are tough, you need marketing more than ever. Companies should not cut marketing, but they should market “smarter” to accommodate their customers who are buying “smarter” during tough economic times. Instead of just cutting the budget, review and analyze where and how marketing dollars are being allocated, and either reallocate to different channels, or test other marketing avenues.

**What are the benefits of outsourcing marketing needs?**

Many larger companies have in-house creative resources, but they often can’t meet turnaround deadlines or have more work than they can handle. This is when it is easier for them to use an agency like ours who has low hourly rates and fast turnaround. Instead of hiring another full-time employee, companies can send us the job and we’ll get it done. Smaller companies or non-profits can’t usually afford to hire in-house creative talent, so outsourcing allows them to get high-quality marketing done at an affordable price.

**What do you attribute your company’s success to?**

We have grown, not just over time, but also throughout the recent economic downturn, due to our obsessive attention to customer service. This has led to 99% of our business being from repeat customers and word of mouth. We treat every customer as if his or her project is the most important project we have, even if it’s just swapping out a copyright line. Also, our pricing is very competitive, we turn projects around quickly, and our staff is amazing.





# HR Matters

## Make your hiring safe and effective

By Sharron Ngatikaura

"People are *not* your most important asset. The *right* people are." So said Jim Collins in *Good to Great*. It's easy to see why making the right hiring decision the first time is important to the success of your organization, especially when you calculate the financial, productivity and other potential losses that occur when a poor hiring decision is made. According to the U.S. Department of Labor, it will cost 50 percent of a new hire's annual salary to replace him or her. This is based only on the direct costs of recruiting, training and lost productivity, and does not even take into consideration the costs of customer disruption and dissatisfaction. The costs could be even greater considering the rising tide of lawsuits against employers for "negligent hiring" of dangerous or risky employees. How can you make your hiring "safe and effective?"

Relying solely on the basic review of the candidate's resume and an in-person interview will greatly restrict your ability to make a good hire. By adding new usable information to your hiring process, you can improve your rate of identifying superior performers and

save your organization significant money over time. As you consider the tips below, consult with experts in human resources and the law to guide you.

- **Know what you are looking for before you start.** Take the time to outline the essential job functions and the key skills or competencies necessary to be successful.

- **Use multiple venues to advertise job openings.** Online networking sites such as Twitter, Facebook or LinkedIn are great (FREE) venues to get the word out about job openings, but they can also have an adverse impact on the audience not receiving the message.

- **Gather key information on your application.** Ask about the candidate's experience, certifications, licensing, education and other key elements for the position. Include disclosures on your application that will encourage honesty and prevent applicants with a negative history from proceeding too far into your hiring process.

- **Go beyond "conventional" interviews.** Implement behavioral interviewing techniques that move away from "the one right answer" or the canned response. Ask open-

ended questions that allow the candidate to talk about how he or she would handle certain situations in the position.

- **Be cautious of your "mindless chatter" while interviewing.** Oftentimes employers ask questions to learn more about an applicant's response or in between interview questions that can get them into trouble. You become responsible for any information you acquire from an applicant; don't ask anything that could identify some form of protected class (age, race, religion, disability, pregnancy status, etc), as it may lead to a lawsuit.

- **Do your due diligence.** Conduct adequate background checks, check references and call former employers with final candidates. Although they may be tedious tasks, you can learn a lot about the applicant's integrity and have fair expectations about his/her abilities. Consider using a third-party vendor that specializes in conducting background checks for accuracy and thoroughness.

- **Be cautious with using social media to conduct background checks.** Ask yourself if you'd be comfortable with other people conducting similar searches

on yourself and what legal risks may be involved. Again, employers are responsible for everything they see regarding a candidate and should only engage in *appropriate* processes that are legally sound at the federal, state, and local levels.

- **Conduct pre-employment drug testing and have a random drug testing policy.** There are high costs associated with on-the-job drug use and abuse. Let candidates know you do not tolerate drug abuse at your workplace and that you conduct random drug testing to keep your work environment drug-free. This will help deter many drug abusers from applying in the first place. Be sure to use a qualified lab to conduct the drug test to make certain your results are accurate and your decisions are defensible if contested.

- **Use assessment tests to understand job fit for personality, behavior, motivation and mental ability.** Matching people with jobs that fit them in regard to capability, personality, behavior, motivation and aptitude creates a higher likelihood of them being successful, top performers and will save the company money in the long run for finding a suitable match. Consider

benchmarking your employees in the same or similar position to help predict a candidate's success when comparing assessment test results.

- **Conduct medical exams and inquires.** After a conditional offer of employment has been made, conduct fitness for duty assessments or other dexterity evaluations (where appropriate) to make certain the employee can physically perform the essential functions of the job or to determine if the employee needs an accommodation. At the end of the day, be able to demonstrate that you have a solid business reason for hiring one candidate over another to protect yourself from a potential lawsuit. Many employers have learned the hard way that relying on instinct alone is not enough.

Sharron Ngatikaura, SPHR, has a bachelor's degree in accountancy and more than years of human resources experience. She is currently the human resources director for Employer Solutions Group (ESG), a PEO that provides human resources consulting, payroll and administrative services, creative benefit offerings, and employer liability reduction to its client companies.

## Inside the Business Owner's Brain:

WHY DIDN'T SOMEONE TELL ME I COULDN'T ASK THAT QUESTION IN AN INTERVIEW?

# ToDo:

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# Après sale. The real test of a successful sales pro

The average sale takes a matter of hours. And that's where 95 percent of sales training is focused. Not good.

After a customer purchases, that's when USE of product or service begins, and that's where 95 percent of their time is spent.

- What are you doing to create loyalty?
- What are you doing to create word-of-mouth advertising?
- What are you doing to create value in the mind of the customer?
- What are you doing to create memorable moments?
- What is your social media presence that focuses on customer communication and interaction?
- What are you doing to create and ensure reorders?
- What are you doing to earn referrals?
- What are you doing to build a value-based relationship after the sale?
- What are you doing to ensure it's easy to do business with you?
- What are you doing to ensure that everyone who answers your phone is happy, friendly and helpful?
- What type of customer service and customer loyalty training are you doing that ensures consistent, positive, helpful responses?

ANSWER: Nothing or not enough.

MAJOR CLUE: These questions are the HEART of your future. And for the most part, the answers are way below an acceptable level to ensure your future success.

REALITY: It's likely that your present actions will ensure that you'll have significant customer attrition, or churn, or some other BS corporate buzzword that will cost major dollars in lost customers and further ensure that your sales team will have to sell more than last year just to maintain present sales levels.

Many companies employ the "hunter-farmer" strategy in making sales. One person makes the sale and immediately turns it over to some service person (often with little or no personal handoff), and heads for the next sale.

MAJOR CLUE: THERE IS NO DUMBER SALES STRATEGY THAN HUNTER-FARMER – other than cold calling.

The hunter-farmer strategy creates a vacuum between what was promised and what will be delivered. And the "hunter" has to continually prospect and cold call to make new sales rather than cultivate an existing relationship and earn referrals.

For the past three years, I have asked my corporate and public seminar audiences this question: What 10 things are you doing AFTER the sale to ensure loyalty, reorders, referrals and reputation?

99.9 percent give me a blank stare.

OK, so what can you do and what should you be doing to make certain that you are keeping the customers you have in a manner that THEY value? Or better stated: What happens after the sale?

Here are a few suggestions for what to do. (CAUTION: They require work.)

- **Send a weekly value message.** My e-mail magazine, *Sales Caffeine*, is the most effective communication tool to send a weekly value message to every one of my customers. It's now almost 500 issues strong. IDEA: Read a business book and send your customers your review with salient points of value.



Jeffrey Gitomer

- **Enhance your social media effort.** By setting a full-blown, VALUE-BASED business social media campaign in motion, your customers will have the chance to learn about you and get your messages, and

you will have a chance to learn about them and get their messages. Examples of value-based message: If you sell health insurance, tell me how to avoid common colds or keep my kids healthy.

- **Help their social media effort.** Your customers could gain insight from your social media effort, and visit you to learn and emulate. You have to set the example, then set the standard, and then invite your customers to study your strategies to help their success.

- **Share ideas that can benefit your customers.** Not offers to buy your product.

- **Share observations and tips.** When you visit other businesses, become aware of things other successful businesses do, note them and post about them.

- **Bring several customers together for a monthly mastermind meeting.** Be the pivot person that brings together value-based meetings.

- **Refer customers.** The best way to get referrals is GIVE referrals.

- **Do business with them.** Go out of your way to patronize those that feed you.

Every business wants re-orders, every business wants loyal customers and every business wants to have a great reputation. The question to ask yourself is, "What (of value) am I doing about it?"

What you do after the sale determines the next sale, and a whole lot more.

Jeffrey Gitomer is the author of *Social BOOM!*, *The Little Red Book of Selling* and *The Little Gold Book of YES! Attitude*. President of Charlotte, N.C.-based Buy Gitomer, he gives seminars, runs annual sales meetings and conducts Internet training programs on selling and customer service at [www.trainone.com](http://www.trainone.com). He can be reached at (704\_ 333-1112 or [salesman@gitomer.com](mailto:salesman@gitomer.com)).

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# Dining etiquette — Part I

In an increasingly competitive business world, it is important to seize upon every opportunity to make a favorable impression on your business colleagues and clients. Although an often overlooked "soft skill," following proper etiquette can make a subtle difference in the success of your career. Correct dining etiquette is associated with competence. Bad table manners are equated with lack of ability. On any given day, you might need to know how to give an appropriate toast at a dinner, where to seat a visiting business colleague or how to introduce an important client to your boss.

Knowing and following proper dining etiquette rules is critical for another, related reason as well: The reality is people judge other people by their dining etiquette. We can forget to hold a door, but chew with your mouth open and it rises to the level of an unpardonable sin. In a business situation, proper dining etiquette may well be the key factor that differentiates you from your competition.



Ellen Reddick

The impression you make on your business lunch companions starts when you first arrive at the restaurant, well before you lift your first utensil. In fact, the very first things you do are critical to the success of the rest of the meal. When you start off on the right dining etiquette foot, you can quickly focus on building a great relationship. Start off on the wrong dining etiquette foot, on the other hand — by being late, for example — and you'll have to spend valuable time trying to recover, rather than building rapport.

Good manners must be learned and practiced. Repeating an action long enough makes the action become automatic and helps you feel confident. Continually work on your business etiquette skills and you will be better able to focus on business without worrying about saying the wrong thing or making the wrong gesture.

## The Basic Ground Rules that Set the Stage

Don't be late. It's appropriate that this is the first rule of dining etiquette. It may also be the most important. *Don't* start off your encounter on the wrong foot by showing up after the agreed-upon time. Arriving even five or 10 minutes late leaves a bad impression; any later than that sends a clear message of carelessness and thoughtlessness.

## Appropriate Dress Etiquette

Show respect for your host or guests by looking sharp. This is a time to dress up a little, rather than dress down.

## Restaurant Etiquette

If your host hasn't arrived, proper dining etiquette requires that you wait in the lobby or waiting area for them. Don't go to the table and wait there. If you are the host, wait for your guest in the lobby. If some of your guests have already arrived, you should wait in the lobby only until the time you made your reservation for. Then proceed to the table and have the maitre d' or waiter escort the late guests in when they arrive. (Note: When the establishment is filling up and you're advised by the restaurant staff that it is best to sit at the table, it is OK to do so.)

## Table Etiquette

The host deals with table selection. As a guest, do not check out the table location and then suggest that the waiter or maitre d' change it. Your host may have asked for that table for a reason; it's not good manners to second-guess him or her.

## Etiquette for Approaching the Table

*Seating Etiquette:* Your host may have a specific seating arrangement in mind, so you should allow him to direct you to your seat. As the host, you should suggest the seating arrangements. The guest of honor should sit in the best seat at the table. Usually that is one with the back of the chair to the wall. This means that the guest of honor won't be sitting in a traffic area with waiters and busboys passing behind her. Once the guest of honor's seat is determined, the host should sit to her left. Other people are then offered seats around the table. If spouses are with you at a business dinner, the male host has the female guest of honor sit to his right while the female host has the male guest of honor sit to her right.

## Silverware Etiquette

One basic dining etiquette rule will help you decide which fork or knife or spoon to use: *You always use the utensils on the outside of the place-setting first and work your way in.* If you don't use a utensil

for a particular course, then when the course is removed from the table, the waiter will remove the utensil for that course as well.

## More Details

*Napkin.* When dining with others, place your napkin on your lap after everyone at your table has been seated. Do not open your napkin in mid-air. As you remove your napkin from the table, begin to open below the table level and place on your lap. If you must leave a meal, do so between courses, and place your napkin on your chair. When a meal is completed, place your napkin to the left of your plate — never on the plate.

*Served.* Wait for everyone at your table to be served before beginning to eat. However, if an individual who has not been served encourages you to begin eating, you may do so. Eat slowly while waiting for their food to be served.

*Soup.* When eating soup, think of making a circle: spoon away from you, bring around to your mouth and back to the bowl. Soup is taken from the side of the soup spoon — it is not inserted into your mouth. Do not slurp or make noises when eating soup.

*Sorbet.* This item is often served between courses to cleanse the palate. It is a light, sherbet texture and depending on when served may be eaten with a fork or a spoon.

*Utensils.* Be careful how you hold your utensils. Many people tend to make a fist around the handle of the utensil. This is the way a young child would grasp a utensil (not an adult). There are two acceptable ways to use the knife and fork: continental fashion and American standard. Continental fashion — the diner cuts the food usually one bite at a time and uses the fork in the left hand, tines pointing down, to spear the food and bring it to the mouth. American standard — a few bites are cut, the knife is laid across the top of the plate, sharp edge toward you, and the fork is switched to the right hand, if right-handed, tines up to bring the food to the mouth. (Do not cut more than two or three bites at a time.)

*Dessert Utensils.* Dessert utensils may be found placed across the top of the place setting. Place these utensils down for use after the main course is removed (fork to the left and spoon to the right).

*Passing.* Pass "community food" such as see REDDICK page 13

## Economic pause

U.S. economic growth slowed during 2011's first quarter, impacted by higher energy prices and poor weather. Such growth is likely to pick up speed in coming quarters.

The American economy grew at a 1.8 percent real (after inflation) annual rate during the January-March 2011 quarter, the weakest performance since 2010's second quarter. The meager 1.8 percent growth pace was in line with the view of forecasting economists.

Growth during 2010's final quarter was at a 3.1 percent growth pace, with real growth during 2010 at 2.9 percent, the best in five years. In contrast, the U.S. economy nosedived at a 2.6 percent real rate in 2009.

### Gas and Snow

Higher gasoline costs (and soft consumer confidence) led overall consumer spending to rise at a 2.7 percent real annual rate, down from the more robust 4 percent real annual pace of the prior quarter. Consumer spending accounts for nearly 70 percent of all spending within the U.S. economy, one of the highest levels in the world.

Fierce winter storms closed businesses and delayed building projects in much of the U.S. during the first quarter. Blizzards led non-residential construction activity to decline at a 21.7 percent annual rate during the quarter, following a modest increase in 2010's final quarter.

In addition, severe pressures on state and local government spending and a sharp decline in military outlays led total government spending to decline at the fastest rate since 1983 (bloomberg.com). Federal government spending, when compared to the prior quarter, declined the most in 11 years.

Inflation pressures rose. The price index for personal consumption expenditures (PCE, a favorite of the Federal Reserve) rose at a 3.8 percent annual rate during the first quarter. The PCE core rate — excluding food and energy costs — rose at a 1.5 percent annual rate, in line with the Fed's presumed 1.5 percent-2.0 percent target range.

### From Here?

Most forecasters see first quarter economic weakness as an aberration, rather than the norm. Forecasting economists see growth returning to a 3-3.5 percent real annual rate in coming quarters, with some forecasts even stronger. The Federal Reserve reduced its own forecast of 2011 U.S. economic growth to a 3.1-3.3 percent real rate, down from the 3.4-3.9 percent forecast range announced last January.

The major unknown still involves oil price volatility tied to political and military conflicts in Northern Africa and the Middle East. Other major issues of Euro-zone sovereign debt anxiety and what may or may not happen in coming weeks relative to future U.S. government spending and the debt ceiling also makes forecasting more than a bit "iffy."

Always keep in mind, economists make forecasts of the future not because we know what is going to happen. We make forecasts because we are asked to — a big difference!

### Fedspeak

Federal Reserve chairman Ben Bernanke held the Fed's first ever press conference in late April, a big deal to the media — much less of a big deal to financial markets. This news conference followed the Fed's regularly scheduled Open Market Committee (FOMC) meeting, a group that meets roughly every 45 days.

The Fed chairman did what he was supposed to do — provide a somewhat complex explanation of what the Fed has been doing in recent years without saying something that he would regret — or that bond market players would take wrong.

Bernanke indicated that the Fed would com-

plete its second round of additional monetary stimulus, affectionately known as quantitative easing two, or "QE2." This program of purchasing \$600,000,000,000 of additional U.S. Treasury securities — all done with newly created money — will conclude in June.

Of more importance to the majority of economists and financial market players, the chairman indicated that the Fed would not currently schedule "QE3." I have argued that any additional monetary stimulus (QE3) could do more harm than good as it would trigger even greater inflation anxiety, and even greater U.S. dollar weakness.

Without doubt, members of the FOMC discussed in detail variations of an "exit strategy" from unprecedented monetary stimulus that must be implemented during the next two years. The FOMC statement again noted that the current federal funds target range of 0-0.25 percent would continue for "an extended period." The range has remained unchanged for the past 29 months.

In coming months, financial market players will look for the elimination of this phrase as an early indication of a higher federal funds rate to follow, perhaps two meetings later. Based on the chairman's comments and the FOMC statement, most forecasters expect the federal funds rate to begin to move higher later this year, or early in 2012.

### Monetizing the Debt?

I get the question often: "Won't the Federal Reserve just keep buying U.S. Treasury securities with money created out of thin air and let inflation move sharply higher, thereby making it easier for America to repay its enormous national debt with less valuable dollars?" I make the case that of all the things I can worry about in "the dismal science of economics," that is not one of them.

I was a bond portfolio manager as far back as the late 1970s. A few years before that, the Federal Reserve took some irresponsible steps that, in part, contributed to the double-digit inflation during 1979-1981.

As inflation went sharply higher, medium and long-term interest rates also moved sharply higher, pushing bond prices down severely. The steps taken during late 1979 and in 1980 by then-new Fed chairman Paul Volcker to break the back of inflation decimated our portfolios even further.

A federal funds rate as high as 19.5 percent at that time, with double-digit long-term interest rates also the norm, contributed to a painful recession before inflation fell to the 3-4 percent range. Mortgage rates around 15-17 percent, if you could get one or even qualify, decimated the housing market.

The point I am trying to make? Bond portfolio managers collectively said "never again" ... we will not let the Fed destroy our portfolios again by letting inflation get out of control.

As noted in prior writings, the Fed is playing with fire in regard to the amount and duration of unprecedented monetary stimulus. However, the bond market is holding a loud and shrill whistle to be used when and if the Fed loses its credibility. The Fed must act responsibly in 2012 and 2013 to rein in excess money creation.

The Fed has an overseer — the American bond market.

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



Jeff Thredgold

## Beware of SEO

If you and your company are spending hundreds to thousands of dollars a month on Search Engine Optimization services, you might want to rethink it.

With the demise of the yellow pages in favor of online search, many companies shifted their marketing budgets from yellow pages to spending roughly the same amount of money to have SEO companies get them to the top of the search engines.

But in the last few months, the SEO world has been silently rocked. I say silently, because the truth is, most average businesspeople are totally unaware of what's been going on in the world of Google. I'm not saying SEO companies are unaware, but they're not likely to tell you.

Here's the thing ... I don't think they were doing this entirely on purpose, but Google has been inflating search counts for years. So if you're paying an SEO company to get you to page one for some number of keywords, thinking you're getting exposure to some number of people searching on those keywords, and you're paying that SEO company based on the number of exposures you think you're getting, you're probably paying more for this service than you would ever pay for normal media.

For example, one of my very important keywords is the phrase "marketing speaker." In the past, Google told me there were roughly 5,400 global searches on that keyword alone, every month. Well, those kinds of numbers got me excited and encouraged me to put considerable effort into raising my rankings.

The problem was with the way Google counted their search results. They weren't just counting the people who typed in the keyword "marketing speaker," they were counting any search where the words "marketing" and "speaker" came up. Like "How to market audio speakers" for example.

In a sincere effort to serve searchers better — and to defeat companies that were trying to game the system — Google has once again changed its algorithms, or the way they evaluate searches. In short, it has placed considerable additional emphasis on "relevance." And it has cracked down on itself in the way it counts searches.

Now, when I check the number of people monthly who search on the keyword "marketing speaker," I get an accurate count of only those people who type in the exact phrase "marketing speaker."

And here's the rub ... that number is only 590, globally, per month.

Yeah, that's right. Just a smidge over 10 percent of the exposure I had previously thought I was getting.

And my understanding is, that kind of numbers drop is fairly common across most searches.

Now, let me ask you something. If you were paying \$2,000 a month for a yellow page presence, would you be happy about making that investment if you knew that ad would be in front of just 10 percent of the people you thought it would be exposed to?

What about a radio campaign? Would you happily pay \$2,000 for a flight of ads if you knew it would only reach about 10 percent of the audience the station told you it was going to reach?

We already know what's happening to newspaper ad space and ad rates as readership plummets.

And in each of these traditional media, you at least know your ad *will* be run at a certain place or time. You have control over the size and how much or how little is said in the ad.

Not so with search. You pay SEO companies a monthly fee for them to "work on" getting you to page one for the keywords you want. They can't promise it will be there tomorrow. On the contrary, they promise it won't. They can't tell you exactly when it will get there, although they do promise you'll climb the ladder. (Trouble with climbing the ladder is, it's exactly like climbing a ladder. Being somewhere in the middle is of absolutely no value whatsoever. The only time you can cash in is once you reach the top.)

And finally, when you do get there, you're on the page with exactly the same look, feel and even word-count of at least 10 other players on that page, and perhaps as many as 20.

All this, and now I'm the messenger who tells you, even when you reach the top, you're not reaching anywhere near the number of people you thought you were. Don't shoot me.

So — what to do?

Here are your alternatives:

- Make sure the keywords you're trying to rank for are reflected in the URL for your landing page and/or home page. I skyrocketed from nowhere on the first 20 pages of Google to page five by simply changing the name of my site from "jimackerman-speaks.com" to "marketingspeak-

see ACKERMAN next page



Jim Ackerman

# Mergers & Acquisitions

## WEIGHING YOUR OPTIONS

### Buying versus Starting a Business

By Bradley G. Marlor MBA, CBI

Utah Business Consultants

So you've been in Corporate America too long; you can no longer stomach the grind, the stress and the hours. You've been padding your corporation's pocket, yet your pockets are seemingly empty. Something has to change. You realize that changing companies might provide a different view, but what you really yearn for is a whole new landscape, the ability to create and mold your environment to your own advantage. And you want to feel duly compensated for the brainstorming, the headaches and the emotional wear and tear. You have the skills, run your own show!

#### Ships in the Harbor

If only making the decision was as easy as quitting today and being in business tomorrow. Still, there are basic steps that can be taken to turn your dreams into reality. What most individuals fail to envision is the multitude of opportunities just waiting for them. The proverbial "ship in the harbor" is accompanied by dozens of other ships. If you're waiting for your ship to come in, it's already in the harbor, the question is which one is right for you, and are you willing to swim out to it?

The metaphorical ships in the harbor are business opportunities. They may disguise themselves as Sub-S Corporations, Limited Liability Companies, or even Joes Bar and Grill, but they are waiting for you to take the helm. The certainty that those opportunities are out there is evidenced by the businesses already in operation, and the impressive amount of startup enterprises, particularly in the area of franchised businesses. The Utah State Department of Economic Development estimates there are over 70,000 businesses with employees in the state. That figure nearly doubles when counting sole proprietor businesses, home office enterprises and companies using personnel agencies. Every year an additional 2,000 to 3,000 new businesses are formed in Utah.

#### State Your Objective

Every successful entrepreneur I know has a reason for being in business, they focus on that reason or objective. They usually have a war story to go with their reasoning, compelling motives for why they felt they could provide a better product or service than the existing competition. Some even created a new paradigm, or a variation of theme. Others felt they

could compete because of superior workmanship or pricing. Regardless the reason, I have found those individuals successful because they jumped in the harbor having "preselected" their ship.

#### Ask the Right Questions

In the struggle to determine whether you should purchase or attempt a startup, begin with the most critical question first, "what single factor should influence my decision the most"? Sure, that question sounds too simple, but odds are your answer won't be so simple. Most entrepreneurs become so entrenched in calculating ROI (return on investment), or how to run their previous employer into the ground, that they lose track of what is really most important to them. For example, if immediate cash flow is imperative to your very existence, regardless the size of your investment, you should think about an existing business generating positive earnings. On the flip side, business startups are the antithesis of positive cash flow, draining every ounce of capital they can find. If, however, you choose to slowly transition from your current employment, or you lack the required capital to purchase a business, a startup is ideal.

Making a decision to buy or startup can be lengthy, frustrating, and even expensive. Before you embark, consider the mirror test. Stand in front of your favorite mirror and ask yourself the following: "am I really cut out to run a business?" Certainly not every personality or background is. There are many hats that must be worn, responsibilities are multi-dimensional. Next question should be, "am I really committed to this endeavor?" Committed financially, committed mentally, and do I have the physical stamina to endure all the storms that I will have to weather? Be prepared for a shock to the financial, physical and mental nervous system like you've never experienced before. Answering tough questions today will make the journey ahead smoother, more productive, and much more enjoyable. There may be dozens of ships in the harbor, but only you can determine which ship to sail, and the destination it takes.

Bradley G. Marlor MBA, CBI is a managing partner at Utah Business Consultants and a Certified Business Intermediary with the International Business Brokers Association. Utah Business Consultants is a full-service business brokerage and valuation firm. He can be reached at [brad@ubcutah.com](mailto:brad@ubcutah.com).

# • Industry Briefs •

## BANKING

• **Goldenwest Credit Union**, Ogden, has launched an **Android app** that allows its members to conduct account transactions with their mobile phones. The credit union previously launched free mobile banking apps for Blackberry, iPhone and iPad.

• **Nicholas J. Berger** has been named vice president and commercial loan officer of the City Center branch of **Brighton Bank**, Salt Lake City. Berger has been with the bank since 2001 and specializes in both commercial

and real estate loans.

## COMPUTERS/ SOFTWARE

• **eFileCabinet Inc.**, a global provider of enterprise content management solutions, headquartered in Lehi, has released its **integration with Intuit's QuickBooks**, a small-business accounting software. The integration provides users with an efficient way to link their QuickBooks records with documents stored in eFileCabinet. Users can link information for

*continued on page 14*

## Study: SLC's medical tech costs are lowest in West

A recently completed corporate location study comparing the cost of operating a medical technology manufacturing facility in 55 comparable locations in the U.S. — and near shore alternatives in Canada, Mexico and Latin America — finds that Salt Lake City shows very well. In fact, the city has the lowest costs in the western United States.

The report focuses on the growing medical devices and supplies industry, an important driver to the Utah economy. The industry employs some 12,000 workers in the state and generates more than \$520 million in annual wages. The study was prepared by The Boyd Co Inc., Princeton, N.J.

Overall costs in the study were scaled to a hypothetical 175,000 square foot production plant employing 325 workers and shipping to a national U.S. market. Among the U.S. locations, annual costs range from a high of \$30.7 million in San Jose to a low of \$22.6 million in Sioux Falls. A

Maquiladora border site in Mexico registered the lowest operating cost in the study at \$16.8 million a year.

Salt Lake City ranks at \$23.3 million annually, the most cost efficient location in the West. In today's difficult economy, comparative costs are ruling the corporate site selection process like never before. This is especially true within the medical devices and supplies industry, which has the added cost burden of regulatory review and a new and controversial 2.3 percent sales tax on medical device manufacturers under the new health care reform act.

The costs to operate the hypothetical plans in Salt Lake City were broken down into total annual labor costs (\$15,516,162), electric power costs (\$294,012), natural gas power costs (\$513,000), amortization costs (\$3,150,259), property and sales tax costs (\$1,317,237) and shipping costs (\$2,460,037).

## ACKERMAN

*from previous page*

[erjimackerman.com](http://erjimackerman.com)."

• Bring SEO in-house and assign it to people who have related duties. Your Web or social media staffers, for example. The expense is then diffused over multiple but related functions.

• As an alternative, negotiate a substantially lower rate for services with your SEO company, if you can.

• If you don't have and can't afford in-house staff for online marketing, go ahead and buy an SEO company's time for a one-time optimization of your site. This should be working with site content, tagging, existing cross-links and back-links, etc.

• Finally, and there is no way I can emphasize this enough, BE RELEVANT. If you are consistently contributing to the online community for the keywords you

are seeking to rank for, you will move up in the search engines, and you don't have to pay anyone to help you do it.

While I made it to page five on Google by modifying my site, I have now gotten to the top of page two by consistently contributing online content — particularly video content — to my online community. Out of pocket to accomplish all of this ... ZERO.

Jim Ackerman is a Salt Lake City-based marketing speaker, marketing coach, author and ad writer. Subscribe to his VLOGS at [www.YouTube.com/MarketingSpeakerJimA](http://www.YouTube.com/MarketingSpeakerJimA), where you get a video marketing tip o' the day, and at [www.YouTube.com/GoodBadnUglyAds](http://www.YouTube.com/GoodBadnUglyAds), where Ackerman does a weekly ad critique and lets you do the same. Contact him directly at [mail@ascendmarketing.com](mailto:mail@ascendmarketing.com).

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# REDDICK

from page 10

the breadbasket, salt and pepper and salad dressing to the right. Always pass the salt and pepper together. When passing items such as a creamer, syrup pitcher or gravy boat, pass it with the handle pointing toward the recipient.

**Seasoning.** Always taste your food first before using any seasonings. Do not assume it needs to be seasoned.

**Sweeteners.** Do not be excessive with sugar or sweetener packets. The rule of thumb is no more than two packets per meal. Do not crumble the packets but partially tear off a corner, empty the contents and place to the side or under your plate.

**Bread.** Bread/rolls should never be eaten whole. Break into smaller, more manageable pieces, buttering only one bite at a time. Toast and garlic bread, however, may be eaten as whole pieces since they are usually already buttered. If you are served a piping hot muffin or biscuit, you may break in half crosswise, butter and put back together. However when ready to actually eat, break it into small pieces.

**Glasses.** A variety of types and sizes of glasses can be used throughout the meal. Remember your items to drink will be located in the area above your knife and spoon. Coffee cups may be located to the right of the knife and spoon.

**Alcohol.** Alcohol, if consumed, should be in moderation. In most cases you may have a drink during the social hour and wine(s) with the dinner. You do not have to finish your drink. In fact slowly sipping is recommended. If you do not want an alcoholic drink, politely decline. Avoid being seen at any event with a drink in your hand at all times.

**Buffets.** Buffets provide an opportunity to select items you enjoy. Do not overload your plate. Select a balanced variety of food items.

**Pre-Set Meals.** With a pre-set meal the host/hostess has already made the selections and the individuals are served. If allergic, religious or vegetarian issues arise, quietly deal with these as the server is at your side. For vegetarian, ask if you may have a vegetable plate; with allergies or religion provide the server with some options (example: allergic to shellfish? Ask if they have cod or flounder and be ready with your preference). This lets the server know what you can eat. Always eat a little of all items served to you.

**Ordering from Menu.** As the

guest, select an item that is in the mid-price range; something easy to eat and that you will enjoy. Consider asking your host/hostess for a recommendation before making your decision. As the host it is helpful to take the lead in ordering appetizers and wine, if these are to be served.

**Finished.** When finished with a course, leave your plates in the same position that they were presented to you. In other words, do not push your plates away or stack them.

**Guest.** If you are someone's guest at a meal, ask the person what he/she recommends. By doing this, you will learn price range guidelines and have an idea of what to order. Usually order an item in the mid price range. Also keep in mind, the person who typically initiates the meal will pay. Remember to thank them for the meal.

**Restaurant Staff.** Wait staff, servers, maitre d', etc. are your allies. They can assist you with whatever problem may arise. Quietly get their attention and speak to them about the issue.

Next week: When You are the Host.

Ellen Reddick is principal and managing partner of Impact Factory Utah, which assists clients in achieving their performance and revenue objectives through leadership development, process improvement, teamwork and customer focus. As the national director of process planning and improvement for Lucent Technologies, she managed development of quality and process improvement, led major customer focused teams and functioned as an internal and external consultant and resource professional. In addition to consulting and writing, Reddick's qualifications include expertise with facilitation, process and quality improvements, the International Institute for Facilitation and Best Practices for Emotional Intelligence. She can be reached at 801-581-0369 or ellen@impactfactoryutah.com.

# TAXES

from page 7

39.6 percent if the Act had not passed.

• **Dividend and capital gains rates.** Without the act, capital gains tax rates would have increased to 10 percent for taxpayers below the 25 percent bracket and to 20 percent for taxpayers in the 25 percent bracket or higher. Dividends would have been taxed at ordinary income tax rates. The Act extends the 0 percent rate and 15 percent rates, respectively, on both dividends and capital gains for an additional two years.

• **Payroll tax holiday.** The act reduces the Social Security tax rate on individuals to 4.2 percent from 6.2 percent, and reduces the self-employment tax rate to 10.4 percent from 12.4 percent. The income base on which payroll taxes are computed remains at \$106,800 for 2011. The Medicare tax continues to apply to all earned income.

• **Alternative Minimum Tax (AMT).** The AMT exemption amount is set at \$72,450 for 2010,

and at \$74,450 for 2011 for those who are married and filing joint returns. For single individuals, the exemption amount is \$47,450 for 2010, and \$48,450 for 2011.

• **Personal exemptions.** Personal exemptions were being phased out for higher income individuals, but will now be allowed for an additional two years — regardless of income.


• **Distributions from IRAs to charities.** The act permits taxpayers age 70½ or older to distribute up to \$100,000 to charities from traditional and Roth IRAs.


### Business Tax Provisions

The act extends many credits and incentives applicable to businesses, but they vary from one industry to another. If your business was benefitting from such a credit or incentive, it is likely that it has been extended, and you should check with your tax advisor to ensure that your business is taking advantage of all of the savings opportunities available to it.

Bradley Bowen's law practice is focused on representing companies and high-net-worth individu-

als in complex business planning, contract drafting, tax and estate planning matters, including the acquisition, ownership and leasing of aircraft. He has been employed by the law firm of Strong & Hanni in Salt Lake City, Utah since 1985 and can be reached at (801) 532-7080 or at bbowen@strong and-hanni.com.


  
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CRUISE & TRAVEL MASTERS



from page 12

customers, vendors, invoices and bills.

• **Whitney Advertising and Design**, Park City, has introduced a **full-service solution for brands** to enhance its visibility. The new department, [www.theswagloung.com](http://www.theswagloung.com), aims to be a one-stop shop for organizations with promotional needs. Services include consultation, graphic design, print management, product sourcing, inventory management, distribution and order fulfillment.

## CONSTRUCTION

• The **Associated Builders and Contractors** Utah chapter will host its **30<sup>th</sup> annual summer golf tournament** at Soldier Hollow Golf Course, 1378 Soldier Hollow Lane, Midway, on June 24. Registration begins at 7 a.m., and shotgun start will be at 8 a.m. The tournament will be a four-person scramble, and cost will be \$125 per person or \$500 for a foursome. To fill out the registration form, visit [abcutah.org](http://abcutah.org).

• **Steven Peterson**, a **Weber State University** construction management professor, has been honored by **The Associated Schools of Construction** with its **Outstanding Educator Award** for 2010-2011. The Associated Schools of Construction is a professional association for educators who teach construction management, construction engineering or related fields. The award recognizes individuals who contribute to construction education, excel in teaching and are dedicated to the construction profession. Peterson's area of expertise is the financial aspect of managing construction companies and projects. He has also written several textbooks on the topic.

• The recently opened **Hurst Center for Continuing Education** on Weber State University's campus in Ogden has earned a **LEED Silver Certification** by the U.S. Green Building Council for its responsible design and operational elements. LEED is the preeminent program for the design, construction and operation of high performance green buildings. **MHTN**

was the architect on the project.

• **SelectHealth**, a nonprofit health insurance organization serving members in Utah and Idaho, has earned the **LEED Silver award** from the U.S. Green Building Council for its new headquarters in Murray. Several features were incorporated into the design and construction of the building to qualify for this certification, including daylight views for more than 90 percent of work stations, water-saving landscape design, high-efficiency fixtures, reserved parking for low-emitting and alternative-fuel vehicles, and a building-wide mixed-use recycling system.

• **Honnen Equipment**, the John Deere Construction and Forestry dealer for the state of Utah, will have an **open house** at its Murray facility on May 19-20. The location is 4055 S. 500 W. and the event will run from 10 a.m. to 3 p.m. each day. There will be operator skill contests, lunch, prizes, machine simulators and the opportunity to make suggestions to John Deere live on camera.

• **Kier Construction**, Ogden, has been awarded the **2011 Charles A. Caine Award for Workplace Safety** from Workers Compensation Fund. Kier was nominated because of its outstanding safety practices and is one of only 14 companies to receive an award this year.

## EDUCATION/TRAINING

• **Utah Valley University's Hal Wing Track and Field Complex** is now open to student athletes. **Hal Wing**, Little Giant Ladder Systems' founder, sponsored the \$1.5 million project. The change comes after years of coordinating practices with a local high school. The Utah Valley Wolverines held their first competition at the new facility on April 1, and three school records have already been set.

## FINANCE

• **Salt Lake Life Science Angels** (SLLSA), a Salt Lake City-based angel investment group that facilitates investment in seed-stage life science companies in Utah, has led an investment in **Olive Medical Corp.**, a medical device company. Olive Medical has developed a low-cost 1080p high definition endoscopic camera solution. SLLSA was joined in the financing round by investors from the Tech Coast Angels, industry experts and individual investors.

## HEALTH CARE

• **Community Health Centers Inc.**, a nonprofit organization that provides affordable health care, dental, mental health and pharmaceutical services, has received a \$500,000 grant from the **GE Foundation**, the philan-

thropic organization of the General Electric Co. The GE Foundation provided the grant as part of the GE Developing Health program, which provides funding and GE employee volunteer support to nonprofit health centers across the country. The grant to the Salt Lake City community will support Community Health Centers Inc.'s Oquirrh View and Central City locations and the centers' parenting, pre-natal care and literacy work.

• **Preventis Medical**, a Utah-based medical device technology company, has released **Respia**, a physiologically balanced, low sodium solution for airway care designed to mimic the properties of normal protective respiratory secretions. The product was developed in an Intermountain Healthcare Neonatal Intensive Care Unit to reduce the incidence of pneumonia in premature babies. Preventis will immediately begin marketing Respia to acute care hospitals throughout the U.S.

## HUMAN RESOURCES

• **A Plus Benefits**, a professional employer organization in the Rocky Mountain region, has entered a strategic partnership with **Bluefin Office Group**, an independent office products dealer in the Intermountain West. As part of the partnership, A Plus Benefits will provide strategic and financial insight to Bluefin while Bluefin maintains the day-to-day operations. The partnership will not impact the management of A Plus Benefits or entities. A Plus Benefits will offer Bluefin's clientele access to its full-service payroll, employee benefits, risk management and human resources.

## MEDIA/MARKETING

• **Crystal Keating** has been hired at **Progrexion**, a marketing firm in Salt Lake City, as a graphic designer. She will maintain the integrity of existing brands while designing new creative pieces that meet the messaging needs of clients. Keating will also work closely with marketing managers and the development team to ensure high quality production. Keating was previously the associate director of interactive design at McCann Erickson.

• Salt Lake City-based **Crowell Advertising, Marketing and PR** has added **four new clients** to its roster: Achy Legs, a specialized group of physicians that treat patients with leg pain related to vascular disease; Caribbean Creations, a designer and installer of custom swimming pools and spas for homeowners and commercial properties along the Wasatch Front; TAB Bank, a provider of custom working capital solutions to companies by focusing on commercial lending through asset-based loans, and

Wasatch Supply, a pipeline and construction supply business that provides erosion control, testing equipment, rigging, pipe coatings, rock shield and other pipeline and construction products. In addition, Crowell has made additions to its staff. **Harley Ringer** will join the digital marketing team. **Adam Taylor** joins as the interactive producer/project manager. **Nelson Fortier** is an account coordinator. **David Hill** joins the PR team as the public relations account manager.

## REAL ESTATE

• **Michael Lindsay** has been ranked **Coldwell Banker Residential Brokerage's number one Utah agent**. This is the second year in a row Lindsay was named top individual agent in Utah. He is a 30-year real estate veteran and experienced a high volume of home sales last year. He specializes in east side homes from Capitol Hill to Draper.

• **Destination Homes**, a Salt Lake City-based homebuilder, has opened **The Village at Valley Meadows**, the first of two maintenance-free communities the builder has scheduled for 2011. Located at 8209 S. 2650 E. in South Weber, The Village at Valley Meadows has eight homes completed and has sold five of them. Consisting of 42 town homes, the planned community features upscale amenities such as enclosed two-car garages, covered patios, vinyl privacy fencing and full professional landscaping. The three available floor plans range from 1,253 square feet to 1,493 square feet, and include three bedrooms/2.5 baths. The plans all feature upgraded amenities.

## RETAIL

• **Harmons Grocery Store**, a Utah-based grocery chain, has opened its **first store in Davis County** at 200 N. Station Parkway in Farmington. Harmons is the first retailer to open in the development of Station Park, the first grocery store in Davis County to have its own full-time registered dietician on site to assist customers, and the

first locally-owned chain to offer an on-site cooking school.

• **Overstock.com**, a Utah-based provider of brand name merchandise at discount prices, has acquired the **naming rights to the Oakland-Alameda County Coliseum**, a sporting events arena in California. The Coliseum will be known as Overstock.com Coliseum. The six-year deal covers the stadium facility that is home to NFL Oakland Raiders and the MLB Oakland Athletics. Overstock.com Coliseum is one of two U.S.- stadiums hosting two major league teams.

• **Specialty Retail Report** recently named **James (Jimmy) Gilland**, president of **Tricked Out Accessories**, Layton, as Outstanding Retailer of the Year. Tricked Out Accessories, with 19 locations in Utah and Hawaii, specializes in accessories for handheld mobile devices including cell phones and i-Pads.

## TECHNOLOGY/LIFE SCIENCES

• **Integrated Lending Technologies**, a Salt Lake City-based provider of technology solutions and consulting services for the lending industry, has named **Peter V. Vehko** as its vice president of business development. Vehko will be responsible for planning and coordinating all product marketing for ILT. He previously managed and directed all retail lending in 14 states for DaimlerChrysler Financial Services. Most recently, he served as director of lending for Aimbridge Lending Solutions, which involved managing dealer and credit union operations.

## TRANSPORTATION

• Salt Lake City-based **C.R. England**, a global transportation provider, has made additions to its corporate offices as well as to England Logistics, a wholly owned subsidiary. **Ashley Hara** joins as marketing data coordinator; **Chad Lundell** and **Carson Neil** join as driver recruiters; **Andrea Bray** joins as corporate recruiter; **Steve Simos** joins as a training coordinator; **Heidi Spencer** joins as an equipment finance clerk; and **Chad Ellis** joins the marketing and business development department.

## TRAVEL/TOURISM

• **Christopherson Business Travel**, a Salt Lake City-based business travel agency, has added three software engineers to its information technology team. **Dave McKenna** has joined as a software engineer and manager of the software development team, and **Nick Mattausch** and **Jeremy Mefford** have also joined as software engineers.



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## Fed up with the Fed?

When people in Washington start creating fancy new phrases instead of using plain English, you know they are doing something they don't want us to understand.

It was an act of war when we started bombing Libya. But the administration chose to call it "kinetic military action." When the Federal Reserve System started creating hundreds of billions of dollars out of thin air, they called it "quantitative easing" of the money supply.

When that didn't work, they created more money and called it "quantitative easing 2" or "QE2," instead of saying: "We are going to print more dollars and hope it works this time." But there is already plenty of money sitting around idle in banks and businesses.

The policies of this administration make it risky to lend money, with Washington politicians coming up with one reason after another why borrow-

ers shouldn't have to pay it back when it is due, or perhaps not pay it all back at all. That's called "loan modification" or various other fancy names for welching on debts. Is it surprising that lenders have become reluctant to lend?

Private businesses have amassed record amounts of cash, which they could use to hire more people — if this administration were not generating vast amounts of uncertainty about what the costs are going to be for ObamaCare, among other unpredictable employer costs, from a government heedless or hostile toward business.

As a result, it is often cheaper or less risky for employers to work the existing employees overtime, or to hire temporary workers, who are not eligible for employee benefits. But lack of money is not the problem.

Those who are true believers in the old-time Keynesian eco-

nomie religion will always say that the only reason creating more money hasn't worked is because there has not yet been enough money created. To them, if QE2 hasn't worked, then we need QE3. And if that doesn't work, then we will need QE4, etc.

Like most of the mistakes being made in Washington today, this dogmatic faith in government spending is something that has been tried before — and failed before.

Henry Morgenthau, Secretary of the Treasury under President Franklin D. Roosevelt, said confidentially to fellow Democrats in 1939: "We have tried spending money. We are spending more than we have ever spent before and it does not work."

As for the Federal Reserve today, a headline in the *Wall Street Journal* of April 25 said, "Fed Searches for Next Step."

That is a big part of the problem. It is not politically possible for either the Federal Reserve or the Obama administration to

leave the economy alone and let it recover on its own.

Both are under pressure to "do something." If one thing doesn't work, then they have to try something else. And if that doesn't work, they have to come up with yet another gimmick.

All this constant experimentation by the government makes it more risky for investors to invest or employers to employ, when neither of them knows when the government's rules of the game are going to change again. Whatever the merits or demerits of particular government policies, the uncertainty that such ever-changing policies generate can paralyze an economy today, just as it did back in the days of FDR.

The idea that the federal government has to step in whenever there is a downturn in the economy is an economic dogma that ignores much of the history of the United States.

During the first hundred years of the United States, there was no Federal Reserve. During

the first one hundred and fifty years, the federal government did not engage in massive intervention when the economy turned down.

No economic downturn in all those years ever lasted as long as the Great Depression of the 1930s, when both the Federal Reserve and the administrations of Hoover and of FDR intervened.

The myth that has come down to us says that the government had to intervene when there was mass unemployment in the 1930s. But the hard data show that there was no mass unemployment until after the federal government intervened. Yet, once having intervened, it was politically impossible to stop and let the economy recover on its own. That was the fundamental problem then — and now.

Thomas Sowell is a senior fellow at the Hoover Institution, Stanford University, Stanford, CA 94305. His Web site is [www.tsowell.com](http://www.tsowell.com).

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— **Craig Madsen**, Partner/Founder, J&M Steel

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