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Utah's Department of Workforce Services reports that it has 37 strategies in mind to help reintegrate returning veterans into the ranks of the employed.

DWS looking for ways to beef up veteran hiring

Brice Wallace

The Enterprise

The Utah Department of Workforce Services is working to find ways to make a veteran-hiring initiative "more robust."

Bruce Summers, the department's chief of veterans services, told the legislature's Veterans Reintegration Task Force that the department is working on several strategies to boost employment of veterans, including making employers more aware of the benefits they receive when hiring vets.

Summers said the department has 37 strategies with that in mind. One features expanding awareness of the "Utah Patriot

Partnership" program, which encourages Utah companies to look first to veterans when hiring.

"We want to make sure that the employers out there understand how important it is for our veterans, what they're getting when they hire veterans, all the assets and the skills that these veterans can bring," Summers said. "So we'll really go out and re-market that to our partners."

The strategies broadly are in four categories: boosting the number of vet hirings, increasing the number of employers hiring vets and posting job orders, increasing vet

see VET HIRING pg. 10

Utah economy up 43,300 jobs since last July

Utah's non-farm payroll employment for July 2013 grew by an estimated 3.5 percent, adding 43,300 jobs to the economy as compared to July 2012. Utah's current employment level is reported to be 1,280,000.

The July seasonally adjusted unemployment rate fell to 4.6 percent, having decreased one-tenth percent from June. Approximately 64,700 individuals were unemployed and actively seeking work. The national unemployment rate dropped to 7.4 percent for the month.

Utah's rate of job growth sprung back to an above-average level after experiencing two straight months of below-average growth. Labor force measures also exhibited positive movement as the size of the labor force and number of employed individuals grew and the count of unemployed decreased from June levels. Labor force participation also increased from June and now registers 67.9 percent.

All of the 11 private sector industries observed posted net job increases in July as compared to last year. The largest increases were in trade, transportation and utilities (9,700 jobs); professional and business services (9,000 jobs) and leisure and hospitality (7,100 jobs). Government employment overall contracted by 2,900 jobs in the same period.

Housing costs keep Utah CPI on the rise

Prices in Utah inched up another 0.2 percent from June to July, according to the Zions Bank Wasatch Front Consumer Price Index (CPI). An increase in housing prices more than offset a fall in transportation costs. Over the past 12 months, prices have increased in Utah by 2.1 percent on a non-seasonally adjusted basis. By comparison, prices across the U.S. have increased at a rate of 2.0 percent year-over-year, with an increase of less than 0.1 percent from June to July, as reported by the Bureau of Labor Statistics.

Housing costs, which represent the largest proportion of consumer spending at approximately 35 percent, increased 0.5 percent in July, driven by a 3 percent increase

in hotel rates. This marks the fourth straight month hotel rates have increased in Utah. Increasing room rates were likely due to several large conferences such as USANA Health Sciences' 2013 Annual Convention, MonaVie's 2013 Annual Convention, and

'However modest it might have been, Utahns finally saw some relief at the gas pump.'

cent month-over-month — fell for the first time since early 2013, as Utahns finally saw some relief at the gas pump. Consumers in Utah saw gasoline prices rise nearly 30 percent from January to June before seeing a modest 2 percent decrease from June to July

before an apparent small uptick in early August. Looking forward, gas prices for the rest of the summer and early fall should hold steady, assuming that no major hurricanes disrupt production in the Gulf Coast area now that the hurricane season is approaching.

Once fall approaches, consumers will begin to see the impact of refineries switching to their cheaper winter blend gasoline. The

see UTAH CPI pg. 10

Salt Lake's annual Comic Con. Over 20,000 people were expected to attend these three events, bringing important revenue to the state's multi-billion-dollar tourism industry.

Transportation costs — down 1.0 per-



Utahns on trade mission to Peru

Industry leaders from all regions of Peru will be traveling to Lima to meet a delegation of Utah's International Trade and Diplomacy Office (ITDO), a part of the Governor's Office of Economic Development (GOED). Utah is building on a memorandum of understanding (MOU) signed in June with Peruvian President Ollanta Humala, who agreed to host the trade mission, along with several Peruvian ministers.

"Utah has a long and storied history with Peru. Our efforts on Peru, and specifically this trade mission, are the culmination of years of work from institutions throughout Utah and Peru. We're simply building on the effort with greater focus," said Harvey Scott, director of International Trade and Diplomacy Office. "I am confident as we help institutionalize these relationships, with clear purpose, we'll see a measurable increase in Utah exports and foreign direct investment."

The trade mission to Peru left Aug. 18 and has attendees from 38 companies with over 60 participants in total. As sponsor of this trade mission, Zions Bank will play a key role in the mission's activities along with World Trade Center Utah. Other participants include Goal Zero, Alta Group, Morinda, Exceed, ChispaVital and CoreBrace.

"Increasing international business and Utah's exports are among our top priorities," Daniel Leifson, ITDO fellow said. "Helping strong Utah companies and institutions build relationships in Peru is personally rewarding and getting Utah's best products and services to new markets helps sustain the state's economic momentum."

Utah's relationship with Peru dates back to 1915 when Utah native Victor Vaughn Morris, a native of Salt Lake City, moved to Peru and opened The Morris Bar, where he invented the now famous Pisco Sour, Peru's national drink.

Besides having a unique historical connection, Peru and Utah have a strong economic re-

lationship. Last year, Utah became Peru's largest export destination in the United States. The trade pipeline between the two countries is well established and growing in both products and services. Mining and medical devices are strong product exports while agricultural research, education and consulting services make up a few of the many service exports from Utah.

Peru has rallied to open doors for Utah universities and has made Utah's trade relationship with Peru much easier to navigate for businesses. Several universities will be in attendance as well as one of Utah's oldest educational institutions, Wasatch Academy. Brigham Young University, Utah Valley University, University of Utah, Utah State University and Weber State University will showcase Utah's focus on higher education and will formalize a relationship with Peru's National Authority on water with joint research on water purification technologies and agriculture.

With a positive boost from the Peru Trade Promotion Agreement (PTPA) that the United States government enacted in February 2009, the MOU and trade mission are not to be mistaken as the pinnacle of Utah's relationship with Peru, but rather as a clear sign that the entities are functioning on a much more beneficial level now than ever before. The PTPA, like the North American Free Trade Agreement, eliminates costly tariffs and provides a comprehensive security measure that covers environmental issues, intellectual property and labor safeguards and creates an ideal export destination for Utah's business community, officials said.

"There is great power in trade agreements, and we see that as we celebrate 20 years of NAFTA," Scott said. "We are optimistic about our continued success as we move forward with a focus on strengthening our trade relationships with our North and South American trade partners."

OrangeSoda gives partners ability to offer online services

OrangeSoda, an online marketing provider based in American Fork, has introduced a new partner program for local and regional advertising and web development agencies. This program – already being successfully used by OrangeSoda's enterprise partners – provides emerging agencies and web developers with an online marketing program for their clients.

"We believe that there is a tremendous amount of opportunity in the marketplace for agencies that haven't previously been able to connect their clients to a proven SEM solution," OrangeSoda general manager Gordon Henry said. "OrangeSoda offers the best possible range of solutions, because our products continue to evolve as search engines evolve. We remain ahead of our competitors because we treat every client's business like our own business."

According to Henry, many small and midsized agencies are struggling to provide a full-service solution that meets their clients' online marketing needs. These firms risk losing long-established

clients because they do not have all of the products and services required to compete in a rapidly changing digital marketplace. OrangeSoda now provides those products on a contract basis.

The program provides contracting agencies with a commissioned ability to service their customers, a white label option, and multiple tiers to match each client's needs. Partners can offer a complete or partial line of online marketing products and services to their clients that include search engine optimization, Maps optimization, mobile targeting and paid search.

"Personalization of service is important," Henry said. "We've worked with businesses of all sizes and know how critical it is to our clients' success to tailor our services to their specific needs. We put our expertise to work so that our partners can look like the experts."

OrangeSoda, founded in American Fork in 2006, is an online marketer focused on SEM and SEO for business customers.

Utah philanthropists to be honored

The Utah Non-profits Association and Utah Society of Fund Raisers will recognize some of Utah's outstanding philanthropists and volunteer leaders at the 15th annual Utah Philanthropy Day on Nov. 14. Utah Philanthropy Day will be celebrated with a luncheon honoring the awardees nominated by nonprofit organizations around the state from 11:30 a.m.-1:30 p.m. at the Little America Hotel Ballroom.

Six awards are given at the Utah Philanthropy Day luncheon. The Philanthropic Leadership Award will be presented to The Right Reverend Carolyn Tanner Irish (Ret. UT). The R. Harold Burton Foundation will be honored with the Foundation Spirit of Giving Award. Regence Blue-Cross BlueShield of Utah will receive the Corporate Spirit of Giving Award.

The Outstanding Nonprofit Executive Award will be awarded to Deborah S. Bayle of United Way of Salt Lake. Hailey Daniels,

nominated by the Arthritis Foundation, will receive the Outstanding Young Volunteer Award. Finally, the Norma Matheson Outstanding Volunteer Award will be presented to Debbie Nielson of Girl Scouts of Utah. More than 75 volunteers also will be honored with a Heart and Hands award for their service to the community. Heart and Hands recipients are nominated by

nonprofit organizations to express gratitude for the tireless hours contributed by these volunteers.

The Utah Non-profits Association and Utah Society of Fundraisers are seeking those interested in becoming a sponsor or attending the event. Details are available at the Utah Philanthropy Day website.

Peak acquires N.C. properties

Peak Capital Partners, a Utah-based residential investment company, has acquired two multifamily communities in North Carolina in separate transactions. Peak has purchased The Links at Citiside, a 274-unit complex located in Charlotte and Oxford Square, a 184-unit property located in Cary. No financial details were released.

"North Carolina ranks among the top 10 largest economies in the United States," said Jamie Dunn,

founder and managing partner of Peak. "Our firm is actively looking to acquire additional multifamily communities in the high-growth areas of Charlotte and Raleigh."

As part of the acquisitions, Peak has made extensive and ongoing capital improvements to each community, which include new landscaping, refinished parking lots, exterior improvements to each structure and renovated clubhouses.

Corporate earnings reported

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

Fusion-io

Fusion-io, based in Salt Lake City, reported a net loss of \$23.8 million, or 24 cents per share, for the fiscal fourth quarter ended June 30. That compares with a loss of \$2.4 million, or 3 cents per share, for the same quarter a year earlier.

Revenue in the most recent quarter totaled \$106.1 million, down from \$106.6 million in the year-earlier quarter.

For the full fiscal year, the company reported a net loss of \$38.2 million, or 40 cents per share, on revenue of \$432.4 million. That compares with a loss of \$5.6 million, or 6 cents per share, on revenue of \$359.3 million in the prior fiscal year.

Fusion-io offers technology platform and software-defined storage solutions.

"We exited fiscal 2013 with a significantly more diversified customer and product base, which we believe provides a sound basis for business expansion going forward," Dennis Wolf, chief financial officer, said in announcing the results. "In fiscal 2014, we

are intent on improving how we leverage our partnerships and introduce new products to the market while continuing to invest in our technology leadership."

SNFC

Security National Financial Corp., based in Salt Lake City, reported net earnings of \$2.8 million, or 25 cents per share, for the second quarter ended June 30. That compares with \$3.6 million, or 36 cents per share, for the same quarter in 2012.

Revenues in the most recent quarter totaled \$61.3 million, down from \$56.5 million in the year-earlier quarter.

The company has three business segments. Mortgages accounted for \$41.2 million of revenue in the second quarter, followed by life insurance with \$16.8 million and cemeteries/mortuaries with \$3.4 million.

"We are very pleased with the second quarter results of our company, especially given the economic circumstances," Scott Quist, president, said in announcing the results. "This represents the company's second-best first half in its history, and its third-best second quarter in its history."

Hong Kong shipper opens Utah office

OOCL Inc., an international container shipping and logistics company with world headquarters in Hong Kong, will open a Utah-based office. The announcement was made recently by the Governor's Office of Economic Development.

"We live in a time of global economy, where partnerships with overseas companies are beneficial to the business environment," Gov. Gary R. Herbert said. "The opening of the OOCL office in Utah demonstrates Utah's commitment to doing business on a global scale."

OOCL will be establishing an integrated management and service center for its North American business. Under Utah's favorable business climate, OOCL is expected to relocate and/or hire 300 man-

agement and professionals in Salt Lake City, paying competitive remuneration packages and benefits in line with the industry, which will be at least 125 percent above the county's average annual wage including benefits, over a 20 year period.

Throughout the life span of the agreement with the state, while leveraging Utah's low tax environment, OOCL will pay in excess of \$500 million in new state wages, and over \$19 million in new state taxes. The GOED board of directors has approved a \$4,769,804 Economic Development Tax Increment Finance (EDTIF), post-performance refundable tax credit, and a \$953,961 IAF grant to offset any cost associated with the move, which the company can earn, or 30 percent of the net taxes paid by the

company over the lifetime of the incentive.

OOCL is one of the world's largest integrated international container transportation, and logistics and terminal companies, and an industry leader in transportation and information technology. The OOCL motto is "we take it personally" and this motto rings true as OOCL focuses on creating value for our customers, employees, shareholders and partners, according to a release from company officials. "OOCL values its people, and recognizes that the communities in which our employees live and work contribute greatly to the company's success. As a result, the care and attention that we give to the community are a major corporate focus to ensure all our stakeholders are respectfully accounted for," the release stated.

Utah cited as model for pension reform

A new report indicates Utah is among several states as models for effective public-sector pension reform.

The report, "Keeping the Promise: State Solutions for Government Pension Reform," highlights Utah, Michigan, Alaska and Rhode Island as examples of states that adopted effective pension reform.

The report was released by the American Legislative Exchange Council (ALEC) and written by Dan Liljenquist, a former Utah state senator and founder and president of business consulting firm Liljenquist Strategies.

The report noted that states face estimated unfunded pension liabilities of \$730 billion to \$4.4 trillion. Nearly 90 percent of public-sector employees participate in defined-benefit pension plans, which differ from their private-sector counterparts, whose pensions overwhelmingly consist of 401(k)-type plans.

Due to the market crash of 2008, only 60 percent of public pension plans received their annual required contributions the following year, and even the best funded pension systems were threatened with massive liabilities.

Utah was able to reform its system, closing its existing defined-benefit plan to new employees and offering them new options.

"In Utah, the effects of the 2008 market crash were akin to a chemical spill, requiring a two-step response," the report said. "First, contain the situation. Second, work overtime to clean things up. That is not a message anyone welcomes, but it is one that citizens, public employees and policymakers had to come to grips with in Utah."

The report said the market crash in 2008 "cost the state the equivalent of 8,000 teachers over a 25-year period."

The state's pension fund lost 22 percent of its value in 2008, and while it made a 13 percent return in 2009, the impact of compounding actually resulted in a 30 percent gap "between where the fund should have been and where

it was," according to the report.

"There has been a growing movement in the states to abandon defined-benefit pension plans, with their trillions of dollars in unfunded liabilities, and transition to 401(k)-style plans for new state workers," Jonathan Williams, director of the ALEC Center for State Fiscal Reform, said in releasing the report. "Private-sector employers shifted into defined-contribution plans years ago. Cities like Detroit and states like California will continue to reap the consequences if governments fail to fundamentally reform their pension systems."

Liljenquist said lawmakers of all types "know we cannot grow out of this problem. State policymakers must first recognize the scope and size of the problems with funding states' pension plans

see PENSIONS pg. 10

Boart wins contract for African gold mine

Boart Longyear, the Salt Lake City-based integrated exploration drilling services, equipment and performance tooling company, has been awarded a contract for the exploration drilling services at the Kibali gold mine in the Democratic Republic of Congo. The contract has an expected duration of

five years and value of up to \$70 million. Drilling is scheduled to commence immediately.

The Kibali gold mine is anticipated to rank as one of the largest gold mines in Africa. Located in a remote northeastern area of the Democratic Republic of Congo and operated by a joint venture of

Randgold Resources, AngloGold Ashanti, and the Congolese parastatal, Sokimo, it currently has reserves estimated at close to 11 million ounces of gold.

During the life of the contract, Boart Longyear will deploy at least seven rigs at the site and provide a variety of drilling techniques, including deep diamond coring, reverse circulation and rotary rigs for mine dewatering.

"We have had a longstanding association with Boart Longyear. We value their technical expertise and ability to drill in the most challenging conditions, and, with their help, we have discovered five other world-class gold deposits in Africa," said Paul Harbidge, general manager of exploration for Randgold Resources Limited.

"The Kibali contract represents the strong partnership between Randgold Resources and our company," said Michael Napoletano, general manager of drilling services in Europe, Middle East and Africa (EMEA) for Boart Longyear. "It will form a core part of our already significant business in the DRC for several years."

Shulman to head Radiate

Ivan Shulman has been promoted to president of Salt Lake City-based Radiate Media, an online presence service platform provider.

Shulman joined the company in November 2012 as the executive vice president of sales and chief revenue officer.

"Ivan has a deep background in sales, marketing and media, and his leadership experience makes him a great fit for us," said Chris Rothey, CEO of Radiate Media. "Since joining us in 2012, we have experienced quarter over quarter revenue growth, including the launch of our Radiate360, our integrated marketing platform. Ivan will continue to lead that initiative as well as overseeing the day-to-day activities of our broadcast radio, TV and digital lines of business."

Shulman started out in radio working at Westwood One in the

Metro Networks division where he worked for 15 years. He began as a director of operations and an on-air personality. When he left the company, he was the senior vice president of marketing. He helped Metro Networks grow from seven cities to 81 cities during his tenure, exceeded sales and marketing goals and supervised revenue growth from \$72 million to \$290 million. He was integral in the transition of Metro Networks from being a privately held entity to a public company that was later sold to Westwood One.

From Westwood One, Shulman went on to join Global Traffic Network as senior vice president and president of the company's Canadian Traffic Network Division.

"I joined Radiate because I was excited about future opportunities," said Shulman. "Our growth on both the broadcast and digital side has been phenomenal and I look forward to working with broadcasters to help bridge the gap between digital and traditional media."



Ivan Shulman

Chief Advisor - Mining

Rio Tinto Services, Inc. has an opening in our South Jordan, UT location for a Chief Advisor - Mining. Provide technical advice and services to Rio Tinto Business Units in the area of Mining, and identify and implement initiatives that add value to Rio Tinto. Guide and influence the technical strategy within Rio Tinto Product Groups, Business Units and mine sites. Must be available for less than 30% domestic and international travel. Apply online at <http://www.riotinto.com/careers>, search for job ID# HR0054120, and click Apply Online. Rio Tinto supports workforce diversity.

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Kneaders expanding on home turf

Construction for a new Kneaders Bakery & Cafe is under way next to the restaurant's founding location in Orem. Larger than the company's standard buildings, it will offer additional space for classes and special events.

"While we love our origi-

nal restaurant, we outgrew the space quickly and knew it was time to build a larger site," said CEO James Worthington. "We are thrilled to see construction begin and look forward to opening our doors later this year."

This new location is just one

of several new restaurants to open within the year. Kneaders also plans to build new bakery and cafes in Las Vegas; San Antonio; Colorado Springs, Colo.; West Valley; and Awatukee and San Tan Village, Ariz.

"We've had tremendous growth over the past couple years, and plan to continue our expansion through the rest of this year and into 2014," said Worthington.

Kneaders is a Utah-based restaurant franchise specializing in European hearth breads, gourmet sandwiches, soups, salads, pastries and breakfast items. It also provides catering services and offers a variety of retail products including gift baskets and holiday-themed gifts.

Colleen and Gary Worthington opened the first Kneaders in Orem in 1997. Shortly after opening, James Worthington, CEO, and David Vincent, CFO, joined the company. The brand currently consists of 23 locations including 19 in Utah; one in Meridian, Idaho; two in Yuma and another in Gilbert, Ariz.



1,600 new jobs coming

Marcus Collier, senior vice president of General Dynamics' IT, Health & Civilian Solutions Division, speaks during a recent ribbon-cutting event about General Dynamics' plan to create 1,600 jobs when it opens a call center at an existing 130,000 square foot building in Sandy. Looking on are representatives from the city and economic development organizations. Call center representatives will answer questions and provide support to millions of Americans who will be enrolling in new coverage programs through the Health Insurance Marketplace. General Dynamics will be staffing the new call center with customer service representatives, supervisors, call center managers, quality specialists and trainers. Candidates are encouraged to apply online via the General Dynamics Information Technology website at www.gdit.com/careers, where they will find positions by entering the keyword "Utah" in the job search engine. The company also will be interviewing candidates at a "family fun day" Aug. 31 from 9 a.m.-1 p.m. at the call center site, 8745 S. Sandy Parkway. Candidates are encouraged to bring children and enjoy snacks and activities. Recruiters and hiring managers will also be on-site at General Dynamics Information Technology offices in Sandy during business hours to discuss current openings as well as applicants' backgrounds and experience.

Westminster installation gives realistic business experience

Westminster College's Center for Financial Analysis (CFA) recently announced the installation of a new stock ticker and video boards that will provide business students with a more dynamic learning experience. The installation gives students access to real-time global market data, in-depth financial information and historical economic data.

"This is an exciting time and shows the commitment of Westminster College to provide a state-of-the-art facility for students, alumni and the community," said Jonathan McKenzie, CFA director. "The new technology helps create a high-energy environment for learning and interacting with the domestic and international financial markets."

The CFA opened in Westminster's Bill and Vieve Gore School of Business in 2002. The center is an advanced computer classroom

and lab that is equipped with the same tools, data and technology used by Wall Street traders, investors and fund managers. Some of the tools that students use include FactSet, MorningStar and Value-Line which provide unrivaled access to market information.

"The central purpose of our center is to help blend classroom theory with real-world, first-hand experience," added Jin Wang, dean of the Bill and Vieve Gore School of Business. "In addition to our students, the benefits of these new upgrades will be felt by the community and local high school students who come to the college as part of programs like the financial literacy program funded through the Larry H. and Gail Miller Family Foundation."

In September, the college will celebrate the Bill and Vieve Gore School of Business's 25th anniversary.

BOMA told social media means free ads

Brice Wallace
The Enterprise

Free advertising that you control.

That's how Ed Tallerico of 5Star Services Inc. describes the incredible power of social media for companies.

"It's marketing. It's free advertisement," Tallerico said during a "Social Media 101" training session last week for the Building Owners and Managers Association (BOMA) of Utah.

"You don't even have to pay for this advertisement. You can't pay for this advertisement. You could pay somebody to do it for you, but they'd never do it the way you do it on your own administrative pages. And you can go out there and actually market this yourself, market your own company. ... You can do whatever you want."

Brian Andersen of Crexendo put it another way when talking about corporate profiles on Facebook and LinkedIn: "It's just another billboard out on the Internet, to have a platform to talk about you."

Andersen and Tallerico stressed that social media is all about relationships and connections among people with common interests. That makes social media perfect for companies.

"You've got to have good relationships to be able to have business," Andersen said. "If you don't

take the time to develop relationships, then your business is going to suffer from it and it's not going to be sustainable."

Tallerico demonstrated how simple it can be to make connections through Facebook when he "liked" a post by a person on his network. That "like" instantly created a link to his company's Facebook page.

Sharing or liking is a way of "pointing and directing traffic" to a business page, enabling companies to get the attention of customers or prospects, he said. "You don't have to have them like you," he said. "You can go out there and like them," giving you access to their networks, he added.

Andersen cautioned against using Facebook for sales, saying that that is "not what that platform is expected to do." It's perfect for customer service and marketing. But LinkedIn is a business network, where promotion of products or services, and sales, are appropriate and expected, he said.

In LinkedIn, a person can see who has viewed a profile, meaning it's an opportunity to meet people and develop prospects, he said.

"It's a way for you to control the flow of communication for those people who are going to be checking you out," he said of Facebook and LinkedIn profiles. "And if you don't believe that you're being investigated when you contact somebody, you're lying to yourself."

"This is how we do it today.

This is the best way that we have to get information on people at the touch of our fingertips without having to pay for some person-finder search for \$29.99 a month. ... People don't go down that road in the business world, but they do do this."

Andersen said social media is a far different approach than traditional marketing of years past.

"Up until the mid-'80s, it was mostly 'what are companies saying about themselves? What kind of external marketing program do you have and what is your message? What are you communicating to the marketplace?' It's no longer that way. It's now 'what are other people saying about me?' We have different platforms. ... We've got all these different places now for other people to talk about me, and that's really scary."

He described the opportunity presented by social media as "another method of expanding that network and gaining more visibility across different channels."

And Tallerico said social media is very simple, adding that "Facebook made blogging easy."

"They made 'likes' and 'shares' and everybody has a Facebook thing where you can share a story," he said. "You can share anything from anywhere on the Web on Facebook. I can show you ways you can originate posts as well ... but 'liking' and 'sharing' other pages and from Facebook pretty much makes it so anybody can do it."

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Industry Briefs

ASSOCIATIONS

• The **Heber Valley Chamber of Commerce** is accepting online nominations for Entrepreneur of the Year, Business of the Year, and Heber Valley Hall of Fame. Businesses and individuals in Wasatch County and the Heber Valley are eligible. Nominations may be submitted at www.heber-valleybusiness.com/businesssubmit.

BANKING

• **TAB Bank**, Ogden, has appointed **Jan Allen Ackley** as vice president of asset based lending. Ackley will be based at the bank's corporate headquarters and will oversee all personnel, operations, and functions as it relates to TAB's portfolio of asset based lending clients. Ackley has over 24 years of banking experience, including time with Comerica Bank, Key Bank, LaSalle Bank/Bank of America, Provident Bank and First Bank. His roles were primarily focused in the areas of asset based lending, mergers and acquisitions financing, working capital revolvers, equipment financing, real estate, and treasury management services.



Jan Allan Ackley

• **Zions Bancorporation** has promoted **Michael Morris** to executive vice president and corporate chief credit officer. He will be responsible for overseeing the credit risk function, including the credit approval process, portfolio stress testing, credit risk modeling and credit policy. He will also be part of the Executive Management Committee and will report to the company's chief risk officer, Edward Schreiber. Morris has been serving as executive vice president of Zions Bank's Real Estate Division since 2009. He also was managing director and group head of Real Estate Capital Markets for Zions Bancorporation. Prior to joining Zions in 2007, Morris

managed the Real Estate and Investment Group for JP Morgan Real Estate and Banc One's Real Estate Investment Corp., and he managed senior debt operations as an executive vice president for Banc One Corp. He also served as a senior vice president with First Interstate Bank of California in Los Angeles, where he managed the Southern California Real Estate Banking Group, among other duties, from 1988 to 1995. He received a bachelor's degree from the University of Utah and attended Graziadio School of Business and Management at Pepperdine University in California.

FINANCE

• **Incapital** has opened an institutional sales office in Salt Lake City and appointed two vice president to its institutional sales team, **William H. Money III** and **Marcus Nield**, to spearhead the effort. Money has over 25 years of experience in the fixed income institutional sales space and joins Incapital from Pierpont Securities. He held prior roles at Paine Webber, Zions and Advest. Nield joins Incapital with 13 years' experience in the institutional sales market and was most recently employed by Pierpont Securities. He previously was with Zions Bank Capital Markets.

GOVERNMENT

• The **Governor's Office of Economic Development (GOED)** has hired three staff members for enhancing rural economic development. **Delynn Fielding** is director of rural development within GOED. He will be assisted by **Jake Hardman** as rural outreach coordinator and **Daniel Royal** as rural incentives analyst. The team will work with rural leaders and economic developers to gather data and determine their top three economic development priorities and their top three economic development challenges. GOED will then use the full array of state resources in partnership with the rural counties to help achieve those priorities. Fielding has been the Carbon County economic development

director for the past 13 years. Prior to that, he had a career in banking, serving as both a branch manager and a regional manager for Zions Bank. Fielding has also been a member of the Governor's Rural Partnership Board for the past eight years. Fielding will be relocating from Castle Dale to live in Salt Lake City and work from the GOED offices. A Cedar City resident, Hardman is director of the Southwest Utah Renewable Energy Center (SUTREC). He spent two years as a venture analyst with the Utah Science Technology and Research (USTAR) program, working with entrepreneurs and higher education to commercialize new research technologies. He will travel to rural communities throughout the state on a weekly basis and continue to live in Cedar City. Royal graduated with a bachelor's degree in international business and marketing with a minor in French, concentrating on French-speaking African markets. His business development career began in Montreal, where he helped American companies enter the Quebec market. At GOED, he was responsible for market analysis and coordination of foreign trade missions. He will provide staff support to Fielding in the GOED offices.

• The **Governor's Office of Economic Development (GOED)** has hired **Kevin Jessing** as director of the life science cluster. Jessing has more than 20 years of experience in the pharmaceutical industry, being involved in pharmaceutical, contract research and pharmaceutical technology industries with an emphasis in mass spectrometry and business development. Most recently, he was head of BioInnovations Gateway (BiG), a nonprofit life science incubator located within Granite Technical Institute. He also founded Resonance Laboratories in 2007 to address the bio-analytical and ADME needs of small pharmaceutical companies. Jessing has also held positions as



Kevin Jessing

interim director of bioanalytical services for ABC Laboratories in Columbia, Mo.; associate director of discovery ADME at Myriad Pharmaceuticals in Salt Lake City; and at Tandem Laboratories, Cedra Corp. and Camitro.

HEALTH CARE

• **Specialty Surgery of Utah**, Salt Lake City, has hired **Dr. Jeffrey L. Eakin**, a board-certified surgeon specializing in minimally invasive gastrointestinal, bariatric and robotic surgery. Eakin earned his medical degree from the Ohio State University College of Medicine. After medical school, he completed a surgical residency in general and trauma surgery at the Ohio State University Medical Center. He completed a fellowship in minimally invasive, robotic and bariatric surgery at the center.

INSURANCE

• **The Buckner Co.**, Salt Lake City, has opened an office in Boise, with **Chad Williams** leading the operations there. Williams has spent the past decade in the Boise commercial insurance arena. Williams' commercial insurance and workers' compensation clients come from a wide spectrum of industries, but he particularly enjoys working with clients in the nonprofit and social services sectors, technology companies, manufacturing and agriculture. The company has opened two other Idaho offices in recent years.

REAL ESTATE

• **RealtyTrac** has selected **Prudential Utah Real Estate** as a member of its RealtyTrac Network (RTN), a licensed broker network. Prudential Utah Real Estate serves its market with 15 offices and more than 400 agents covering nine counties in northern Utah. Through RTN, the company will be able to access a database that includes property-level data for sales, loan information, property characteristics and distressed property details.

TECHNOLOGY/LIFE SCIENCES

• **Espiritu Design**, an industrial design and product design and development firm, working in partnership with **i-calQ**, captured one of 12 finalist positions in the **XPRIZE Nokia Sensing XCHALLENGE**. The companies are based in Salt Lake City. They are one of 12 teams from the U.S., Japan, Israel and the United Kingdom to advance to the final competition round. A winner will be announced Oct. 2. The competition, an international initiative aimed at advancing "innovative sensing technologies that capture

meaningful data about a consumer's health and the surrounding environment," attracted over 143 applicants vying for six top spots in a \$2.25 million prize. Espiritu Design and i-calQ created a point-of-care medical diagnostic device that uses smartphone imagery, computing and communication technology. The portable device allows medical professionals to perform diagnostics and ascertain accurate medical information anywhere.

• The deadline is Sept. 2 at noon for applications to be submitted in the **Technology Commercialization and Innovation Program (TCIP)** grant competition's first round for fiscal year 2014. After the application process and a competitive review, select Utah companies may earn a match grant up to \$40,000 awarded by the Governor's Office of Economic Development (GOED). TCIP is a state-funded grant program that was developed for the purpose of commercializing cutting-edge technologies developed at Utah's colleges and universities. There are two types of eligible applicants for this grant: a faculty-led team at a Utah college or university, public or private; or a company, existing or startup, that has licensed or is in the process of licensing a technology from a Utah college or university. The grants are disbursed contingent on federal or private matching funds being furnished by the commercializing company or university to leverage the state's contribution and are approved based on their potential for economic development in Utah. Details are available at <http://business.utah.gov/programs/coe>.

• **Allegiance**, a Salt Lake City-based provider of VOCi (voice of customer intelligence) technology and services, has appointed **Ed Reilly** as executive vice president of worldwide sales. Reilly will be responsible for driving



Ed Reilly

Allegiance's sales execution and operations, including creating sales strategies and operations, advancing partnerships and building go-to-market models that create advantage. Reilly is a senior sales leader and former general manager of both publicly held and venture backed software companies. His areas of expertise include sales, sales management, business development, IT operations and finance. Before joining Allegiance, Reilly was vice president of mid-market sales for BMC Software and vice president of EMEA sales of the Altiris business unit of Symantec.

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Calendar

Aug. 27, 11:30 a.m.-1 p.m.

Women in Business Luncheon, presented by the Sandy Area Chamber of Commerce. Guest speaker Cheryl Smith will discuss "Health Care Reform: What's Next and Why You Should Care." Location is Asian Star, 7588 Union Park Ave., Midvale. Cost is \$20 for chamber members, \$25 for nonmembers. Details are at sandychamber.com.

August 28, 7:30-9 a.m.

"Breakfast of Champions" Event, presented by the Sandy Area Chamber of Commerce. Representatives of Social5 will discuss "The Essentials of Social Media." Location is the Larry H. Miller Training Room, 9350 S. 150 E., ninth floor, Sandy. Free. Details are at sandychamber.com.

August 29, 7:30-9:30 a.m.

CFO 2P2 Forum, a Utah Technology Council (UTC) event. Reserved for CFOs, controllers and vice presidents of finance for UTC member companies. Rob Alston, director at Jones Waldo, and Daren Shaw, managing director for D.A. Davidson & Co., will discuss "Raising Capital During a Company's Different Life Stages (Hurdles and Strategies)." Location is Jones Waldo Holbrook & McDonough, 170 S. Main St., Suite 1500, Salt Lake City. Details are at www.utahtech.org/events or (801) 568-3500.

September 5

Business Summit and Golf Tournament, hosted by the Heber Valley Chamber of Commerce. Summit will focus on keeping business local and will offer breakouts and panels on health care, business growth and marketing through social media. Keynote speaker Josh Romney, real estate developer and owner of Romney Ventures, will discuss business leadership. Location is the Utah Valley University Wasatch Campus, Heber, with golf at Soldier Hollow. Summit costs \$35 before Aug. 30, \$45 thereafter. The golf tournament costs \$50. Details and registration are at www.hebervalleybusiness.com/businesssummit.

September 5-7

Asset Management Course, presented by Building Owners and Managers Association (BOMA) of Utah. Speaker will be Terrell Sparks, managing director of Roseman University Properties for Roseman University of Health Sciences. Location is 3 Triad Building, first floor conference room, 345 W. North Temple, Salt Lake City. Cost is \$1,100 for BOMA members, \$1,250 for nonmembers, \$175 for first-time students; \$75 for second and third

designation. Details and registration are at www.BOMAUtah.org.

Sept. 6, 8:20 a.m.-noon

"Doing Business in Africa" Seminar, hosted by the African Chamber of Commerce of Utah (ACCU), World Trade Center Utah and the Governor's Office of Economic Development (GOED). Event will feature the inauguration of the ACCU. Location is the World Trade Center of Utah, 60 E. South Temple, third floor, Salt Lake City. Free. RSVPs can be completed by contacting Emily Olsen at (801) 538-8861 or emily@wtcut.com.

September 6, 10 a.m.

Open House, allowing people to see the transformation from the Geneva Steel mill to a master-planned community by Anderson Development. Event will include presentations by Gov. Gary Herbert and other civic and community leaders. Community will feature lakefront property, 2 million square feet of retail space, 3.5 million square feet of office space, 7,600 residential units, 5 million square feet of industrial space, the future home of 26,000 total residents, intermodal hub and major town center. Location is 99 N. Geneva Road, Vineyard. Details are available by calling (801) 990-4995, emailing info@genevautah.com or visiting www.genevautah.com.

September 8-11

2013 Material Handling & Logistics Conference, sponsored by engineering company Dematic. Conference is designed to educate participants on how to benchmark their own supply chain goals, quantify gaps and help them build their own actionable 100-day plan to start closing those gaps. Keynote speaker will be Jay Leno. Location is Grand Summit, Park City. Cost is \$900. Details are available at www.mhlc.com or by contacting Cheryl Falk at cheryl.falk@dematic.com or (262) 860-6715.

Sept. 10, 7:30 a.m.-5 p.m.

Second annual Utah Small Business Summit, presented by the Utah Small Business Coalition. Theme is "Focus 2013: Health Care," with concentration on the Affordable Care Act. Geared to small-business owners and managers. Features keynote speakers, breakout sessions and exhibitors. Location is the Salt Palace Convention Center, 100 S. West Temple, Salt Lake City. Cost is \$30. Details are at http://www.slchamber.com/page/list/view/events_calendar?event=4167.

September 10, 11:30 a.m.

ChamberWest's Women in Business meeting, featuring a special program to honor veter-

ans and military service men and women. Location is Arbor Manor Reception Center, 2888 W. 4700 S., West Valley City. Cost is \$20 with RSVP, \$30 without. RSVPs can be completed at <http://www.chamberwest.org/rsvp>.

September 10-12

PERS (Personal Emergency Response System) Summit, presented by alarm monitoring company AvantGuard, based in Ogden. Event will provide alarm dealers with the information and tools they need to successfully market and manage their PERS businesses. Keynote speakers will be Elizabeth Smart, an abduction survivor and strong supporter of alarm monitoring for homes; and Kristin Simmons, partner and customer experience architect at Lightswitch. Location is Deer Valley Resort, Park City. Registration is \$350 for AvantGuard dealers and \$450 for non-dealers and vendors. Registration is at perssummit.com.

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

Building Owners and Managers Association (BOMA) of Utah Annual Social Luncheon. Location is Little America Hotel, 500 S. Main St., Salt Lake City. Event is free for BOMA members, \$35 for BOMA member guests and \$45 for nonmembers. Details and registration are at www.BOMAUtah.org.

Sept. 12, 8 a.m.-4 p.m.

"Utah's Manufacturing Future," a first-ever manufacturing summit sponsored by the Utah Manufacturing Association. Keynote speaker Jason Dorsey, "The Gen Y Guy," will discuss "Gen Y, Gen X, Boomers and Traditionalists All Sharing One Workplace — This Was Not Supposed to Happen." Location is Salt Lake Community College Miller Campus, 9750 S. 300 W., Sandy. Cost is \$100. Registration and details are at (801) 363-3885.

Sept. 13, noon-1:30 p.m.

Salt Lake Chamber's 126th Annual Meeting. Location is Salt Lake Marriott Downtown at City Creek, 75 S. West Temple, Salt Lake City. Cost is \$75. RSVPs are encouraged by Sept. 6 and can be completed by emailing annualmeeting@slchamber.com or by calling (801) 328-5060.

Sept. 14, 9 a.m.-5 p.m.

"Take Your Business Global," presented by Global Events Network. Dolf de Roos will discuss "Take Your Business Global." Taira Koybaeva will discuss "What You Have Going For You and Against You in Globalization as an American." Darnell G. Davis will discuss "Using Networking

to Increase Your Exposure — Nationally and Internationally." Event kicks off with Sept. 13 VIP dinner with the speakers (limited to 25 people). Location is Snowbird Ski Resort. Cost for both events is \$179. Conference is \$129. VIP dinner only is \$50. Details are at <http://goingglobalwithdolf.eventbrite.com>.

September 19-20

Utah Business Sustainability Conference, produced by P3 Utah and Net Impact Utah. Pre-conference Sept. 19 from 8:30 a.m.-4:30 p.m. Conference Sept. 20, 8 a.m.-6 p.m. Event includes industry discussions, workshops, networking opportunities and a reception. Keynote presentation will be by George Bandy, vice president for sustainability at Interface Carpet. Location is the Wasatch Retreat and Conference Center at the Episcopal Church Center of Utah (ECCU), 75 S. 200 E., Salt Lake City. Cost is \$175, with discounts for students. Details are at <https://eccu.wufoo.com/forms/3rd-annual-utah-business-sustainability-conference/>.

September 25-27

Property Solutions Summit: "Portals to Platforms," a summit focused on property management and its technology. Event includes keynote presentations, breakout sessions, workshops and networking. Sept. 25 keynote will be by Stephen Dubner, *The New York Times* best-selling author of *Freakonomics* and *Super Freakonomics*, who will discuss how to create behavior change and the value of asking unpopular questions. Sept. 26 keynote will be by Ann Rhoades, co-founder of JetBlue and chief people officer for Southwest Airlines, who will discuss the principles of her best-selling book *Built on Values* and the competitive advantages that arise from a values-based strategy. Location is Stein Eriksen Lodge, 7700 Stein Way, Park City. Cost is \$725. Details are at <http://propertysolutions.com/summit2013>.

Sept. 27, 7:30 a.m.-9:30 p.m.

Social Enterprise and Crowdfunding Conference. Topics include how to launch a social enterprise, raising money with crowdfunding, applying for 501(c)(3) status, doing effective due diligence for impact investors, and how to make effective grant applications. Speakers will include Devin D. Thorpe, executive, entrepreneur, author and speaker; Eric Weinberg of Impact Capital Strategies; Alan Hall of Grow America; Fraser Nelson of the Community Foundation of Utah; and Richard Swart of the University of California-Berkeley. Location is Snowbird Ski and Summer Resort. Ticket prices vary. A limited number of students

and nonprofit leaders will be invited to attend for free. Details are at <http://secfc.eventbrite.com/>.

October 1-2

APWA Fall Conference and Storm Water Expo, presented by the Utah chapter of the American Public Works Association (APWA), the Utah Stormwater Advisory Committee (USWAC), the American Society of Civil Engineers (ASCE) and Utah City Engineers Association (UCEA). Event includes 50 exhibitors and 64 classes. Tracks include transportation, utilities, technology, safety and emergency management, storm water and construction, municipal storm water and operations and maintenance. Location is the South Towne Exposition Center, 9575 S. State St., Sandy. Details are available at utah.apwa.net.

October 11, 6 p.m.

Utah Technology Council Hall of Fame Gala, a black-tie event honoring accomplishments of the Utah technology industry. Networking reception begins at 6 p.m., following by 7 p.m. dinner and program. Keynote speaker will be Shantanu Narayen, president and CEO of Adobe Systems Inc. Location is the Grand America Hotel, 555 S. Main St., Salt Lake City. Details are available at (801) 568-3500.

Oct. 22, 7:15 a.m.-5 p.m.

Eighth annual Utah Procurement Symposium, presented by the Governor's Office of Economic Development (GOED). Designed for companies interested in government contracting. Event includes speakers, breakout sessions, a vendor fair and networking opportunities. Location is South Towne Exposition Center, 9575 S. State St., Sandy. Price before Oct. 15 is \$50 for single attendees and \$40 for companies. Details and registration are at <http://business.utah.gov/contracting/PTAC>.

October 29-November 5

Salt Lake Chamber trip to Eastern Europe. Includes visits to Prague, Czech Republic; Vienna, Austria; and Budapest, Hungary. Cost is \$2,799. Details are available by contacting Maria Nelson at (801) 328-5047 or mnelson@slchamber.com.

November 12

Thirty-seventh annual **American Express Women & Business Conference and Wells Fargo Athena Awards Luncheon**, presented by the Salt Lake Chamber Women's Business Center. Event includes speakers and breakout sessions. Location is the Little America Hotel, 500 S. Main St., Salt Lake City. Cost is \$75. Details are at <http://www.slchamber.com/page/sandbox/view/womenand-business>.

Make sure you can handle the risk with those ticking 'time bonds'

Do you own any ticking time bonds? Bonds are debt securities, similar to an I.O.U. When you purchase a bond, you are lending money to a government, municipality, corporation, federal agency or other entity known as the issuer. Interest rate bonds pay interest that can be fixed, floating, or payable at maturity. If you own bonds, my guess is that you bought them for safety, stability and possibly income. You may also hope they increase in value over time. In many cases bonds are safer than stocks, but did you know that some bonds may actually be more risky than stocks?

If you measure risk by standard deviation, or the amount of annual increase and decrease in the value of your investment, some bonds may actually have greater price swings than stocks. Bonds values can change based on several factors, including the credit quality of the issuer, supply and demand, maturity date, and the bond market itself. Newly issued bonds normally sell at or close to their face value. Bonds traded in the secondary market fluctuate in price inversely to changing interest rates. You could lose tremendous value



RICHARD WAGNER

on your bond investment based on a change in interest rates or credit quality of the issuer. I have seen bond portfolios that were assumed to be a safe haven by their owners, but turned out to be much riskier than anticipated. This was because the maturity date on many of the bonds extended 20-30 years.

Have you ever heard the phrase: "If it sounds too good to be true, it probably is"? Well, if you have a really high interest rate on the bonds you have purchased, you might want to ask yourself why. Most people are unwilling to give something for nothing. If you own bonds with a higher than normal rate of return, you may want to find out why. There is probably a legitimate reason for that higher return, such as the low credit quality of the issuer, which is OK, as long as you know what the reason is and you are comfortable with it.

Some have invented fancy names for bonds that pay a higher than normal rate of return; for instance, while some call a bond from a high risk issuer "junk bonds," others choose to call those same bonds "high yield" instead,

focusing on the higher yield rather than the greater risk in the same bonds. While credit quality is an important factor in the yield on bonds, the factor that usually has the highest effect on the ultimate price of bonds is a change in interest rates.

If you estimate how a change in interest rates will affect bond prices by focusing exclusively on duration, or the length of the maturity date, a 1 percent rate change has a roughly 10 times the impact on a bond duration of just 10 years versus a bond duration of one year. This can be exciting if bond yields are decreasing as they have generally been doing for the past 30 years, but how much lower do you think they can be expected to go, given current record lows in interest rates?

Now you may be asking, "Why on Earth would anyone buy a long term bond if they carry more risk?" The answer to that question is that risk is often rewarded by higher potential return. Is the additional return worth the additional risk? Historically, long term bonds have given greater return, but the relatively small increase in long-term return has historically been paired with a large increase in additional risk that comes from buy-

ing a long term bond

Past performance does not guarantee future results, but if you

investment in long term government bonds in 1927 grew to \$112 by 2011, whereas a \$1 investment

Risk/Reward in bonds, 1964-2102

	One Year US Treasury Notes	Five Year US Treasury Notes	Long-Term Government Bonds
Annualized Compound return (%)	6.16	7.17	7.68
Annualized Standard Deviation (%)	2.37	6.14	11.49

examine the history of bonds from 1964-2012, you will find that a one year treasury bond had a historical annualized return of 6.16 percent and volatility or standard deviation of just 2.37 percent. The historical return on long-term bonds is 25 percent higher, at 7.68 percent, but this would have cost you a 485 percent increase in risk or volatility up to 11.49 percent standard deviation. Is this really where you want to go to pick up a little more return? Let's say you decided to go out five years. You only receive a 16 percent increase in return to 7.17 percent but this would have cost you a 259 percent increase in volatility to 6.14 percent. Is this really what you want?

If you are looking for more return, perhaps a better place to seek it would be in stocks. A \$1

in the total US Stock Market Index grew to \$2,603 over the same time frame. Granted, past performance is not indicative of future results, but if you are looking for more return, why not seek it in stocks? If you want safety, perhaps a good option is in short-term, high-quality bonds.

While not always the case, I had a discussion with an investor who couldn't find the duration of the bonds they owned. Many bond investors may not know the duration of their bond portfolio, but I strongly recommend that you find out, and are comfortable with the risk, or you may end up with quite an exciting surprise.

Richard L. Wagner, CPA, MAcc, is a tax reduction and investment expert.



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Are your sales historical or hysterical?

Summer's over. Back to school.

Boy, there are some memories. High school. College. Subjects you loved, subjects you hated. Teachers you loved, teachers you hated.

THE QUESTION IS: What did you learn in school? What lessons are you still using?

I have 2.5 major, early and later school-learned lessons I am grateful for:

1. Grammar from ninth and 10th grade. It's the basis of my writing and communication. In today's world, misuse of the words they're, their, your, and you're create lasting (bad) first impressions.

2. In college (Temple University in 1964), my modern European history professor said, "It's not the date of what happened that matters. It's what happened in response to the date (events, outcomes) that creates history."

2.5. Later in life I came to the realization that algebra was not about math; it was about learning how to solve problems logically. I wish my algebra teacher could have put it that way when I started.

And how about sales and business? What lessons have you learned? What lessons are you still using?

I have 2.5 major, early sales lessons I am grateful for:

1. Questions control conversations. The person who's asking is in control.

2. Relax, find common ground, and be friendly with the prospect BEFORE you start the sales conversation.

2.5. Find out why they want to buy BEFORE you start to sell.

Here are 11.5 lessons you can use to start this school year off with a bang — and a bunch of sales:

1. Study your (or your company's) last 100 sales. The history of where your last 100 sales came from will predict and help you complete your next 100 sales.

2. Videotape the buying motives of your top 10 customers. Call your top 10 customers and meet with them for a short, casual conversation about WHY they buy from you. Video the conversation.

3. Meet one customer a day for morning coffee. Just talk personally. In a year this will give you the personal insight of 250 customers.

4. Study service issues. Find out what issues customers have. Study how (and how fast) they were resolved.

5. Study back orders. Why did the back order occur? How was it dealt with? How was it resolved?

6. Talk to users, not just buyers. Go to your customers and talk to the people that USE your product or service. Find out what they love and what's missing. Video the interviews. SECRET: Get purchasing people to be at the meeting with the people that USE your product, so they can understand the difference between price, productivity, value and profit.

7. Talk to your loyal customers that don't buy price. Find out the true non-price buying motive(s) for dealing with you.

8. Get involved on a deeper, hands-on level. Make a few deliveries yourself. Take a few service calls yourself. Work in accounting for a day. Find out what's really happening with and to your customers.

9. Get short meetings with executives. Talk about the issues they value the most—loyalty, productivity, morale and profit. Maybe ask a question or two about their vision or leadership philosophy, and leave. DO NOT ASK FOR BUSINESS. Just make an

impression. IDEA: Create a blog around executive leadership philosophies.

10. Start your own value messaging in social media. Post your ideas and thoughts on all social media outlets. Then email the links to all your customers and prospects so they can follow you.

11. Post customer testimonials on YouTube. Then email and tweet the links to all your customers and prospects.

11.5. Create a customer "reasons" book. List all the reasons why they buy, say no, stay loyal, or leave you. As you write, answers and actions will become evident.

KEY POINT OF UNDERSTANDING: The lessons you have learned from your history of doing business with customers is very valuable, BUT not as valuable as your customer's history of doing business with you. A subtle but powerful difference. Both are valuable, but your customer's input from their perspective can teach you how to achieve and maintain loyalty.

KEY TO IMPLEMENTATION: Re-construct your sales presentation around customers' responses and perceived values.

WINNING NEW BUSINESS: Where is your new business coming from? The best way to find new business is to talk to old business, learn the lessons, and refine your practices and presentation to be in harmony with their needs and expectations.

Those are lessons you can learn from and earn from.

Jeffrey Gitomer is the author of 12 best-selling books including The Sales Bible and The Little Red Book of Selling. His forthcoming book, 21.5 Unbreakable Laws of Selling, will be available Sept. 3.

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JEFFREY
GITOMER

Recruiting firm to rebrand as NaviTrust Group

Search and recruitment firm Management Recruiters of Salt Lake City has announced its new corporate brand and visual identity. The company will now operate under the name The NaviTrust Group. The new brand direction was developed to better define the client-oriented professional search and recruitment services firm's national scope and capabilities and complements a new logo mark and website as cornerstones of the new brand platform, according to company officials.

"Rebranding as The NaviTrust Group is an opportunity for us to reset our employee's thinking and to broaden the expectations of our clients," said CEO and founder Dirk Cotterell. "We are well-regarded for diligently scoping, managing and communicating through each step of the recruiting process. Our new platform will enhance our clients' understanding and experience with our expert team of recruitment professionals."

Over the years, NaviTrust has collaborated with some of the world's leading corporations to attract high-performing candidates. The firm will continue to assist organizations in hiring for business and profit growth, specializing in several practice areas.

"Our extensive worldwide experience in recruitment makes our employment connections and networking among the best in the industries we serve," said Cotterell. "We place a high premium on understanding a company's distinctive culture before placing an individual. This focus has brought us tremendous success in placing talented professionals in a variety of industries."

Savers to open store in Draper

Savers, the national thrift chain with more than 320 locations across North America, is opening its eighth store in Utah and continuing its partnership with Big Brothers Big Sisters of Utah.

The Draper store and community donation center, located at 1166 E. Draper Parkway, will be open Monday through Saturday from 9 a.m. to 9 p.m., and Sunday 10:00 am to 7:00 p.m.

The Draper store's partnership with Big Brothers Big Sisters of Utah means Savers pays the organization for every donated item, whether it makes it to the sales floor or not. When members of the Draper community donate, they are not only giving their goods a second life, they are also turning

their otherwise unused goods into sustainable revenue for Big Brothers Big Sisters of Utah. The revenue received is crucial in supporting Big Brothers Big Sisters of Utah's mission to help children in need reach their potential through professionally supported one-to-one mentoring relationships. With this revenue stream, Big Brothers Big Sisters of Utah is able to fund crucial programs and foster positive relationships that are shown to, through national research, have a direct and measurable impact on children's lives, helping them succeed and thrive.

"We've partnered with Savers since 2005 and we're thrilled to expand our relationship with the new Draper opening," said Pam

Sanders, executive director of Big Brothers Big Sisters of Utah. "The money we receive is so important to benefiting children facing adversity, so we encourage everyone in the community get in touch with us and schedule a donation home pick-up or drop off their gently used items at the store's on-site Community Donation Center."

"We're very excited to open our first store in Draper," said Boyd Gurney, the new store manager. "The support we're able to provide the local community makes us proud, and we can't wait to welcome both new and familiar customers to the store and introduce them to all our great deals offered throughout our aisles."



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- 3.5 million square feet of office space
- 7,600 residential units
- 5 million square feet of industrial space
- Future home of 26,000 total residents
- Intermodal Hub
- Major Town Center
- ... and unmatched views.



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Firm buys ARUP division

Gardiner-Smith Laboratories, a privately owned Utah company, has announced its acquisition of Animal Reference Pathology, a division of ARUP Laboratories at the University of Utah.

CEO and medical officer Dr. David W. Gardiner said the new company will retain the name of Animal Reference Pathology and that headquarters will remain in the Salt Lake area. Gardiner anticipates a move from the University of Utah location to a new location within six months, adding, "We are happy to report that many of the Animal Reference Pathology staff, including Dr. Sharon Wilson and Dr. Lawrence McGill, who will serve as medical director, will remain with us."

"The board of directors has been involved since the very inception of Gardiner-Smith Laboratories and will continue to provide guidance and vision," noted president and chief operating officer Everett Smith. "We have added additional professional staff, significantly strengthened our business management division, and plan to update both facilities and equipment. We are committed to the very highest level of integrity, technology and science that ARUP has provided for the past 28 years and, at the same time, we plan to increase the range of services, timeliness and staff accessibility to meet the expanding and increasingly specialized needs of our veterinarian and research clients."

Animal Reference Pathology provides pathology services to the veterinary community with review and diagnosis by board-certified veterinary pathologists.

Maverik is top c-store

Maverik has been named the Convenience Store Chain of the Year award recipient for 2013 as named by industry magazine *Convenience Store Decisions*. The company and its employees will be honored at an invitation-only gala during the National Association of Convenience Stores show in Atlanta on Oct. 13.

"Maverik quite simply encompasses everything a convenience store chain should be: innovative, fun, daring and exciting," said John Lofstock, editor-in-chief and editorial director for the Convenience Store Decisions Group. "But, what stands out most of all is its unwavering dedication to the customer experience."

Under the direction of Mike Call, Maverik's chief adventure guide, and Brad Call, the Utah-based chain has created a dynamic brand that intimately connects with customers of the Mountain West.

"We are strong believers of

promoting our adventure image through touch marketing where we interact daily with our customers in their own communities," said Brad Call, vice president of adventure culture. "I believe the key to survival for all companies, however, is really knowing the customer, understanding their desires, and utilizing deep, sophisticated targeted marketing to reach them. To that end, we have created the most robust app technology and best loyalty program in the industry. We're good, but not yet great. The future is exciting."

Today, Maverik has more than 250 locations in 10 western states. Maverik supports hundreds of local events with giveaways, product sampling and selling, and promotions.

"Our commitment to truly understand and serve customers has led us to take a fresh, new perspective to the way we approach every aspect of our business," said Mike Call.

Extra Space wins honor

Extra Space Storage Inc. has been recognized as a 2013 Best of Business winner by *Inside Self Storage*. Industry professionals have voted the company as the Best Third-Party Management Company the last two years.

"We are pleased to be recognized as the Best Third-Party Management Company by *Inside Self Storage*," said Noah Springer, senior director of strategic partnerships. "Our complete solution continues to meet and exceed owners' expectations and we're proud to

offer this service to the industry."

Extra Space Storage, headquartered in Salt Lake City, is a fully integrated, self-administered and self-managed real estate investment trust. As of June 30, the Company owned and/or operated 974 self-storage properties in 35 states; Washington, D.C.; and Puerto Rico. The company's properties comprise approximately 649,000 units and approximately 71 million square feet of rentable storage space.

Denver firm buys EarthFax Engineering

Utah's EarthFax Engineering Inc. has been acquired by Pacific Western Technologies Ltd. (PWT). PWT has established an affiliated entity to run the company, which will be known as EarthFax Engineering Group LLC.

"As we welcome the addition of EEG to the PWT group of companies, we believe that the experience and capabilities of EarthFax will greatly contribute to expanding our service offerings," said Dr. Tai-Dan Hsu, founder and CEO of PWT. "We were particularly impressed with the services and expertise offered by EEI in the areas of civil, geotechnical and environmental engineering as well as their experience in providing emergency response and slope-failure mitigation engineering services to the oil, gas and high-technology manufacturing industries."

As part of PWT's continuing expansion, the acquisition of EEI improves opportunities for business growth beyond the government arena where PWT has historically focused.

"Combining the long-term relationships and experience of EarthFax in the industrial sector with the excellent record and capabilities of PWT in the federal sector made a great deal of strategic sense," said Richard White, founder and president of EarthFax Engineering Inc.

The acquisition was finalized on Aug. 1.

Arch Coal completes mine sale

Arch Coal Inc. has announced that it has completed the sale of its subsidiary, Canyon Fuel Co. LLC to Bowie Resources LLC for \$423 million in cash, which is inclusive of working capital adjustments. The sale includes the Sufco and Skyline longwall mines, the Dugout Canyon continuous miner operation and approximately 105 million tons of bituminous coal reserves, all located in Utah.

"The sale of our Utah operations is advantageous for Arch and our shareholders, allowing us to monetize assets in our portfolio that aren't core to our long-term strategic plans," said John W. Eaves, Arch's president and CEO. "We are pleased with the value this transaction creates, as the sale puts Arch in a strong position for an evolving domestic coal market."

PENSIONS

from p. 3

and understand to fulfill existing pension promises and avoid bankruptcy, essential changes must be made."

The report includes a guide to model policies and a series of resources designed to help legislators navigate the details of public pension policies. The report also contains a detailed section establishing principles for pension reform.

"States face serious consequences if they do not restructure public pensions," Liljenquist said. "In California, cities such as

Stockton and San Bernardino declared bankruptcy, and in Illinois, the state was charged by Securities and Exchange Commission for securities fraud. State lawmakers can use this information to reform policies to ensure that upon retirement, their current and future constituents will have the benefits they deserve."

The full pension report is available at www.alec.org/keepingthepromise.

ALEC is a membership organization of state legislators across the country. It is advised by the Private Enterprise Advisory Council, a group of private, foundation and think tank members.

VET HIRING

from p. 1

access to employment opportunities and services, and increasing the number of vets obtaining credentials, certificates and degrees.

Jon Pierpont, the department's executive director and a member of the task force, said Utah has more than 148,000 veterans, including 25,866 in the department's system. The department has assisted between 4,000 and 4,200 veterans with job placements during recent quarters.

"That's pretty steady throughout the year, but we want to increase that, obviously, with the number of unemployed vets down," Pierpont said.

In 2011, the average unemployment rate for veterans in Utah was 8.1 percent. It slipped to 7.2 percent in 2012.

"That's too high," he said. "Our state's unemployment rate is 4.6 (percent), so we have some work to do in regards to our veter-

ans and getting them employed."

He noted that the Utah Veterans and Military Employment Coalition believes the veteran unemployment rate should be the same as the overall state rate.

"We should go after that in an impressive way to get to a 4.6 (percent) unemployment rate for veterans as well," Pierpont said. "That's our target and our goal."

The department soon will offer employers the ability to filter veterans to the top of the list of qualified candidates on an online labor exchange job matching system. Veterans also will get "priority points," allowing them to rise to the top among candidates equally qualified for positions.

About 94 percent of Utah veterans are male and vets generally have a higher education level than non-vets. The largest group that is unemployed are not the youngest but instead those in their 50s. "So that is another situation we'll have to work with when we're engaging these folks in re-employment," Pierpont said.

UTAH CPI

from p. 1

Environmental Protection Agency requires the use of purer, reformulated gasoline blends from spring through early fall to mitigate pollution and the heightened propensity for smog when temperatures rise across the states. Most analysts believe the cheaper winter blend gas, combined with lower demand during the winter months, will push prices down by about 10 to 20 cents per gallon over the next few months.

While the last few months of high gasoline prices have been frustrating, consumers will be relieved to know that the U.S. Energy Information Association (EIA) is forecasting a decrease in the national average gasoline price in 2014. If the EIA's predication holds true, next year's gas prices will be the lowest they have been since 2010, when the national average was \$2.80. Utah has a key role in U.S. production because

of its vast oil reserves in the Uinta Basin. The U.S. Department of Energy estimates that the Uinta Basin's amount of recoverable oil is three times that of Saudi Arabia's.

In other categories, prices for food at home increased 0.9 percent due to an increase in the cost of produce, and utility prices rose 1.7 percent due to an increase in the price of residential natural gas.

Additionally, the prices for recreation and clothing increased 0.6 percent and 0.2 percent, respectively. Prices for food away, education and communication, and medical care all decreased slightly. Other goods and services increased 1.4 percent from June to July.

"However modest it might have been, Utahns finally saw some relief at the gas pump," said Scott Anderson, Zions Bank president and CEO. "Hopefully we will continue to see stability or even a fall in gasoline prices, and consumers can then shift their focus to our improving stock, housing and labor markets."

Economic and market insights for the second half of the year

Now that we are into the second half of the year, it is a great time to reflect on where the markets and the economy are and may be heading. Despite the solid performance in the stock market year-to-date, the pessimism still abounds as many investors either do not believe in this recovery or simply see it as a manipulated system on the verge of destruction. This is evident in investment capital flows and investor sentiment levels. While our financial system is certainly not perfect, it is arguably the best in the world with the most robust capital markets and a nation with incredible opportunity. While this has been and continues to be a slow recovery, we are expanding nonetheless and in our view the data shows that we are much better off today than we were five years ago.

We have seen dramatic improvements in the employment picture with 200,000 jobs created in July, up from 198,000 in June; with the unemployment rate now down to 7.4 percent from over 10 percent pre-crisis. Manufacturing continues to expand with the latest ISM index at 55.4 (above 50 signals expansion), with new orders up 6.4 percent and production up 11.6 percent from June. Auto sales are projected to hit 16 million units this year which hasn't been seen since the last peak in 2007. In fact companies like Ford are in the process of hiring an additional 3,000 new employees just this year to keep up with surging demand.



MATTHEW PAPPAS

GDP growth came in at 1.7 percent for the second quarter, up from 1.1 percent in the first quarter of 2013. Granted we are not booming at 3-4 percent expansion but we are not declining by those numbers either.

Plus, if you look at the U.S. compared to other countries, we are in excellent shape and could be poised for continued growth.

The potential for energy independence by 2020, for example, could have dramatic economic and global implications for our country. New supplies of oil and cleaner-burning natural gas have been found in pre-existing wells across the country. This means that massive amounts of new supply can be tapped without the environmental impacts of drilling new wells, according to several studies. One of the biggest problems that the energy industry is now facing is how to transport this new supply to refineries and then consumers. As a result, we see room for significant growth and expansion in this particular area as the industry and necessary infrastructure rushes to keep up with supply and demand. This could have very positive, longer term impacts not only on energy prices but also in our geopolitical relations if the U.S. does in fact become one of the world's largest energy exporters.

While growth in the emerging countries such as China and India has slowed recently, the global effects of their demographics could still be substantial. One of the reasons China's expansion has

been slowing is due to its shifting economy and demographics; one can certainly understand that such a dramatic shift could take longer than a few months' time to work itself out.

Regardless, these countries possess a massive potential consumer base that global businesses can target, especially now that those companies have increased their productivity. In fact, U.S. corporations are holding more cash than ever before — over \$1 trillion amongst the S&P 500 companies, which is 75 percent higher than the peak in 2007. Plus the cash level for the second quarter is projected to be even larger, which would make it another new record for 19 of the past 21 quarters. This is all despite hitting new all-time highs on many of the major equity indices. In fact, when you look at the fundamentals including the price/earnings ratio on the S&P 500, at its current level of about 14.4, it is still below its 15 year average of 16.4 and yet earnings levels are on track to hit a new all-time high last quarter at \$26.36 per share.

Now, many complain that earnings growth of around 3-5 percent is not going to be enough to carry this market higher now that valuations have surpassed the 2007 highs. However, when you take into consideration the headwinds in the economy and the negative impacts from Obamacare and Dodd-Frank, 3-5 percent is commendable in our view. Interest rates are still low despite the recent uptick after Ben Bernanke's

tapering comments, meaning companies have access to relatively inexpensive capital. Plus the rapid inflation that many feared is simply not present when you look at price or wage inflation data or the Money Multiplier, which is hovering near 10 year lows. This means the excess capital that the central bank pumped into the economy is stagnant on corporate banks' balance sheets. Add to that the still attractive valuations and we could be poised for more upside in the equity markets than many give credit for, in our view.

Bottom line — the economy is recovering and the markets continue to perform well this year despite the pessimistic views of many experts and politicians. Just because a national news organization portrays things negatively doesn't mean they are necessarily true. One expert recently researched the cover stories in *The Economist* magazine at each major market inflection point over the past six years to see if they were accurate. He found that in June 2007 (near the market peak) the cover story was positive on the U.S. markets, in April 2009 (right after the March bottom) it was very negative, and in the fall of 2011 it was also negative, which was right before a 28 percent rebound on the S&P 500 following the U.S. credit downgrade. Today, the cover story is again *negative*.

The point is, the mass media is not always accurate and in fact sometimes calls it completely wrong. One economist recently

noted that the state of our economy is largely being politicized, in his opinion, which we would agree with. The Democrats claim that we are going to fall off a cliff if the Republicans get their way and enact massive spending cuts. But the Republicans claim that the Democrats have ballooned our government to unsustainable levels and if that is not reduced we will become a food stamp nation and bankrupt the next generation.

Shouldn't our elected officials be positive and proactive about our country? When you look at the facts and data there is a lot more to be optimistic about than many would have us believe. While there is always a worst case scenario that *could* happen, history shows that it usually doesn't, and we are in much better shape today than we were in 2007-2009. The deficit has come down dramatically, states are having success recapitalizing their balance sheets, (despite areas like Detroit which have been in trouble for *many* years) and companies are posting record profits. While there does not appear to be a culprit for rapid growth in the near future, there doesn't appear to be one for destruction either. The fundamentals suggest that we have a lot more room to run, in our view. Perhaps this "slow growth" is not so bad.

Matt Pappas is a Financial Advisor with the Cottonwood Group of Wells Fargo Advisors LLC, a wealth management team based in Salt Lake City.

Treat offered at 15 new shacks

Hokulia Shave Ice is in the process of opening 15 locations along the Wasatch Front and in St. George. The Layton-based franchise company plans to continue opening Hokulia "shacks" throughout several western United States this year and in the future.

Offering "A Taste of Hawaii," Hokulia shave ice products come in more than 50 flavor combinations and in a variety of sizes. Each shack is owned and operated locally, and takes the traditional shave ice concept to new heights, according to the owners.

Hokulia is the brainchild of Clint and Stefani Severson, the owners of the first Hokulia Shave Ice shack. Each summer their families vacationed in Hawaii on Kona, the big island in a place known as Hokulia. In 2008, they were together on Kona and while sitting on the beach eating shave ice they decided that they needed

some "Island Love" back home. They returned to Utah and realized their dream by opening the first Hokulia Shave Ice Shack. After four years of operation, the shacks have greatly exceeded their expectations.

"Our goal is to provide a shave ice product like the authentic Hawaiian desserts that are so popular," said Mark Gilleland, COO for Hokulia. "Each of our Hokulia shacks feature state-of-the-art equipment and meet the highest standards of cleanliness and quality control as required by all health departments. One visit to a Hokulia and you will immediately see the difference compared with seasonal snowcone-type booths."

Hokulia Shave Ice shacks are now open in American Fork, Bountiful, Draper, Orem, Provo, Riverdale, Riverton, Salt Lake City, Sandy, Spanish Fork, St. George and Taylorsville — and more are on the way.

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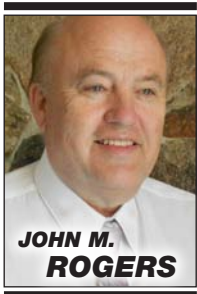


Opinion

Put some extra effort — and maybe a little manure — into your business

In the business world, success is evaluated by one version or another of a very simple formula. Take performance, subtract expectations and the result is the answer to the equation upon which the evaluation can be based. If the answer is negative, either performance needs to be raised or expectations lowered. If the result is positive, raises and promotions are in order. It's basic mathematics.

I use the same formula to evaluate my backyard gardening efforts. Most years the formula comes up with a minus sign in front of the answer despite a summer of blood, sweat and tears. But this year — no matter what happens — the result will be positive. That's because last winter my gardening partner — also my wife, Diana — and I decided to take a break from the normal spring stress of getting that plot in the corner of the yard ready to receive the seeds and baby veggie plants that turn into the summer garden. We had experienced a hectic off-season and needed the rest. And after all, the ancient Jews, as chronicled in the Old Testament, let their land lie fallow every seventh year. So, this year's expectations began at zero.



JOHN M. ROGERS

But, the “need to seed” must be something that remains dormant in the winter, but rears its head in the spring. Our plan fell apart when it dawned on me that I wouldn't have tomatoes and zucchini to foist off on the kids and grandkids when they come to visit. What would the neighbors say if we didn't come knocking with unwashed — and unsolicited — chard and crooked neck squash?

So, when nobody was looking, I dropped by Millcreek Gardens and picked up a half dozen tomato plants. As long as I was there I found some squash starts — zucchini and yellow crooked necks. And why make the trip if you don't pick up at least a small variety of peppers?

I found a half-packet of Swiss chard seeds and about a dozen unplanted green beans left over from last spring. On the back of the shelf was a folded-up envelope of pumpkin seeds. I reasoned that after another season they wouldn't be any good anyway.

Well, the neighbors on the next street over were clearing out some old planter boxes and needed some topsoil hauled and my plot needed some supplementing, so by

April 1 I had a my little garden well under way. Three years ago I installed an 8-foot fence to keep Bambi and all his relatives away from the maturing crops and it looked kind of dumb with nothing to protect.

Remember, expectations for the harvest this summer started at zero. There have been a few hiccups along the way. The little cup at Millcreek marked “zucchini” has produced a couple of 20-pound banana squash and the chard has yet to yield enough to include in a Sunday dinner, but overall production has way outpaced the expectations.

Even though the gross tonnage from our plot in the yard is substantially below the yearly standard, it is miles ahead of the expectations of last February. I still expect to hear my wife say, “Honey, take a bag and go down to the garden and get the kids some of those nice tomatoes to take home.” And with any luck, I'll have a least a couple of pumpkins to put out on the front porch come Halloween. They're just starting to turn orange.

Now don't get me wrong. I'm not suggesting that you set your business expectations at zero in order to have a positive outcome at the end of the season. What I am proposing is that extra efforts be made

to augment the bottom line. Find some unplanted seeds. Haul in a little topsoil and invest in a few unplanned seedlings. Up your expected investment in time and effort and then look forward to a positive outcome when you run the formula.

The time and effort Diana and I invest in gardening is much more of a hobby than an expected major source of food. We do it mostly to prove to ourselves that we can. But the investment we — you and I — make in the businesses we run is much more critical. Remember, if the formula “production minus expectation” comes up negative too often, we fail. There are zucchinis and tomatoes to be purchased at the grocery store but business failure doesn't have those options.

Find a few metaphorical unplanted seedlings, plow in some metaphorical manure, dig up a few metaphorical weeds and roll out the metaphorical garden hose. Then maybe the solution to this year's formula will turn out a little more positive than those early expectations predicted.

John Rogers is the managing editor of *The Enterprise*. Email at john@slenterprise.com.

Reality versus mirages with Obama policies in Middle East

Nothing symbolizes the Utopianism of our times like both liberals and some conservatives calling for us to cut off aid to the Egyptian military, because of the widespread killings in what is becoming a civil war in Egypt. Such utter lack of realism from the left is not new, but hearing some conservatives saying the same things takes some getting used to.

President Obama's call for the Egyptians to end the violence and form an “inclusive” government, with all factions represented, may sound good to many Americans. But there is not a snowball's chance in hell that it will happen.

Egypt existed for thousands of years before there was a United States of America. In all those millennia, Egypt has never had a free or democratic society. Nor is Egypt unique in that.

Of all the different nations that have existed at various times and places throughout recorded history, it is doubtful that even 10 percent were free or democratic.

Even free and democratic nations existing today took centuries to achieve freedom and democracy. Barack Obama may have enough ego to imagine that he could accomplish, during his White House years, what took centuries to accomplish elsewhere. But do others, including some conservatives, need to share that delusion?

Yet Obama is only the latest in a long line of American officials, including Presidents, who have thought that a universal human desire for freedom meant that freedom and democracy could be exported, even to countries where they have never existed before.

However widespread the desire to be free, that is wholly different from a desire to live in a society where others are free. Nowhere is such tolerance harder to find than in the Middle East.

Has no one noticed the ongoing lethal violence between different sects of Muslims in the Middle East, or their intolerance toward Christians and murderous hatred of Jews? Muslims in some other parts of the world have been more tolerant, and there have been five female heads of state in Muslim countries. But not in the Middle East.

Much is made of the fact that the United States gives financial support to the Egyptian military that is shooting down hundreds, or perhaps thousands, of Egyptians in the streets. But we have to make our choices among the options actually available. With the Muslim Brotherhood mounting armed attacks, what can anyone rationally expect, except shooting on both sides?

It would certainly be a lot nicer if everyone laid down their guns, and just sat down together and worked things out peacefully. But has anyone forgotten that, for centuries, Protestants and Catholics slaughtered each other and tried to wipe each other out? Only after the impossibility of achieving that goal became clear did they finally give it up and decide to live and let live.

As regards Egypt, it is not at all clear that any regime that has existed after Mubarak, or that is currently on the horizon, is better than Mubarak was. But the very idea of leaving well enough alone is foreign to those who are looking for moral melodramas and soaring rhetoric, such as talk about

“the Arab spring.”

What did we get for our money in Egypt under Mubarak? We got peace in a part of the world where peace cannot be taken for granted — and a part of the world from which oil provides the economic lifeblood of Western civilization.

But we could not leave well enough alone. Now we are paying the price — and perhaps it is only the first installment of the price.

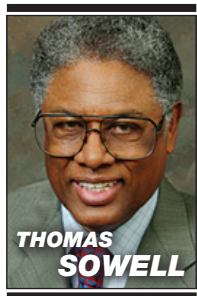
The idea that, when a government we find unsatisfactory is overthrown, we can expect a better government to follow, goes back at least as far as President Woodrow Wilson. His intervention in the First World War — a war “to make the world safe for democracy” — turned out to be a war whose actual end results replaced old monarchies

with new, and far worse, totalitarian governments.

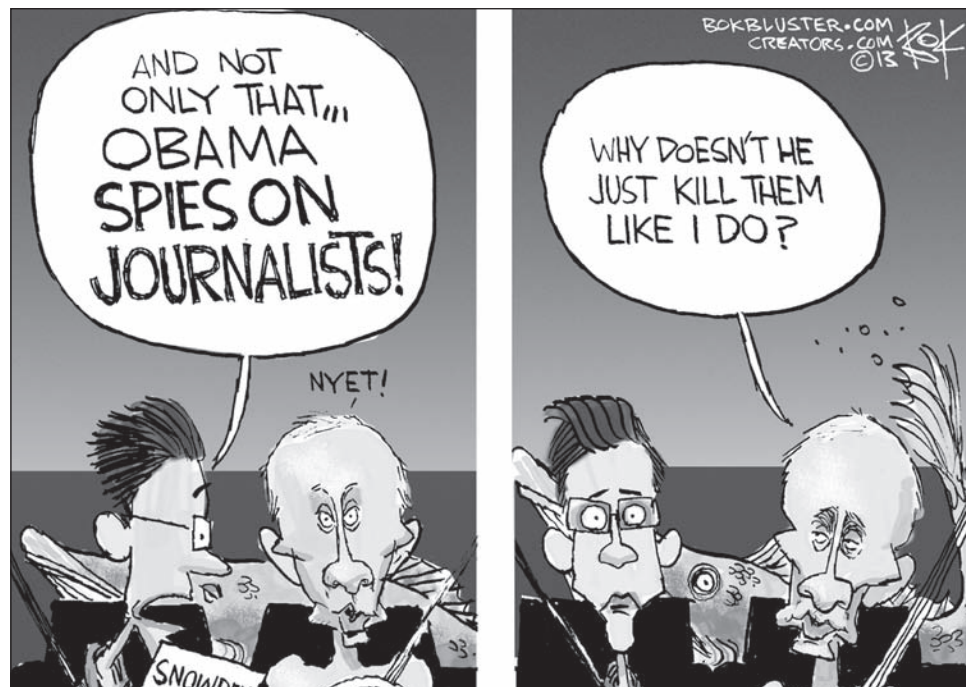
Barack Obama's Middle East interventions have replaced stable and neutral despots in Egypt and Libya with anti-Western despots and chaos. Such is the price of pursuing ideological mirages.

After contributing to the rise of the Muslim Brotherhood to power, and the disastrous aftermath of that, the Obama administration is now publicly lecturing Egyptian leaders, and trying to micro-manage them from thousands of miles away. And some conservatives are joining the Quixotic chorus, playing with fire.

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



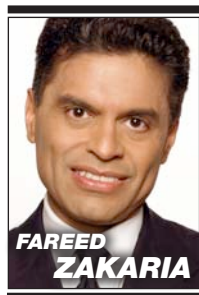
THOMAS SOWELL



Opinion

The American dream is fading, but that's something we can change

If there's one issue on which both the left and right agree, it is the crisis of declining mobility. The American dream at its core is that a person, no matter his or her background, can make it here. A few weeks ago, four economists at Harvard and the University of California at Berkeley released a path-breaking study of mobility within the United States. And last week the *Journal of Economic Perspectives* published a series of essays tackling the question from an international standpoint. The research is careful and nuanced, yet it does point in one clear direction. The question is: will Washington follow it?



FAREED ZAKARIA

For more than a decade, it has been documented that northern European countries do better at moving poor people up the ladder than the United States does. Some have dismissed these findings, noting that the United States cannot be compared with places such as Denmark, an ethnically homogeneous country of 5.5 million people. But Miles Corak of the University of Ottawa says in his contribution to the *Journal of Economic Perspectives* that Canada is a very useful comparison, being much like the United States. (The percentage of foreign-born Canadians is actually higher than the percentage of foreign-born Americans, for example.) And recent research finds that people in Canada and Australia have *twice* the economic mobility of Americans. (The British are about the same as Americans but much worse than Canadians and Australians.)

What's intriguing is that many of the factors that seem to explain the variation across countries also help explain the variation across the United States. The most important correlation in the Harvard-Berkeley study appears to be social capital. Cities with strong families, civic support groups and a community-service orientation do well on social and economic mobility. That's why Salt Lake City — dominated by Mormons — has mobility levels that compare with Denmark's. This would also explain why America in general fares badly; the United States has many more broken families, single parents and dysfunctional domestic arrangements than do Canada and Europe.

The other notable feature in the Harvard-Berkeley study is the design of cities. Places that are segregated — where the poor live far from the middle class — do much worse than those that are more mixed. This probably has to do with geography; it's hard to get to jobs when they are far away. It also might mean that people in poor neighborhoods end up in a self-reinforcing cycle of underfunded schools, high crime and social breakdown. A related finding is that places with high African-American

populations show low mobility for the white population living there as well. The economist Jeffrey Sachs suggested to me that this could be explained by the fact that in areas where there are substantial minority populations, people often resist making large public investments, which might turn out to hurt everyone who lives in the area.

In any event, these factors, while important, might be difficult to change in any reasonable period of time. Social capital cannot be built in five years. Cities cannot be quickly redesigned to be integrated or create greater density. That leaves the last large factor in explaining the low mobility: public policy. And here, Corak explains, the United States is the great outlier. Simply put, the United States spends much less on the education and well-being of poor people, especially poor children, than any other rich country — and this retards their chances of escaping poverty.

A recent report by the Organization for Economic Cooperation and Development points out that the United States is one of only three rich countries that spends less on disadvantaged students than on other students — largely because education funding for elementary and secondary schools in the United States is tied to local property taxes. By definition, poor neighborhoods end up with badly funded schools. In general, the United States spends lots of money on education, but most of it is on college education or is otherwise directed toward those already advantaged in various ways.

There is debate about the effectiveness of certain early education programs such as Head Start. It may be that providing help to “at-risk families” — treating drug-addicted mothers for example — has a bigger impact on children than a specific enrichment program. Though, clearly, most of us believe that these enrichment programs work. Corak points out that the well-off in the United States spend nearly \$9,000 a year on books, computers, child care and summer camps — nearly seven times what families in the bottom fifth of earners spend. In fact, this is part of what makes mobility low.

What's apparent is that countries — and most parts of the United States — that invest heavily in all their children's health care, nutrition and education end up with a much stronger ladder of opportunity and access. And that's something we can change. So if we want to restore the American dream, we now have the beginnings of a path forward.

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

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Windfall from a loved one can be both rewarding and complicated

Inheriting wealth can be a burden and a blessing. Even if you have an inclination that a family member may remember you in their last will and testament, there are many facets to the process of inheritance that you may not have considered. Here are some things you may want to keep in mind if it comes to pass.

Take your time. If someone cared about you enough to leave you a sizable inheritance, then likely you will need time to grieve and cope with their loss. This is important, and many of the more major decisions about your inheritance can likely wait. And consider, too, when you're dealing with so much already, you may be too overwhelmed to give your options the careful consideration they need and deserve. You may be able to make more rational decisions once some time has passed.

Don't go it alone. There are so many laws, options and potential pitfalls. The knowledge an experienced professional can provide on this subject may prove to be vitally important. Unless you happen to have uncommon knowledge on the subject, seek help.

Do you have to accept it? While it may sound ridiculous at first, in some cases refusing an inheritance may be a wise move. Depending on your situation and the amount of your bequest, it may be that estate taxes will drain a large amount. Depending on the amount that remains, disclaiming some (or all) of the gift is worth contemplation.

Think of your own family. When an inheritance is received, it may alter the course of your own estate plan. Be sure to take that into consideration. You may want to think about setting up trusts for your children, to help ensure their wealth is received at an age where the likelihood that they'll misuse or waste it is decreased.

Trust creation may also help you (and your spouse) maximize exemptions on personal estate tax.

The taxman will be visiting. If you've inherited an IRA, it is extremely important that you weigh the tax cost of cashing out against the need for instant funds. A cash out can mean you will have to pay (on every dollar you withdraw) full income tax rates. This can greatly reduce the worth of your bequest, whereas allowing the gains of the investment to continue to compound within the account, and continuing to defer taxes, may have the opposite effect and help to increase the value of what you've inherited.

Stay informed. The estate laws have seen many changes over the years, so what you thought you knew about them may no longer be correct. This is especially true with regard to the taxation on capital gains. The assistance of a seasoned investor coach may be more important than ever before. Remember to do what's right for YOU. All too often an inheritance is left in its original form, which may be a large holding of a single company, perhaps even one started by the relative who bestowed the gift. While it's natural for emotion to play a part and you may wish to leave your inheritance as it is, out of respect for your relative, what happens if the value of that stock takes a nose dive? The old adage “never put all your eggs in one basket” may be words to live by.

Remember that this money is now yours — and the way in which you allocate assets needs to be in line with YOUR needs and goals.

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



MARK LUND



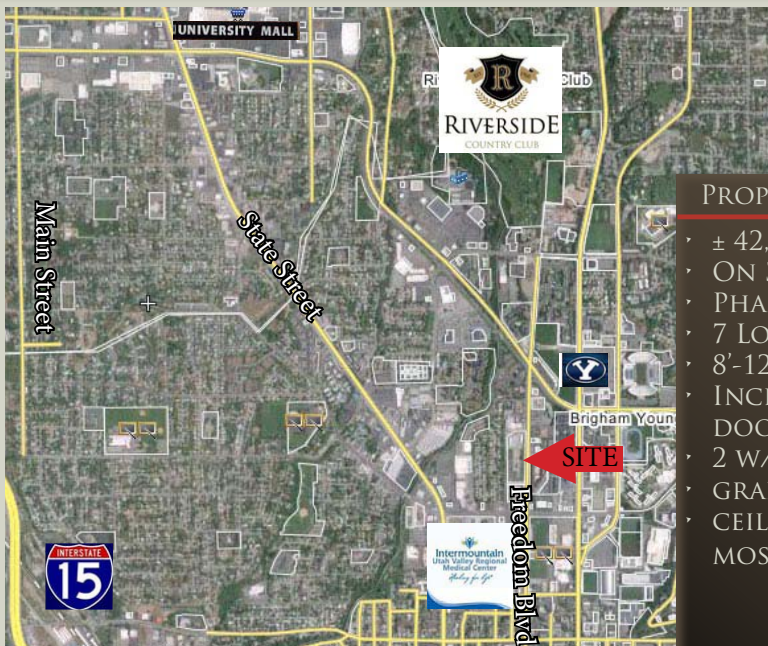
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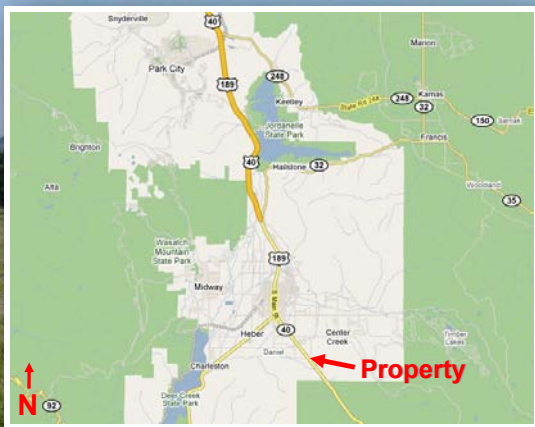


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