

# THE Enterprise

## UTAH'S BUSINESS JOURNAL

www.slenterprise.com

Nov. 19-25, 2012

Volume 42, Number 16

\$1.50

### THIS WEEK

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## 294-acre mixed use development to be built in Bluffdale

**By Barbara Rattle**  
*The Enterprise*

South Jordan-based real estate developer Development Associates Inc. (DAI) will unveil the plats and lot pricing for its newest endeavor, a 294-acre project at the Point of the Mountain in Bluffdale, on Nov. 29, when a pre-sale event will be launched.

The large-scale master planned community, dubbed Independence at the Point, will eventually consist of 1,900 housing units — including single-family homes, townhomes and apartments — plus 27 acres of commercial space.

Residential builders in the development will be Alpine Homes, Cadence Homes,

Candlelight Homes, FieldStone Homes and D. R Horton.

Joe Salisbury, a DAI principal, said home prices will start at between \$175,000 and \$200,000.

“These will be some of the lowest new home prices in the valley,” he said.

The project site is located just south of 14600 South and 500 West and is one of the last vacant parcels situated between Utah and Salt Lake counties. Plans call for the development to feature multiple new parks and a trail system. The project will make an extension of Porter Rockwell Boulevard possible; it will tie I-15 in Bluffdale on to Redwood Road through Independence at Bluffdale.

see INDEPENDENCE page 2

## \$4.5 million RDA loan to revive Broadway Park Lofts project



A drawing of the 300 West elevation of Broadway Park Lofts.

**By Barbara Rattle**  
*The Enterprise*

The Redevelopment Agency of Salt Lake City last week approved a loan of \$4.5 million to the new owners of the unfinished Broadway Park Lofts condo project near Pioneer Park.

The funds will be used repay a \$1.5 million loan that was used to partially finance the acquisition of the project's south tower, and

to fund \$3 million of the cost to complete construction of the property's shell and finish 51 residential units.

BPL South Tower LLC, owned by Micach Peters and James Chellis, closed on the acquisition of 51 residential units in the incomplete second phase of the development on Sept. 27. Currently, the second phase's

see LOFTS page 2

## Supercomputing speaker: computer chips to transform life within 20 years

**By Brice Wallace**  
*The Enterprise*

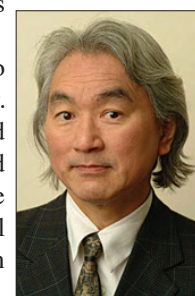
Imagine a world where cars drive themselves, medical advice is dispensed from a robo-doctor on your wall and toilets help prevent cancer.

You won't have to imagine for much longer. Theoretical physicist and author Michio Kaku told a Salt Lake City audience last week that those will become realities within the next 20 years.

Speaking at the SC12 conference at the Salt Palace — a gathering focused on high-performance computing, networking, storage and analysis — Kaku described the many ways that everyday life will be transformed in 20 years because computer chips will likely cost less than a penny. Virtually everything will be digitized and accessible through the Internet so ubiquitously that even the term “computer” will be a thing of the

past, he said.

Chip technology is advancing quickly, he said, noting that a disposable singing birthday card now has more computing power than all the Allied Forces had in 1945 and a single cell phone has more computing power than NASA had in 1969 for the moon mission.



**Kaku**

Like electricity and running water today, computer chips will be part of the “hidden fabric of our existence” 20 years from now. The future likely will have:

- Information that can be accessed from eyeglass lenses or even contacts. It will allow a person to call up biographical information about people they see and provide subtitles if they speak a different language. The information will be displayed on a glasses lens or even shot into a retina.

see TRANSFORM page 2

## Auto dealers fear legislation increasing bonding mandate

**By Brice Wallace**  
*The Enterprise*

The leader of the Independent Automobile Dealers Association is hoping to head off any legislative proposal that would increase the amount of the surety bond that all dealers in the state must have in place.

Wayne Jones, executive director of the association, told the Transportation Interim Committee that any amount above the current \$75,000 level likely would reduce the number of dealers in the state.

The bond is designed to cover a loss from fraud, or a dealer not delivering a certificate of title or violating a law that requires payoff of liens on a traded-in vehicle.

Jones said the bond amount has risen steadily over the years. A proposal last year would have put it at \$200,000.

“One of the things we discovered as we went through this process is that we're kind of at the end of the road, kicking the can down the road, and if we kick it again it's going to go off the cliff,” Jones said.

“And the reason I say that is we've researched the subject, as we started before the last [legislative] session, we discovered the insurance companies that write these dealer bonds are saying, ‘No more, we can't go higher in the state of Utah. If we do, we'll pull our business out of the state.’”

see AUTO page 4



**Focus Technology**  
pages 17-22

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## TRANSFORM

from page 1

“And, let’s say you’re at a cocktail party and you’re looking for a job, and you know there’s some heavy-hitters there, but you don’t know who they are,” Kaku said. “In the future, you will know exactly who to suck up to at any cocktail party.”

Such display information will be used by college students taking tests, actors, tourists, astronauts, soldiers, artists, architects — almost everyone, he said. It will be known as “augmented reality,” similar to technology used by the title character in the “Terminator” movies.

“It’s not possible with the chips of today, but when you’re connected to the ‘cloud’ and the cloud has supercomputers backing you up, then augmented reality becomes a real reality,” Kaku said. “You see information imposed upon reality. ... This is how we will live in the future: backed up by supercomputers in

the cloud that give us instantaneous information about what we have to know.”

• Commerce transformed by technology. Point-and-click will be all that’s needed to make a purchase. Credit cards will store your clothing sizes, allowing “mass customization” of products instead of today’s mass production.

Kaku said “perfect capitalism” will reign. Because of easily accessed information, a shopper walking into a store will “immediately know who has the cheapest product, who has the best product and how much it really costs to create that product. So the advantage shifts to the consumer.” Companies will need to adjust, in part through targeted marketing, positioning and branding, along with courtesy and friendliness from building rapport with customers.

• Flexible “e-paper” screens. Such displays can be used for wallpaper in homes, with occupants able to change its colors instantly. They will provide entertainment options — Kaku said a person will be able to put their face over Bogart’s while watching “Casablanca” — and allow people to call up a robo-doctor or robo-lawyer to dispense advice using artificial intelligence. No need to go to an emergency room, he said: “In the future, we simply talk to the wall.”

“So [we will have] medical care, legal advice — it won’t replace humans but will replace 99 percent of the day-to-day common questions that people have.”

• Offices without PCs. Because chips will be so inexpensive, what we consider computers

today will be disposable displays, he said.

• Cars that drive themselves using GPS and avoid accidents through bumper-mounted radar systems. “The words ‘car accident’ will also disappear from the English language, just like we no longer say ‘blacksmiths,’ we no longer say ‘wagon makers,’” Kaku said. “Traffic jams and traffic accidents will be a thing of the past.”

• Medical advances that will include camera-filled capsules to give doctors an inside look at a patient, with nano-particles subsequently injected to target cancer cells. MRI machines will be the size of cell phones, similar to the old “Star Trek” tricorder’s ability to detect troubles. New organs, from a person’s own cells, will be grown and used for transplants. And DNA chips on toilets will detect proteins and genes from cancer cells in urine. “The word ‘tumor’ could disappear from the English language,” Kaku said. “You will go to the bathroom and your bathroom will tell you, ‘You have cancer. You have pancreatic cancer. Do something. You have 10 years.’”

During a question-and-answer period, Kaku said jobs in the future will require more education, with intellectual capital replacing today’s commodity capital. People worried that computers will “take over” need to calm down, he said, because computers are nothing more than adding machines.

Still, jobs that are repetitive or considered “middleman” jobs might be at risk. But robots will never replace gardeners, construction workers, sanitation workers

or janitors, for example, because those jobs require “skills that will be prized in the future.” Those skills include intuition, imagination, creativity, leadership and common sense. Stockbrokers use computers to buy stocks, but they also have common sense, analysis, experience and other traits — “precisely what computers cannot provide,” he said.

## INDEPENDENCE

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DAI purchased the project in 2011. It was formerly owned by Shea Development, which had named it Independence at Bluffdale before the housing industry meltdown. DAI officials worked with Bluffdale City on the development of Independence for two years before taking title, Salisbury said.

According to DAI, this is the first time Bluffdale City has been able to offer a variety of housing types all in one project. In the past, the city had primarily zoned for large single-family lots.

Salisbury said the first phase will consist of 70 lots. Total build-out is expected to take 10 to 12 years. Apartments and townhomes are slated for construction in 2013.

DAI has completed projects in 26 municipalities and six counties over the past 22 years. Other principals in the company are Milt Shipp, Bryan Flamm and Nate Shipp.

## LOFTS

from page 1

infrastructure — 89 underground parking spaces, trunk lines for fire suppression and an elevator — are installed and complete. BPL has a budget of \$3.3 million to finish construction of the common areas and residential units, according to RDA documents.

Once the building is sealed, BPL will begin finishing individual units, consisting of 17 two-story live/work spaces that will sell for \$95,000; 10 two-bedroom, 700 square foot units that will sell for \$176,000; two two-bedroom units measuring 580 square feet that will sell for \$150,000; 10 two-bedroom units, measuring 900 square feet with roof deck that will sell for \$230,000; and 12 two-bedroom units, measuring 1,200 square feet with roof deck that will sell for \$375,000 to \$525,000, according to the documents. The intent is to complete 15 to 20 units by April 1, with the remainder being finished by the end of next year.

BPL principal Peters owns and operates Clearwater Homes Utah, a small Salt Lake City-based residential builder that is currently developing six communities along the Wasatch Front. Clearwater will be the general contractor on the Broadway Park Lofts project. His partner, Chellis, a California resident, is the principal investor in the development.

Broadway Park Lofts was begun by local architect Ken Milo, but was adversely affected by the economy in 2009. Earlier this year, Milo requested a \$4.5 million loan from the RDA to finish the project, but the deal never materialized.

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Subscriptions are \$55 per year for online only, \$65 per year for print only and \$75 per year for both the print and online versions,

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## State officials working with Sundance on possible three-year sponsorship

By Brice Wallace

The Enterprise

State government representatives are working with Sundance Film Festival officials on a possible three-year sponsorship agreement that would forge stronger branding bonds between Sundance and the state.

Spencer Eccles, executive director of the Governor's Office of Economic Development (GOED), told the Utah Board of Tourism Development that such a long-term deal would stretch the benefits the state receives as sponsors of the annual event in Park City.

"We want to further promote the state of Utah and to really ensure that the Sundance brand

is tied very closely to the Utah brand," Eccles told the board at its November meeting in Ogden. "In other words, when you see 'Sundance,' we'd like to see more 'Utah' or 'Utah: Life Elevated' nomenclature [with it]."

In addition to a \$500,000 appropriation last year from the Utah legislature, Sundance and GOED had a \$300,000 sponsorship agreement in place — \$100,000 each from GOED itself, the Utah Film Commission and the Utah Office of Tourism. As part of the pact, the "Life Elevated" logo was placed on lanyards used by every Sundance attendee. The state also received tickets to certain Sundance events, which were given to top-level business execu-

tives as a way of promoting Utah to them during activities such as the Utah Business Ambassadors event.

During the meeting, the tourism board approved committing \$100,000 for the 2013 festival, with the understanding that a three-year agreement might surface soon.

Eccles and a few board members praised the brand awareness created by Sundance. The 2012 festival had 46,731 attendees and an \$80.3 million economic impact, according to a study by the Bureau of Economic and Business Research at the University of Utah.

"It's becoming a multina-

tional brand, as we've known, and it's growing. ... We recognize that it's important," Eccles said of Sundance.

Board chairman Joel Racker said Sundance provides year-round exposure for the state.

Lance Syrett, who represents the lodging industry on the tourism board, wondered if Sundance could adjust its schedule so that it does not overlap with the Martin Luther King Jr. holiday weekend. "With the resorts and hotels up there, they'd prefer they did it on a different weekend and have two different weekends of business rather than to displace all the MLK business," he said.

Board member Bill Malone

said negotiations with the Sundance Institute on that topic are continuing. "We're not there yet," he said, noting that currently the festival's schedule through 2028 overlaps with the holiday five times.

Eccles noted that other film festivals and events during the year "actually kind of paint Sundance into somewhat of a corner" regarding scheduling. "That's something we've actively had conversations about, recognizing they have to run a business, recognizing they have to adjust so that they can get their things accomplished, but also helping them understand the kind of impact that it has on the Park City area," he said.

## Bill would boost penalty for use of handheld wireless communications devices by commercial drivers

A legislative committee advanced a bill that would define as "serious" the use of a handheld wireless communication device for commercial drivers, thereby making the driver subject to license suspensions of 30 and 60 days.

Officials from the Utah Department of Public Safety's Driver License Division told the Transportation Interim Committee that the bill provision would allow Utah to conform with federal guidelines. Suspensions could be handed down if a driver is convicted of two such violations during a three-year period.

The committee originally delayed action but later moved the bill to a standing committee for the upcoming general legislative session.

Senate Majority Leader Scott Jenkins, R-Plain City, said clarification might be needed to ensure that two-way communication devices — common between drivers and dispatchers — are not part of the bill. He said he believed that most drivers are dispatched using "push to talk" features on their cell phones rather than using radios.

"Most people who dispatch on the Wasatch Front use 'push to talk' to do that on their phones," he said. "I'd much rather have a phone sitting next to the guy than [him] having to reach to reach up on the dash to get your radio mic all the time."

Rick Clasby, executive director of the Utah Trucking Association, said the association

will continue to review the bill.

"One of the concerns that we would always have would be this balance between doing the right thing as it relates to safety — which we, of course, are highly interested in and want to continue to be advocates for safety — and efficiency," he said. "The only question that I think we need to get some resolution to from our perspective is the handheld device and whether or not our membership and the trucking industry as a whole are using wireless communications on a regular basis. We have gone on record as far as texting and would not support texting, of course, while driving and those types of things, so this is just a slight variation to some of those. ..."

## Pennsylvania tree service firm close to entering Utah market

Monster Tree Service, a Pennsylvania-based tree care company founded in 2008, is close to signing an agreement with a Utah franchisee who will oversee development of a territory here.

Company founder Josh Skolnick said the firm, which began franchising in April, is particularly attracted to the states of Utah, Colorado and Wyoming for two reasons — the need for emergency tree services following severe weather, and a preponderance of "mom and pop" tree service shops that create a fragmented industry.

Currently, Monster does business in the tri-state area of Pennsylvania, New Jersey and Delaware, and is still busy dealing with the aftermath of Superstorm Sandy, Skolnick said, noting about 80 percent of the firm's business is with residential clients, the

balance with commercial patrons.

Some of the company's selling points, he said, are that estimates can be completed within hours rather than days, profit margins are high and certified arborists oversee crews.

Services include tree removal, elevating, stump grinding, crane service, deadwooding, cabling and bracing, hazardous tree assessment, land and lot clearing, thinning, and tree and shrub pruning.

The franchise fee is \$39,995 and territories are based on a population of up to 250,000. Franchisees pay royalties on gross sales at a rate of 6.5 percent for the first \$1 million annually and 5 percent in excess of that sum. There is also a 1 percent brand development fee.

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**AUTO**

from page 1

... As such we're very concerned because of that. If it goes higher, there would be virtually no used or new car dealers in the state of Utah."

Jones said he is hoping a bill will be ready for the upcoming general legislative session that would, in part, feature the creation of a new insurance product, which he described as "a new, required insurance coverage of sorts that would pay if, in fact, the bond would not give the full recourse to the consumer."

The new product would kick in if the fraud exceeded the \$75,000 bond level, he said.

"This would be a completely 'let's make the consumer whole' [product]. One of the commitments we have as an industry and as an association is that we don't want to see anybody go out of business, because when it does it creates a negative connotation for our industry," he said.

However, Rep. Todd Kiser, R-Sandy, said he is unsure if that approach cures the central issues.

"I've had concerns we're not addressing this problem right. ... We had a used-car dealer down in Utah County go out with \$2 million of fraud against people he had sold cars to. I happen to have

bought three cars from him. I'm glad I got all my titles before it all went bad. But \$2 million? You're never going to get an insurance company to be able to bond that kind of risk, so even if we wanted to try and solve it with bonding, we're not going to be able to do it at the limits that we need to," Kiser said.

He suggested that banks, credit unions and dealers need to work together to find ways to get titles into buyers' hands more quickly. That way, "a car dealer can't all of the sudden be holding on to a million dollars of money ... holding these titles and not giving them," he said.

"To me, those are the players that this group of policymakers have to bring in to play, because if you just go to policy and say we want to up the cap on bonding to \$100,000 or \$200,000, the surety industry will not do it and you'll all of the sudden narrow the scope of people who can sell used cars to five dealers instead of 200. People won't be able to qualify for the bond."

Jones said the troubles are not widespread. Last year, he said, the largest bonding company paid out only two claims above the \$75,000 threshold. "So this isn't a big problem, but when we do have one problem, it's a problem for all of us and that's why it's important for us to solve that," he said.

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# • Industry Briefs •

## ARTS/ENTERTAINMENT

• The **Governor's Office of Economic Development (GOED)** board awarded a pair of movie production companies tax credit incentives at the board's November meeting. Salty Pictures Inc. was approved for a credit between \$1.5 million and \$1.9 million for its production of "Cloud Nine," a feature film expected to spend more than \$7.5 million in Utah. Principal shooting is scheduled for Jan. 14-Feb. 25. NFS Productions LLC was approved for an incentive of \$321,000 for "Need for Speed," about a cross-country race based on a video game. The action feature film is expected to spend \$1.6 million in Utah, with principal photography set for late May and early June next year.

## BANKING

• **Bank of Utah** recently presented a check for \$2,000 and one ton of food to the **Cache Community Food Pantry**. The donations were the result of a "Harvest a Ton of Food Drive" sponsored in conjunction with the recent grand re-opening of the bank's newly remodeled branch at 5 E. 1400 N. in Logan. Also, Bank of Utah will host a "Warm Bodies, Warm Souls" coat drive from Nov. 26 through Dec. 14. The public is invited to donate new or clean, gently-used coats, hats, scarves, gloves, blankets and other cold-weather accessories at Bank of Utah branch locations. The cold weather gear will then be distributed to homeless and low income

families through several charities.

## COMMUNICATIONS

• **Cricket** announced the introduction of its **Cricket Lifeline Credit** in Utah, a government assistance program that provides a service credit each month for eligible residents. Qualifying customers for the Cricket Lifeline Credit in Utah will receive a \$10 discount on their monthly wireless bill for one phone in their household. The Cricket Lifeline Credit in Utah is available now and customers can apply at all Cricket branded locations.

• **AT&T** has turned on its **4G LTE wireless network in Provo-Orem**. LTE technology is capable of delivering mobile Internet speeds up to 10 times faster than 3G. AT&T offers several LTE-compatible devices, including new AT&T 4G LTE smartphones and tablets, such as the Sony Xperia TL, LG Optimus G, Samsung Galaxy S III, Motorola ATRIX HD, HTC One X, Nokia Lumia 900, Samsung Galaxy Note and Pantech Element tablet.

## COMPUTERS/ SOFTWARE

• **Pacific WebWorks Inc.**, Salt Lake City, announced that the company's longtime chairman and CEO, **Kenneth W. Bell**, intends to retire effective Nov. 30. Bell has served as the CEO of Pacific WebWorks since joining the company in January 2001 and as chairman since March 2001. Company president **K. Lance Bell** has been

appointed as the new chairman and CEO, effective Dec. 1. Lance has served as president of Pacific WebWorks since May 2011 and has 13 years previous experience in the software business. The company also has announced **James C. Roundy** will be appointed as vice president of sales and marketing and will fill a seat on the company's board of directors. Additionally, **Tanner J. Purser** will be appointed as controller and secretary to the board of directors. Roundy has spent several years working in the financial services industry. Most recently, he founded and operated a sports apparel business, a majority of which was purchased by Pacific WebWorks in 2011. Purser has several years of experience as an accountant and an independent auditor. Most recently, he has been serving as the accounting manager for Pacific

WebWorks. Pacific WebWorks provides a suite of software programs for small businesses that want to create, manage and maintain an effective Web strategy, including full e-commerce capabilities.

## CONSTRUCTION

• **Marshall Payne** joined **BHB Consulting Engineers**, Salt Lake

City, as a project drafter. He has an A.A. from Dixie State College and an A.S. with a drafting and design emphasis from ITT Tech.

## EDUCATION/TRAINING

• **The Leonardo**, a contemporary museum in downtown Salt Lake City connecting science, technology and creativity,

*continued on next page*



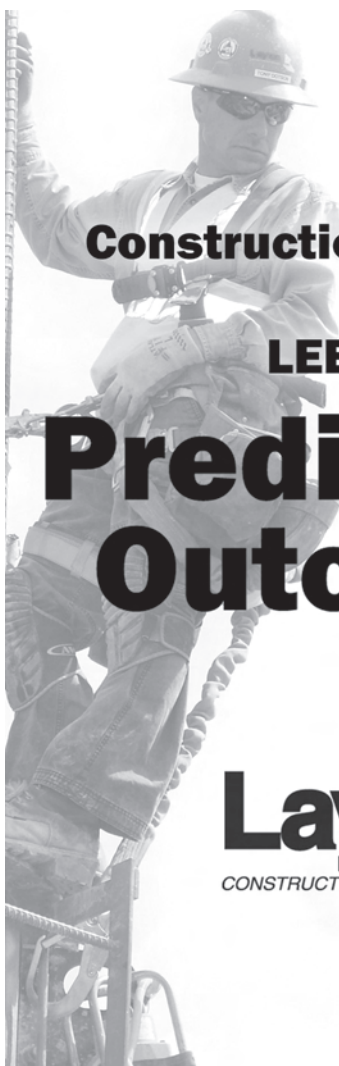
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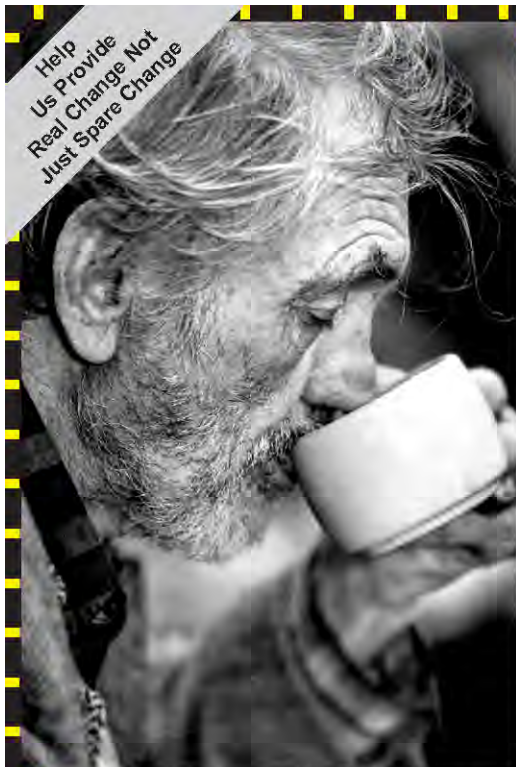
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from previous page

welcomed **Troy D'Ambrosio** and **Kirk D. Johnson** as new members of its board of directors. D'Ambrosio co-founded multiple start-up companies, including Transworld Telecommunications, which was sold to Sprint in 1996; Convergence Communications, which was sold to Lockheed Martin in 2005; and EPM Mining Ventures, which is listed on the Toronto Venture Exchange. Johnson has been vice president and general manager of Evans & Sutherland Computer Corp., Digital Theater Division, since January 2002.

## LAW

• MacDonald & Miller Mineral Legal Services PLLC, a new law firm focusing on oil, gas and mining law, has **opened for business** at 7090 S. Union Park Ave., Suite 420, Midvale. Founding members are **Frederick M. MacDonald** and **Relma M.**

**Miller. Thomas W. Bachtell** will be an "of counsel" attorney with the new firm. MacDonald received his B.S. in engineering from Purdue University in 1983 and his J.D. from the Valparaiso University School of Law in 1986. Prior to forming MacDonald & Miller, PLLC, he practiced for 22 years with the Salt Lake City natural resources law firm of Pruitt Gushee, and five years with the Utah office of the Denver-based energy law firm of Beatty & Wozniak PC. MacDonald is a member of both the Utah and Tenth Circuit Court of Appeals Bar Associations. He served as chairman of the Utah State Bar's Natural Resource Section from 1997 through 1998. He is an active member of both the Utah and American Association of Professional Landmen (AAPL). He currently serves as chairman of the AAPL's Form 610 Operating Agreement Revision Task Force. In addition, he is actively involved with the Rocky Mountain Mineral Law Foundation. He serves on the faculty of the biennial federal oil and gas leasing short course and previously served as a trustee at large for the foundation.

• Four associate attorneys have been elected as shareholders in the Salt Lake City office of **Durham Jones & Pinegar**. They are **Patrick E. Johnson**, **Erin T. Middleton**, **Jason P. Nixon** and **Z. Ryan Pahnke**. Johnson's

practice is concentrated in both commercial litigation in state and federal courts and bankruptcy with emphasis on creditors' rights and the representation of trustees. He received his J.D. from the S.J. Quinney College of Law at the University of Utah. Prior to joining DJJP in 2008, he was an associate at Berman & Savage PC. Middleton practices employment law and commercial litigation. She received her J.D. from the S.J. Quinney College of Law at the University of Utah, where she graduated as a member of the Order of the Coif. Before joining the firm, she clerked for Utah State Supreme Court Judge Christine M. Durham. Nixon is an intellectual property attorney with an electrical engineering background. He received his J.D. from Lewis & Clark Law School. He worked for two years as an engineer before attending law school, and practiced law for four years prior to joining Durham Jones & Pinegar. He has been with the firm for two-and-a-half years. Pahnke joined the firm in 2007, after completing a clerkship with Judge Dee Benson of the United States District Court for the District of Utah. His practice focuses primarily on commercial litigation matters in state and federal courts in Utah and Nevada. He received his J.D., magna cum laude, from the William S. Boyd School of Law at the University of Nevada, Las Vegas.

• **Parr Brown Gee & Loveless**, Salt Lake City, has elected **Jeremy Adamson** to the position of shareholder at the commercial law firm. As part of Parr Brown's commercial litigation group, Adamson has represented clients in commercial litigations, securities litigations, employment litigations, regulatory enforcement actions, class actions and contract disputes. As a shareholder in the firm, he will continue working in these areas. Adamson earned his juris doctor, cum laude, from Cornell Law School along with a bachelor's degree in political science from Brigham Young University.

## MANUFACTURING

• **Connor Sport Court International**, Salt Lake City, has hired **Randy Futty** to head its tennis court business. He will be the director of Sport Court Tennis and focus on expanding the company's tennis court division into a full-solution court building and tennis surfaces business. Futty is the former general manager of Har-Tru and has more than 15 years experience in the tennis industry as a leading expert in the global sports construction business. More athletic events are played on Connor Sport Court International surfaces than on any other sports flooring in the world.

• **Great Basin Corp.**, a privately held molecular diagnostics

company developing sample-to-result solutions, has **opened a new manufacturing facility** adjacent to its administrative and R&D operations at 2441 S. 3850 W., West Valley City. The new facility is dedicated to the manufacture of the company's closed-system molecular diagnostics cartridges, and more than triples the company's manufacturing capacity. Currently, the company is in full production manufacturing Clostridium difficile (C. diff) molecular diagnostic assay cards used in the company's Portrait Analyzer. The new facility offers expansion capabilities to support future manufacturing needs for the company's product roadmap of molecular assays to aid in the diagnosis of other hospital-acquired infections.

• **Nu Skin Enterprises Inc.**, Provo, has signed an agreement to acquire **NOX Technologies Inc.**, a biotechnology and biodiagnostic company based in Malvern, Penn., for \$12.5 million. The agreement includes the acquisition of technology and patents, including previously licensed technology already utilized in connection with Nu Skin's anti-aging research efforts.

## MEDIA/MARKETING

• For the second year in a row, **Jakob Marketing Partners**, Holladay, has been named one of the **101 National Best and Brightest Companies to Work**

### PUBLIC NOTICE

In accordance with Sec 106 of the Programmatic Agreement, T-Mobile West, LLC plans to upgrade an existing telecommunications facility at 2180 S. 1300 E., Salt Lake City, UT 84106. Please direct comments to Vitaly M. at 714-508-4100 regarding site **SL01066A**.

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For by the National Association for Business Resources. The NABR identified best HR practices incorporated by winning companies that continue to be leaders in setting employment standards. The 2012 winning companies were assessed by an independent research firm which reviewed a number of key measures, including employee benefits, employee engagement and retention, education and development, employee achievement and recognition, work-life balance and community involvement.

### NONPROFIT

- From now through Dec. 10, the **Downtown Alliance** is accepting user-submitted videos centered on the phrase "I Am Downtown" and a filmmaker's interpretation of its definition. A panel of industry leaders will award a grand prize of \$5,000 to the winning submission. Five finalists, as well as the grand prize video, will be presented during EVE, a three day downtown event focusing on light, art and sound Dec 29, 30 and 31 to celebrate the New Year. The contest will be centered on Facebook, where users can upload films of up to 100 seconds in length. Full details and submission guideline's can be found at [www.facebook.com/downtownslc](http://www.facebook.com/downtownslc).

- The **Rotary Club of Salt Lake City** has donated \$45,000 to **Polio Plus**, one of the Rotary Foundation's three international service initiatives. The Rotary Club of Salt Lake City has more than 140 club members who are Paul Harris Fellows and whose \$1,000 or more contributions fund foundation initiatives. Overall, club members have donated more than \$1 million to the Rotary Foundation's Annual Fund. The club has also sponsored three trips to India (2009, 2011, and 2012) to participate in polio immunization activities.

### RESTAURANTS

- Faustina** restaurant in downtown Salt Lake will serve **Thanksgiving dinner** Thursday, Nov. 22, from 3 p.m. to 8 p.m. The cost for the four-course feast is \$45 and will have specially paired wine selections available for \$20 extra per person. The eatery opened last year for the first time for Thanksgiving

and was so popular the owners decided to make it a new tradition. Reservations are required and can be made by calling (801) 746-4441. Faustina is located at 454 E. 300 S. in Salt Lake. Learn more at [www.faustinaslc.com](http://www.faustinaslc.com).

- Utah-based **Java Jo's Coffee House** is slated to open its **fourth location**, on the northeast corner of 1300 East and 900 South in Salt Lake City, during the first week of December. It will have two windows — one dedicated to drive-through patrons and

another for walk-up customers. The establishment will feature a full line of coffee and tea drinks, as well as smoothies, hot chocolate and a selection of pastries from local bakeries. There will be outdoor seating for approximately 20. The first Java Joe's opened in Murray in 1996. Other locations are in the Avenues and Cottonwood Heights.

- To help raise funds to support the Utah AIDS Foundation mission to empower those living with HIV/AIDS, Kimpton's **Hotel Monaco**

Salt Lake City, the adjacent **Bambara** restaurant and the **Utah AIDS Foundation** will co-host the eighth annual **Red Party** Nov. 29 from 5:15 until 8 p.m. Guests are invited to enjoy professional cabaret performances while they commemorate upcoming World AIDS Day 2012. The Hotel Monaco Salt Lake City is located at 15 W. 200 S. The public is welcome and a \$35 donation at the door is suggested. RSVPs can be made by contacting Chet at Utah AIDS Foundation, (801) 487-2323

or [Chet.Cannon@utahaids.org](mailto:Chet.Cannon@utahaids.org).

- For the second year and due to strong demand last year, **Oasis Cafe**, Salt Lake City, will serve **Thanksgiving brunch** Nov. 22 from 8 a.m. to 2 p.m. featuring local organic vegetables and sustainably ranched meats. Reservations are highly suggested and can be made by calling (801) 322-0404 or visiting [OasisCafeSLC.com](http://OasisCafeSLC.com).

### RETAIL

*continued on page 15*

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# UTAH Legacy BUSINESS BIOGRAPHY



## Bank of Utah credits 60 years in business to keeping things fresh

As companies rise and fall faster than ever, we're continually reminded of the truth of the adage "the only constant is change." In business, lasting success is not a secret recipe, but an ability to keep coming up with new recipes.

In this respect, Ogden, Utah-headquartered Bank of Utah seems to have a leg up. Going strong after six decades of business, the locally owned community bank has proven adaptable through every kind of challenge: evolving customer needs, a market in flux, an ever more challenging regulatory environment, and a recession that brought down scores of banks, big and small.

Many people assume that community banks are behind the times when it comes to banking practices. Or that, at best, they just aim to keep up. But when Frank Milton Browning cofounded Bank of Utah in Ogden in 1952, he proved that innovation can be one of a community bank's defining features. The bank hasn't just "rolled with the punches" over the years; its teams have actively pursued evolution.

As Bank of Utah prepares to celebrate its 60th anniversary this December, bank president Doug DeFries reflects on how the bank's nimbleness has remained an asset, allowing it to not just survive but continuously grow: "Our ability to do things differently has allowed us to stay nimble and relevant," he says. This culture of progressiveness took root early in the bank's history. On opening day, to be exact.

### Rooted in "Doing Things Differently"

Before being asked to invest in the bank, Browning, a local businessman, family man and humanitarian, had no background in banking. Taking the helm as bank president, he sought to challenge the accepted model of banking of the time—to "take the chill off old-fashioned banking ideas," as an early advertisement read. Browning envisioned a completely new banking approach: relaxed, personal "relationship banking."

When the first Bank of Utah branch opened on Washington Boulevard on December 1, 1952, just a few doors down from the bank's current main branch, the lobby was cozy and inviting. There was comfortable seating, a lit fireplace and cheerful staff. Imagine walking into this, as opposed to the impersonal, exclusive environments of most banks at the time! Deposits surpassed expectations on opening day and climbed to \$4 million within three months. Soon the Bank had four branches: Ogden, South Ogden, Ben Lomond and Roy. This kind of modern banking clearly clicked.

Tapped into the needs of the community, Bank of Utah would soon become the first bank in the state to issue a credit card, called the "Cred-o-Matic Shopping Card." It was also the first Utah bank to become a "motor bank" by adding a drive-up teller window to its building.

Roughly five years into the bank's history, however, its future was at a crossroads. Some of the bank's investors wanted to cash in on their investment and sell the flourishing bank to a larger bank. But Browning didn't agree. He wanted to preserve the bank's small, nimble, community roots—to be able to stay closely connected to its customers and to continue shaking up some of the "rules" of banking. Browning bought out the other investors.

### Staying Innovative Through Growth

Today, Bank of Utah has grown from 16 employees to more than 300 and \$750 million in assets. But growth, in itself, is not a barrier to innovation. The bank remains locally owned, with Frank W. Browning, grandson of the founder, as chairman. Compared to larger banks, Bank of Utah still has typical community bank features, which have allowed it to keep its adaptable way of doing business and to modernize in a way that's closely in tune with its customers.

"I think Bank of Utah remains relevant due to its ability to continue to grow and meet the expectation of our shareholders," DeFries says. "The main job is to satisfy the customer's needs."

To continue to satisfy customers' needs, in the past few years, the bank has expanded its treasury management and trust and investment teams in order to provide personalized guidance. It also renovated its Logan branch, moved its South Ogden branch to a more convenient location, opened a new mortgage branch in Sandy and centralized its Northern Utah business lending offices at one Logan location, all with the aim of providing faster response time and easy access to customer support. Additionally, in anticipation of the inevitable uptick in housing starts, the bank recently added to its mortgage staff, including a new office in St. George.

This year the bank also became the first in the state to adopt a new online Personal Financial Management platform developed by the Provo-based company Money-Desktop. This online banking application provides the bank's business and consumer customers with more than the typical internet banking features; they have free access to tools for expense tracking, budget creation, debt management and financial reporting. Its most unique feature is an ability to aggregate all of a customer's account information from various institutions (not just Bank of Utah) into one's Bank of Utah account dashboard for a complete financial picture.

### A New Culture of Accountability

How does a company stay nimble enough to meet fluctuating market demands and opportunities? DeFries says it requires a passion for the customer—which, in turn, fosters a sense of accountability among employees and close alignment across departments.

"Of our cultural beliefs that we have in the bank, taking

accountability is now at the top of the list," he says. "We're eliminating turf issues. The focus is off the employee, which can get in the way—you can't take care of the customer's needs if you're overly concerned about yourself."

One example of how this approach has paid off for the bank is in the mortgage area. In response to record-low mortgage rates, the bank had been offering a 48-hour turnaround on loan approvals to help customers lock in low rates over the past year. In June, the bank experienced an unprecedented growth in refinance loans, and upholding this tight loan approval commitment posed several challenges. "It required the involvement of many different team members," DeFries says. "Our IT department stepped in, as did accounting and wires. Because our team was responsive to needs, people were excited about the challenge and worked together to make it happen."

Recognizing this as a differentiator for the bank, its leaders are encouraging this attitude across all areas of the bank. When someone has a time-critical need, or the solution to a customer's needs crosses several departments, employees are encouraged to step out of their "role" and get involved. "Our culture is increasingly one of taking responsibility, working together, enhancing systems," DeFries says. "Because the ownership is right here, we can react very quickly."

### Planning For Success Amid Unpredictability

Openness to innovation—combined with the flexibility to pursue it—seems to have proven, indeed, a formula for success for Bank of Utah. But will it be enough to help the bank continue to weather the rocky economy and other uncertainties? DeFries believes so.

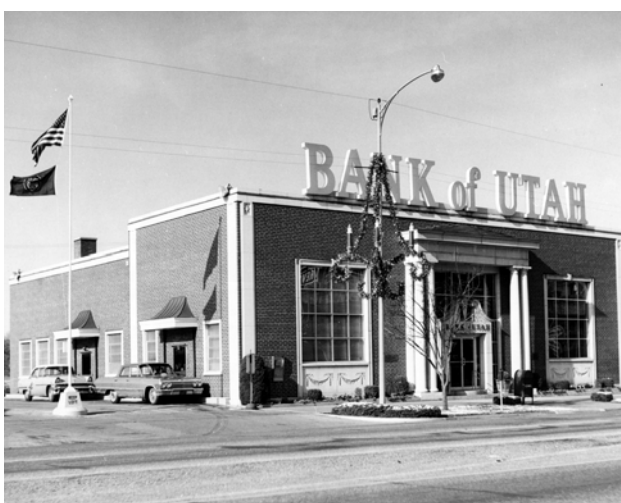
"There are risks out there," DeFries says. "The economy isn't back. With Dodd-Frank, the regulatory environment is more difficult than ever. And this low interest rate environment is going to be here for quite a while. But as a community bank we're nimble enough to react to these challenges—to decide how to best address them and keep customers taken care of."

Being nimble doesn't mean flexing on principles, however. If there's one constant in the bank's 60-year history, it's that bank leaders remain vigilant about making sound financial decisions. DeFries says this is vital to the long-term interest of shareholders and customers. "It's always been all about the people—the people in the bank, the shareholders giving us the capital to work with, and our customers and communities," he says.

In celebration of 60 years in business, the bank will organize a winter clothing drive in December to help those families in need in the community stay warm. For more information about Bank of Utah's Warm Bodies, Warm Souls charity event, visit [www.bankofutah.com](http://www.bankofutah.com).

### Company Bio:

Bank of Utah has 13 full-service branches along the Wasatch Front, mortgage offices in South Towne, Price, Logan, South Jordan and St. George and corporate trust teams in Ogden and Salt Lake City. Bank of Utah offers personal banking, business banking, home lending, trust management and investment services. For more information call 1-800-516-5559 or visit [www.BankOfUtah.com](http://www.BankOfUtah.com).



# Please Help us create **Warm Bodies** and bring warmth to the soul this Holiday season.

Bank of Utah is holding a warm clothing drive in conjunction with our 60th Anniversary celebration. Come celebrate with us at one of the following open houses:

### **OGDEN OPEN HOUSE**

When: Tuesday, December 4th, 4:00 - 6:00 pm  
Where: 2605 Washington Blvd., Ogden, UT 84401

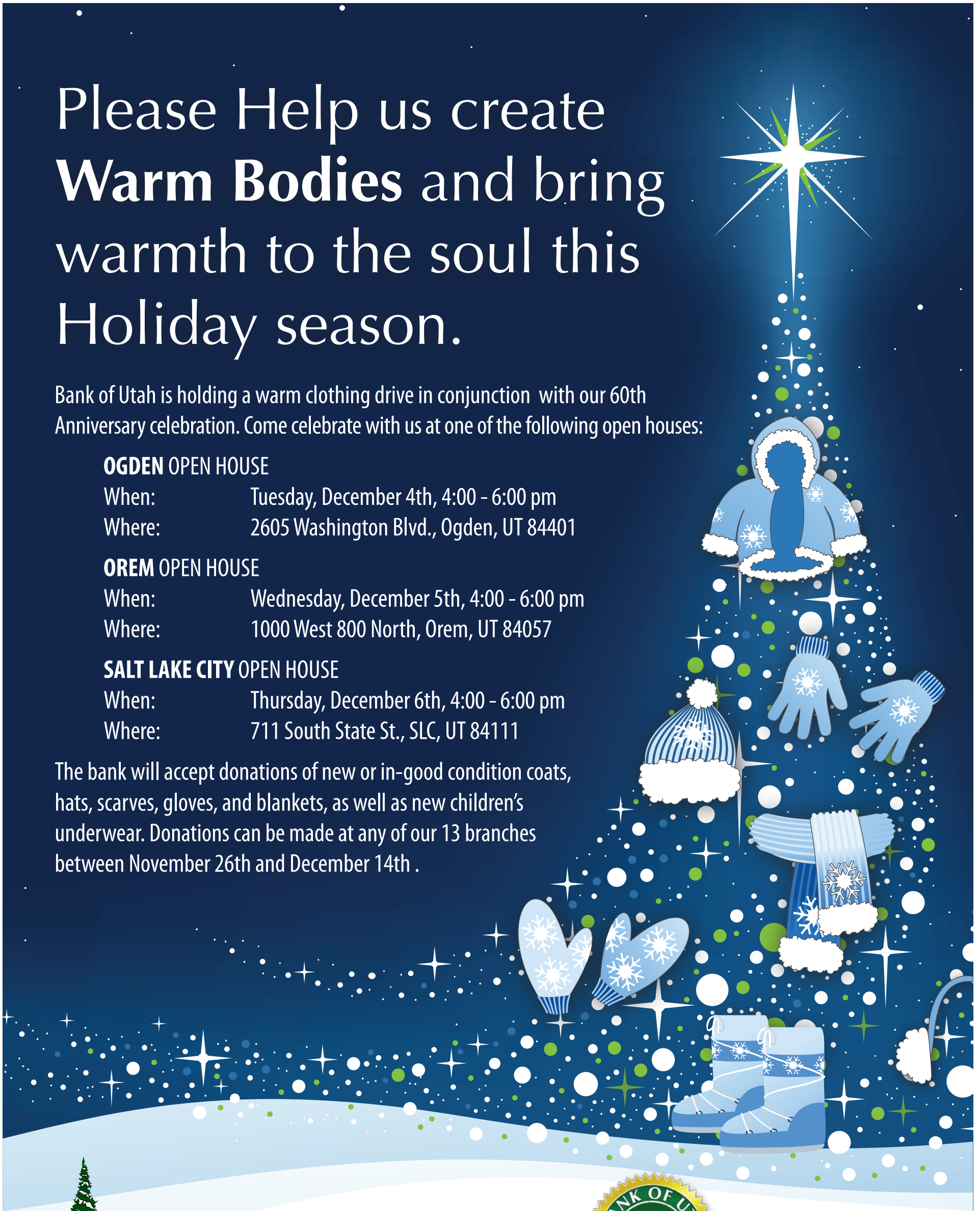
### **OREM OPEN HOUSE**

When: Wednesday, December 5th, 4:00 - 6:00 pm  
Where: 1000 West 800 North, Orem, UT 84057

### **SALT LAKE CITY OPEN HOUSE**

When: Thursday, December 6th, 4:00 - 6:00 pm  
Where: 711 South State St., SLC, UT 84111

The bank will accept donations of new or in-good condition coats, hats, scarves, gloves, and blankets, as well as new children's underwear. Donations can be made at any of our 13 branches between November 26th and December 14th .



# **BANK of UTAH**





# Executive Lifestyle

## The cruising revolution

It's hard to believe, when you consider everything you get, but experts say only about 10 to 15 percent of vacationers take cruises, and to attract new customers the cruise lines have developed bigger and bigger new ship designs, amenities and entertainment options; or, on the other hand, some of them have moved toward a smaller-is-better direction with an emphasis on service and gourmet dining.

When I say, "consider everything you get," I mean, not only a floating hotel room, so that even though you go to many different places, you unpack only once; but also, as many gourmet meals as you can stand each day, and constant entertainment.

While I would suggest the cuisine onboard every ship on which I personally have ever sailed is way above even a family dining restaurant, let alone a fast-food eatery, the smaller river cruise category of ships has sought to be



Don Shafer

known for fine-dining with ultimate primo personal service. This smaller-is-better group also includes such things as personal transfer service from airport to cruise vessel and back, as well as daily shore excursions as part of the price. And the number of passengers accommodated on the ships of Viking River Cruises (the largest and most popular of the river cruisers), for example, is in the neighborhood of 200. A friend of mine who owns a travel agency

told me he had a client who had sailed with his wife on more than two dozen cruises before he went on a Viking River Cruise, and afterwards, he said he wished he had known about them a long time ago. He has been going on only river cruises ever since.

The bigger is better direction for most of the well-known cruise lines has resulted in the cruise ship being a destination-into-itself experience for many. So, in this category the vessels are definitely no longer only about the ports of call. Also, what was considered a huge ocean liner 30 years ago is not only miniscule by comparison to the mega-ships of today, but those olden days were bare bones in terms of the amenities and entertainment options on the present day cruise liners. The three biggest cruise ships today in terms of capacity are Norwegian Cruise Line's Epic and Royal Caribbean International's Oasis of the Seas and Allure of the Seas, the latter of which offers accommodations for 6,400 guests and has a crew of 2,384. RCL's Freedom, Liberty  
*see SHAFER page 12*

## To give or to get, these three books are great business reads

(Editor's note: Each month Jack Covert, founder of 800-CEO-READ, reviews the best recently released business books. Jack is also the coauthor of *The 100 Best Business Books of All Time*, recently updated and expanded, and released in paperback. 800-CEO-READ is a leading direct supplier of book-related resources to corporations and organizations worldwide, and specializes in identifying trends in the changing business market).

*Makers: The New Industrial Revolution*  
By Chris Anderson, Crown Business

257 pages, \$26, Hardcover

The Industrial Revolution began in the middle of the 18th century and has provided an increasingly stable economy ever since. Innovations in mining, transportation, agriculture, manufacturing and technology provided jobs and contributed toward a better quality of life around the world. Almost



300 years later, many are questioning whether or not that economic engine has finally quit, but Chris Anderson — author of *The Long Tail* and *Free*, sees another revolution occurring.

The manufacturing borne of the Industrial Revolution involves many expensive parts and processes to turn an idea into a product. Once the processes are in place, to make any kind of changes involves time and, most likely, a great deal of capital. In Anderson's newest book, *Makers: The New Industrial Revolution*, he describes a movement where process has a greatly reduced time and cost of production. In this movement, if a product needs to be changed or improved, it's simply redesigned on a desktop computer and manufactured with a 3D printer. The cost of these machines continues to decline, the use of the design software is increasingly simple and the online support and discussion communities are growing, making this movement revolutionary, indeed.

It's possible that some of you won't completely understand what I'm talking about. Did you know that there are machines that can "print" edible burritos, "print" wearable swimsuits, "print" usable products in almost every category? If not, you're not alone, but in Anderson's opinion, that will change. Similar to innovations in desktop publishing, the *Makers* movement will soon see consumers thinking up, designing and manufacturing their own products in every category. Within the next 10 to 15 years, Anderson estimates that these machines will be so affordable that most people will have them in their homes. In Anderson's words:

"Today we are seeing a return to a new sort of cottage industry. Once again, new technology is giving individuals the power over the means of production, allowing for bottom-up entrepreneurship and distributed innovation. Just as the Web's democratization of the

*see BOOKS next page*

## What does

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And an "All-Pro" Jazz Basketball Player

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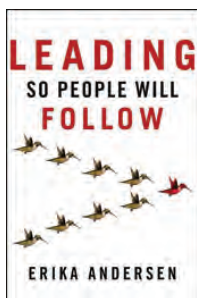
lonniepaulosmd.com

## BOOKS

from previous page

means of production in everything from software to music made it possible to create an empire in a dorm room or a hit album in a bedroom, so the new democratized tools of digital manufacturing will be tomorrow's spinning jennies. And the guilds they may break may be the very factory model that grew up in Manchester and dominated the past three centuries."

If Anderson is right, it will be an interesting time for entrepreneurs, large manufacturers and consumers alike. If nothing else, *Makers* is a fascinating read that takes business theory into the age of "The Jetsons," where everything we need is at our fingertips. And if not, we can simply print it.



*Leading So People Will Follow*

By Erika Andersen, Jossey-Bass  
224 Pages, \$26.95, Hardcover

Call it what you will: "buy-in," "loyalty" or "enthusiasm." Use whatever metaphor for the phenomenon you like — maybe "everyone's onboard" and "rowing the oars together" — but the simple reality is that every organization needs leaders, and leaders need followers. It's how business gets done.

There is a lot of mythology surrounding effective leaders, but one need not be a "natural born leader" to inspire people. In her new book, *Leading So People Will Follow*, leadership coach and acclaimed business author Erika Andersen lays out "six leadership characteristics that inspire followers to fully support their leaders," making the qualities that define great leaders accessible to all.

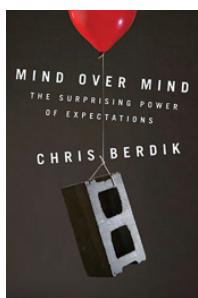
As in her previous two books, *Growing Great Employees* and *Being Strategic*, Andersen employs metaphor to illustrate her ideas. In this book, she spins readers a "folk tale" of a soon-to-be prince and the princess he rescues. Using this "hero's journey" as a device to illustrate the behaviors of "the acknowledged leader" (being far-sighted, passionate, courageous, wise, generous and trustworthy) she sets out on a journey of her own to "help you find your own happily ever after as a truly accepted, fully 'followable' leader."

While each chapter includes insight from Andersen's own

experience as a leadership consultant, as well as examples of real-life successful leaders, she understands that myths as metaphor have been utilized to instruct behavior since the dawn of time, and that we as contemporary business people are not immune to the effectiveness of a good story.

For example, Andersen begins Chapter 5, "Courage," by furthering the "boy-saves-princess" tale she has been unraveling episodically since her Introduction. Here we find the "king-in-training" being pitched a rather grand and grave idea: Agree to be shrunk by fairy dust to become "smaller than an almond" in order to be shot out of a blow-dart gun and surmount the treacherous mountains that stand between him and the princess. Andersen parallels this episode with the courageous decision-making of John McDermott, the head of global sales and marketing for Rockwell Automation, emphasizing that courage isn't always physical, and can often mean "doing things that we simply don't want to do" to benefit of a larger cause. The lesson here is that, when people watch their leaders act courageously — in their defense, for their benefit — they open up, begin to trust their leaders and emulate that courageousness.

I have the good fortune of knowing Erika Andersen, and can tell that all of the qualities you find in the book are also in the woman. And I can confidently tell you that her new book, *Leading So People Will Follow*, is as engaging — and yes, as "followable" — as she herself is. So grab a copy, grab an oar and get onboard!



*Mind Over Mind: The Surprising Power of Expectations*

By Chris Berdik, Current  
288 Pages, \$26.95, Hardcover

"Power tends to corrupt, and absolute power corrupts absolutely." Most people are familiar with that idiom and would agree that power has an intoxicating effect on even the most moral person. But just why are powerful people so prone to corruption and self-destruction?

Chris Berdik opens his new book, *Mind Over Mind: The Surprising Power of Expectations*, with the tale of Franz Anton Mesmer, who "cured people of nearly every malady by moving his hands around them." The wild

see *BOOKS* next page

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## Movement in the Workplace

The latest research confirms that sitting smart, when combined with standing and walking options, can have a big impact on worker wellness and productivity.



Three recent American studies performed by Marc T. Hamilton (2007), Pedersen (2009) and Stephens (2010) have shed new light on the relationship between long periods of sedentary behavior and pervasive health problems such as weight gain, metabolic syndrome and diabetes. While these studies inspired sensational media coverage warning consumers “sitting is killing us,” such headlines misstated the findings. The studies looked at many variables that negatively impacted peoples’ health but did not isolate the adverse relationship between sitting and poor health. The researchers didn’t explore specific health outcomes of long-term behaviors, nor did they cite a single behavior that contributed to ill health more than others—there was no smoking gun. The truth is, sitting isn’t killing us. But, sitting in poor postures for long periods with little movement and few breaks for standing or walking can impact our health and reduce our productivity. This isn’t just theory. We know from the cumulative weight of research and evidence gleaned from the workplace that these issues can have a significant negative impact on worker wellness and an organization’s bottom line. Conversely, by offering workers the information and products they need, we can have a positive impact.

### THE BACKGROUND: A LOOK BACK SHOWS THAT LACK OF MOVEMENT HAS ALWAYS BEEN A SOURCE OF HEALTH CONCERNS FOR WORKERS

For centuries, researchers have known there was a link between sedentary workers and health problems. In 1700, for example, an Italian physician, Bernardino Ramazini, observed that tailors, who sat as they worked, were not as healthy as messengers, who walked while they worked. Generations later, a landmark British study published in 1953 in *The Lancet* (Vol. 262, No. 6796) showed that cardiovascular disease was less frequent and less severe among bus conductors and postmen than it was among bus drivers and telephone operators, who were more sedentary. For the recent studies, Hamilton and the others focused on how biological systems functioned, measuring the regulation of blood glucose levels and metabolism differences of animals and humans engaged in sedentary behaviors (durations of physical inactivity) compared to those who experienced common levels of activity during waking hours. The results added new weight to what has become common knowledge since the days of Ramazini: that inactivity at work and at home can have a significant negative impact on human physiology.

A palette of posture and place allows workers to change positions, stay engaged and stay well.

The research findings support the idea that movement during the day while sitting, walking or standing, is critical to maintaining wellness—through everything from fewer repetitive motion injuries to reduced weight gain—fostering greater concentration and engagement and boosting productivity.

The latest research confirms that sitting smart, when combined with standing and walking options, can have a big impact on worker wellness and productivity.

There is no one best posture. Rather, changing postures is the key. Midwest believes offering a palette of place and posture, can help keep workers in motion. Doing so will help boost performance and wellness even as it helps offset some of the damage done by the sedentary lifestyles many workers embrace during non-work hours. Since sedentary behavior is an independent risk factor for increased rates of illness (Katmarzyk PT, Church TS, Craig CL, Bouchard C., et. al., 2009), the result can mean fewer hours lost to sick workers. More important, it can help employees become more engaged and more productive throughout the work day.

Sit, stand, walk is a specific philosophy that Midwest uses to keep workers moving. Workplaces that embrace this philosophy provide height adjustable workstations, low speed treadmills, convenient temporary workspaces away from dedicated workstations, and healthy “Alive Seating.”

### AN EFFECTIVE PRESCRIPTION FOR A HEALTHY WORK DAY

1. Sit in a well-designed, ergonomically advanced chair that allows a full range of healthy postures for part of the day.
2. Stand at a height adjustable worksurface for between 1.5 hours and two hours per day.
3. Walk and work for part of the day.

### THE FOUR FOUNDATIONAL PRINCIPLES TO GOOD SEATING DESIGN

- Every person’s spine is different. The chair back should change shape and mimic each person’s unique spinal motion.
- The upper and lower spine move differently when reclining, and the chair back must move accordingly.
- The upper and lower backs require different types and amounts of support.
- Workers must maintain a comfortable, ergonomically sound orientation to work, no matter their posture (e.g. upright or reclined). Vision and reach should not be compromised in the chair’s design.



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## BOOKS

from previous page

popularity of mesmerism toward the end of the 18th century was so widespread that it led to an investigation and crackdown by King Louis XVI on any sort of dark arts, or use of “imagination” as a cure.

Why is this the opening story? Because mesmerism (like medicinal placebos) shows that “our predictions for the near and distant future bend reality” and have “self-fulfilling potential.” While it’s true that Mesmer didn’t cure disease by simply willing it away, the end result was that healing did happen because the sick *expected* it to. Berdik’s book attempts to explain this phenomenon — to “untangle the complex interplay between what we assume will be and what is.”

Exploring the vast influence of expectations brings up humbling, even frightening, possibilities. We might discover just how little contact we truly have with bedrock reality, and how much of our time, effort and emotion we devote to watching and worrying over shadows. On the other hand, the power of expectations makes our reality coherent, meaningful and open to the possibility of change, if we put our minds to it.

So, back to our original question: Why does absolute power corrupt so absolutely? In Chapter

## SHAFER

from page 10

and Independence of the Seas are actually larger in size than the Norwegian Epic, but accommodate fewer passengers.

The revolution for these huge ships began in the late 1980s when designers started moving away from the classic ocean liner blueprints to more passenger-friendly ships offering more and greater public spaces and lots of the ever so popular balcony cabins.

The newer ships for all mega cruise lines offer not just swimming pools but water parks. Some have a flow rider (an artificial surfing wave), rock climbing walls, etc. Princess Cruises has added a huge two-story movie screen for *Movies Under the Stars*, and Norwegian has added bowling alleys to its ships. Royal Caribbean’s *Allure* and *Oasis* have seven different neighborhood areas, including Central Park, with 15,000 live plants and over 50 real trees. The Boardwalk neighborhood has outdoor restaurants, a carousel and a zipline starting five stories above. Royal Caribbean has also added full length Broadway productions such “Chicago” to their entertainment lineup. Meanwhile, Norwegian’s

8, Berdik explores how power gradually inoculates against the typical twinges of anxiety (e.g., sweaty palms, butterflies in the stomach) we feel *physically*. Most of us worry about being caught when we’ve done something wrong, and our nerves communicate that fear in telltale ways. Powerful people become so used to being unchallenged that their expectation of getting caught disappears, and those physical signals cease to occur. And there is a good sum of research that “the feeling of power and the accompanying hormonal changes are essentially an all-purpose stress buffer that anybody can tap into. In other words, we can train ourselves to *feel* powerful and *expect* success, which can insure that we succeed more often.

In *Mind Over Mind*, Berdik explains how crucial a role our expectations play — for good and for ill — in many areas of life: addiction, criminal activity, athletic feats, the value of money, witness identification, test scores, even the curing of phantom limbs. Simply by riding the coattails of our expectations, by being “a little less insistent on separating what we imagine and what’s real,” our minds can take us places where our bodies or even our reality would hesitate to go, and each of us can use that knowledge to improve ourselves and our performance.

Epic has several entertainment options that are all included in your cruise fare including The Blue Man Group, Second City Comedy Troup, “Howl at the Moon” (dueling pianos), “Cirque Dreams and Dinner Show” and Fat Cats Jazz and Blues Club.

But wait, there’s more! The Norwegian Breakaway, now being built, will be offering the largest aqua park at sea, including five different waterslides, four hot tubs and two swimming pools.

At the same time, Viking River Cruises can’t build ships fast enough to accommodate growing demand. They added six new ships in 2012 and plan to add another six in the spring of 2013. And next year’s cruises are already almost sold out. Don’t you wish you could start the year being sold out until next year?

Anyway, my wife and I have decided to pursue both types of cruises. Maybe we can decide which category is best after a few dozen more ... of each.

Don Shafer has been hosting radio travel shows in Salt Lake City for more than a dozen years, and was taught everything he knows by travel experts he has interviewed. Although some have called him “The Travel Doctor,” he holds a Ph.D. in a totally unrelated field, religion.

## • Earnings Roundup •

### Huntsman

Huntsman Corp., with headquarters offices in Salt Lake City and Texas, reported net income of \$116 million, or 48 cents per share, for the quarter ended Sept. 30. That compares with a loss of \$34 million, or 14 cents per share, in the comparable 2011 quarter.

Revenues totaled \$2.7 billion, down from nearly \$3 billion in the year-earlier quarter.

Huntsman manufactures and markets chemicals. It has about 12,000 employees.

“Our third-quarter 2012 adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) of \$401 million represents a new record in quarterly earnings,” Peter R. Huntsman, president and chief executive officer, said in announcing the results.

“Compared to the prior year and quarter, improved earnings in our polyurethanes businesses more than offset the decline in our pigments business. In addition to the increased earnings in our polyurethanes business, all of our non-pigments businesses saw an increase in earnings from the previous year.”

### Myriad Genetics

Myriad Genetics Inc., based in Salt Lake City, reported net income of \$30.1 million, or 36 cents per share, for the first fiscal quarter ended Sept. 30. That compares with \$25.1 million, or 29 cents per share, for the same quarter in 2011.

Revenue totaled \$133.4 million, up from \$110.5 million a year earlier.

Myriad is involved in discovering and commercializing tests to assess risks of developing diseases.

“In what has historically been a challenging summer quarter, Myriad achieved record revenue and higher operating profits,” Peter D. Meldrum, president and chief executive officer, said in announcing the results. “We believe that our initiatives of growing existing tests and markets have fueled these strong financial results and we continue to be excited about the future potential contributions from our strategic directives of expanding internationally and launching new tests across a diverse set of major disease indications.”

### SkyWest

SkyWest Inc., based in St. George, reported net income of \$20.9 million, or 40 cents per share, for the quarter ended Sept. 30. That compares with \$116,000, or zero cents per share, for the same quarter in 2011.

Revenues totaled \$865.3 million, down from \$955.4 million in the comparable 2011 quarter.

The company attributed the

lower numbers to a reduction in fuel reimbursements from its major partners. The partners have increased the amount of fuel they purchase directly for SkyWest flights, which cut the amount of fuel reimbursement that SkyWest records as revenue.

SkyWest Inc. is the holding company for two scheduled passenger airline operations and an aircraft leasing company. The passenger airlines are St. George-based SkyWest Airlines and Atlanta-based ExpressJet Airlines. Combined, they handle about 4,000 daily flights with 739 regional aircraft in the United States, Canada, Mexico and the Caribbean.

“We are very pleased with our cost reduction efforts,” Jerry C. Atkin, chairman and chief executive officer, said in announcing the results. “Those efforts are resulting in lower flight crew and maintenance costs, quarter over quarter, and are contributing to improved profitability. We are also pleased that, while reducing our cost structure, we continue to improve the quality of our operations with improved performance metrics for on-time, completion factor and customer service.”

### Skullcandy

Skullcandy Inc., based in Park City, reported net income of \$6.5 million, or 23 cents per share, for the third quarter ended Sept. 30. That compares with \$1 million, or 4 cents per share, for the 2011 third quarter, although without one-time expenses the year-earlier quarter’s net income would have been \$4.5 million, or 17 cents per share.

Sales totaled \$71 million, up from \$60.6 million in the year-earlier quarter.

Skullcandy designs, markets and distributes audio and gaming headphones and related products.

“We are pleased with our third-quarter results, in which operating income increased over 29 percent and was driven by solid sales growth, margin expansion and expense leverage,” Jeremy Andrus, Skullcandy president and chief executive officer, said in announcing the results. “With the successful launch of a new line of Astro Gaming and Skullcandy gaming headsets, we continue to broaden our customer base and diversify our business. Early feedback on our new gaming headsets has been overwhelmingly positive and we believe this is a meaningful new growth opportunity for Skullcandy.”

### Nature’s Sunshine

Nature’s Sunshine Products Inc., based in Lehi, reported net income of \$6.4 million, or 40 cents per share, for the third quarter ended Sept. 30. That compares with a net loss of \$2.3 million, or 14 cents per share, for the 2011

third quarter. Without contract termination costs, the year-earlier quarter pro forma net income was \$6.8 million.

Sales totaled \$91.2 million, up from \$91.1 million a year earlier.

The company manufactures and direct-sells nutritional and personal care products. It has more than 600,000 independent distributors in more than 40 countries.

### ZAGG

ZAGG Inc., based in Salt Lake City, reported net income attributable to stockholders of \$3.4 million, or 11 cents per share, for the third quarter. That compares with \$2.2 million, or 7 cents per share, for the 2011 third quarter ended Sept. 30.

Revenue totaled \$59.8 million, up from \$45.9 million in the year-earlier quarter.

ZAGG produces mobile device accessories and technology.

“We were pleased to see the business continue to advance, with year-over-year growth of 30 percent,” Randy Hales, president and interim chief executive officer, said in announcing the results.

### Black Diamond

Black Diamond Inc., based in Salt Lake City, reported net income of \$700,000, or 2 cents per share, for the third quarter ended Sept. 30. That compares with \$1 million, or 5 cents per share, for the same quarter in 2011.

Sales totaled \$48.7 million, up from \$42 million in the year-earlier quarter, in part from the acquisition of POC Sweden AB in July.

Black Diamond designs, manufactures and markets outdoor products for climbing, mountaineering, backpacking, skiing, cycling and other activities.

“During the third quarter, Black Diamond grew sales 16 percent to a record \$48.7 million, which is in line with our expectations for the second half of 2012,” Peter Metcalf, president and chief executive officer, said in announcing the results. “More importantly, we reached several key milestones in our overall long-term strategic plan.”

### inContact

inContact Inc., based in Salt Lake City, reported a net loss of \$953,000, or 2 cents per share, for the third quarter ended Sept. 30. That compares with a loss of \$3.2 million, or 7 cents per share, for the same quarter a year earlier.

Revenues totaled \$27.9 million, up from \$22.2 million in the year-earlier quarter.

The company provides cloud contact center software and services.

“It was a strong quarter for

inContact across all of our financial metrics,” Paul Jarman, inContact chief executive officer, said in announcing the results. “We are benefiting from the overall momentum of cloud adoption and the power of our recurring cloud model. ... We have another record quarter behind us as our software revenue run rate grows at a very healthy rate. We will continue to leverage the market opportunity before us through innovation in our platform, growth in our ecosystem, and expanding leverage through key partnerships.”

### Headwaters

Headwaters Inc., based in South Jordan, reported a net loss of \$4.9 million, or 8 cents per share, for the fiscal fourth quarter ended Sept. 30. That compares with a loss of \$46.7 million, or 77 cents per share, for the 2011 fourth quarter. Net income from continuing operations was \$3 million, or 5 cents per share, which compares with a loss of \$3.3 million, or 5 cents per share, for the same quarter a year earlier.

Revenue totaled \$190.1 million in the most recent quarter, up from \$178.3 million in the prior-year quarter.

For the full fiscal year, Headwaters reported a net loss of \$62.2 million, or \$1.02 per share, which compares with a loss of \$229.9 million, or \$3.80 per share, for 2011. The net loss from continuing operations was \$25.8 million, or 43 cents per share, which compares with a loss of \$134.1 million, or \$2.21 per share, in 2011.

Full-year revenue was \$632.8 million, up from \$588 million in 2011.

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

“We continued to see revenue growth in the fourth quarter, driven primarily by improvements in new residential construction and market share gains,” Kirk A. Benson, chairman and chief executive officer, said in announcing the results.

Benson said that in 2013, the company expects its first positive consolidated income from continuing operations since 2007, “fulfilling our commitment to provide innovative building materials to our customers and to carefully manage our business and capital structure.”

Don P. Newman, chief financial officer, said continuing operations in 2012 generated strong free cash flow, which enabled the company to pay down debt. Over the past five quarters, it has repaid \$48.2 million.



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from page 7

• **Small Business Saturday** on Nov. 24 will kick off the holiday shopping season for independent retailers and restaurateurs. The third annual Small Business Saturday was created in juxtaposition to Black Friday as a response to small businesses' most pressing need for more customers. According to the inaugural Small Business Saturday Insights Survey, released today by the National Federation of Independent Businesses and American Express, nearly half

(47 percent) of independent merchants plan to incorporate Small Business Saturday into their holiday shopping season strategy, and the majority (67 percent) say they will offer discounts on Nov. 24 to drive consumers to "shop small." To help business owners promote their businesses in preparation for Small Business Saturday, American Express is offering free tools on [www.ShopSmall.com](http://www.ShopSmall.com), which include geo-targeted online advertising, customizable marketing materials, and actionable tips

from real-life entrepreneurs on what they did last year to make the day a success.

• Utah-based ski shop **Ski 'N See** is celebrating its **25th anniversary**. The firm opened its doors in Sandy offering ski rentals and sunglasses only. The first SNS shop was about 200 square feet, a far cry from the 5,000 square feet of the current shop in Sandy. Over the years, the owners took more and more space in the Sandy Mall and added accessories and clothing. In 1995, SNS started

selling ski equipment and eventually began offering snowboards for sale and rent. The current ownership took over in 1999 with just three shops and has grown SNS to 12 shops — five in Park City and Deer Valley and seven in the Greater Salt Lake Valley. Ski 'N See Delivery began as Skis On Wheels in 2007, bringing gear to customers' doors in the Greater Park City area. Shuttle service is now offered to select hotels in parts of the Salt Lake Valley.

• **TIME** magazine has nomi-

nated **Michael MacDonald**, president of **Bountiful Mazda**, for the **2013 TIME Dealer of the Year** award. He is one of a group of 57 dealer nominees nationwide who will be honored at the 96th annual National Automobile Dealers Association convention in Orlando on Feb. 9.

• The new **Walmart Supercenter** at 2705 E. Parleys Way in Salt Lake City, **opened on Nov. 16**. There will be a grand opening Nov. 30. The new store

*continued on next page*



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Let's turn the answers on.



from previous page

brings approximately 200 new jobs and will be open 24 hours a day, seven days a week.

• Just in time for Cyber Monday, a new survey suggests **companies are a little more lenient today when it comes to letting employees shop online during business hours.** Only one-third (33 percent) of chief information officers (CIOs) interviewed by staffing firm Robert Half Technology said their companies block access to online shopping sites, down from 60 percent last year. Another 55 percent said they allow access but monitor activity for excessive use. One in 10 (10 percent) reported that their firms allow unrestricted access.

**TECHNOLOGY**

• **Dr. Ivan Edward Sutherland**, a former University of Utah computer science professor (1968-1874) and co-founder of Salt Lake City's Evans & Sutherland, has won the **Kyoto Prize**, an annual international award presented to those who have contributed significantly to the scientific, cultural and spiritual betterment of mankind. The award was presented to Sutherland on Nov. 10 in Japan. Sutherland was awarded the Kyoto Prize in Advanced Technology from the field of information science. Sutherland has worked for several years at Portland State University in Oregon.

**TRANSPORTATION**

• **C.R. England**, a Salt Lake

City-based global transportation provider, received the **FAC International Carrier of the Year Award**. FAC Food Logistics is a premier food logistics provider. The award honors a carrier based on service, flexibility and load acceptance. In addition, sister company **England Logistics** is the recipient of the **2012 TIA 3PL Samaritan Award**. The purpose of the award is to recognize the good works in which the third party logistics (3PL) industry is engaged by highlighting a specific 3PL Samaritan effort each year. Last year, England Logistics, together with its parent company, C.R. England, donated a significant number of service hours and more than \$500,000 to local charities and groups.



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# Focus

## TECHNOLOGY

pages 17-22

# Computers & Phones Together in a whole new way

By Andrew Haley

The Enterprise

TriTel Networks Inc., a Salt Lake-based company offering telecommunications solutions to the private and public sector, has begun offering a new software telephone technology called softphones.

“A softphone is a piece of software that you run in a computer than emulates a telephone system,” TriTel president Jay Brown said.

Softphones bring the suite of advantages workers expect from office phones to the convenience and cost-effectiveness of technologies such as Skype or Google’s Gmail phone service. Like those programs, softphone software essentially turns a laptop or other computer into a mobile phone by using either the computer’s built-in speaker and microphone hardware or a headset to enable speech communication over the Internet at a frac-

tion of the cost of calls hosted by mobile phone networks or landlines. Unlike Skype and the Gmail phone service, the softphone technology that TriTel is offering enables a remote user to be patched into the office telephone network, and maintain call logs, telephone messages and even recordings of phone calls in a secure intra-office network that can be remotely accessed.

While Skype revolutionized long-distance, particularly international, calling, it was not designed to host the other necessary functions of an office telephone network.

“Skype is really a residential offering. It’s not really used in business. There have been some forays into business, but they have not been successful,” Brown said.

While Google’s Gmail-based phone service, instant messaging and video chat

services have begun to integrate telecommunications into a suite of other services, such as sharable documents and spreadsheets, Google, like Skype and Facebook, maintain those services within third-party accounts they host and store. Those accounts can be hacked into or spied on by providers, which, like Google, maintain detailed records of user activity. Softphone technology enlarges the office, permitting secure intra-office communications, by phone or by instant messaging, over vast distances, without relying on a third-party to host or store communications.

According to Brown, the softphone provides more than secure communications. For businesses whose employees frequently travel, softphones give companies and their employees added convenience, efficiency and functionality. In essence, they allow employees to take

work with them on business travel.

“It’s really designed for salespeople on the road,” Brown said. “One of the problems we have with cell phones is, if you call my office and leave a message, where is it? Softphone technology enables you to maintain some integrity of the call. It appears on your computer as a call from the office, so you don’t actually send the call off to a cell phone. With a softphone, I have full functionality of my office phone, even though I’m 600 miles away.”

Brown said the advantages of softphone technology are numerous. In addition to the organizational component of maintaining a sophisticated call database even when far from the office, softphones reduce the number of answering machine message boxes a traveling businessperson has to consult searching for a potentially important message. Additionally, it allows that businessperson remote access to the office phone network, so that during office hours she can communicate with other office staff via instant messaging (IM) while on an office call even hundreds of miles away.

Brown said that softphone technology streamlines and optimizes the state of mobile telephone technology solutions for businesses. The current trend, he said, is for businesspeople to have an office phone, a company-issued cell phone and a personal cell phone, a situation that creates potential chaos when away on business. Not only does softphone technology reduce the unnecessary complexity of the system, it allows management to better keep an eye on employees’ use of time by granting them remote access to constantly updated call logs, no matter how far afield an employee might be.

With softphone technology, someone like Brown, in a meeting hundreds of miles from home, could receive an instant message from his secretary informing him of an incoming call from a client to his direct office line. Deciding to accept the call, he could then make a digital recording of the call, putting the file of the recording in the client’s portfolio along with other pertinent documents, all

see *SOFTPHONES* page 21



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# Two Utah tech firms make the 2012 Inc. 500 list of fastest-growing private companies

By Andrew Haley

The Enterprise

An Internet entrepreneur with strong business ties to Utah has achieved the rare distinction of owning three companies appearing on the Inc. 500 2012 list of fastest-growing private companies.

Mike Mann owns Phone.com, DomainMarket.com and SEO.com, which appear on the 2012 Inc. 500 list at positions 262, 292 and 491, respectively. DomainMarket.com is located in Orem and SEO.com is located in Draper.

Mann said neither he nor Inc. 500 were able to verify whether an individual owner had ever appeared on the list three times in one year.

"I don't want to say it's never been done before," he said.

According to Inc. 500, in 2011, New Jersey-based Phone.com completed a period of three-year growth at a rate of 1,373 percent, with revenues rising between 2008 and 2011 from \$362,411 to \$5.3 million, making it the eighth fastest-growing telecom on this year's list. DomainMarket.com grew 1,266 percent, with revenue rising in the same period from \$151,246 to \$2.1 million. SEO.com saw a 774 percent three-year growth rate, with revenue rising from \$1 million to \$9.1 million.

Chad Bennett, who took over as president of DomainMarket.com in April, said the company is continuing similar growth rates this year, with projected revenue up 60 percent over 2011.

"We should get close to \$4 million this year. We're still growing at the same rate as last year. We're kicking butt," he said.

According to its website, "DomainMarket.com is an online market for the purchase of premium domain names." Those domain names, like "DomainMarket.com" are, in essence, Internet real estate that, like actual real estate, can fetch extravagant sums because of their inherent scarcity. And as with property values in the real world, numerous other factors can influence price.

DomainMarket.com is currently offering HappyBirthday.com for \$1 million. Because Internet users show an overwhelming preference for websites ending in .com, visitors to DomainMarket.com can buy HappyBirthday.net for \$30,000, a price \$970,000 lower than the nearly identical HappyBirthday.com. Bargain shoppers can pick up HappyBirthdayDaddy.com for a mere \$350.

The vast divergence in price between HappyBirthdayDaddy.com and



HappyBirthday.com lies at the heart of Mann's business strategy. Phone.com and SEO.com both have so-called keyword domain names. SEO stands for search engine optimization, the seemingly alchemical process by which websites are customized to increase the likelihood they are discovered among the billions of other websites on the Internet, and providing SEO service is what SEO.com does.

Because their Internet addresses describe what they do, companies with keyword domains, like Phone.com and SEO.com, are vastly easier to find online than competitors with less obvious domain names. But keyword domains also possess a mysterious appeal that goes beyond an easy-to-find domain name. Only recently identified, that almost subconscious appeal gives companies with keyword domains a significant advantage in the fight for Internet traffic.

On his personal Web page, and in interviews, Mann frequently cites a groundbreaking research paper by Microsoft, published in February, called "Domain Bias in Web Search." The paper's authors, Samuel Jeong, Nina Mishra, Eldar Sadikov and Li Zhang, identified a phenomenon they call "domain bias," which leads an Internet user "to believe that a page is more relevant just because it comes from a particular domain." According to the paper, domain bias alone can give one domain name 25 percent more traffic than competing domains.

Phone.com, SEO.com and, to a slightly lesser extent, DomainMarket.com are keyword domains, allowing Mann to leverage the unique and intrinsic nature of their domain names to create advantages over competitors. In other words, the companies' names alone give them a competitive advantage, both because they are easy to find, and because of domain bias. Because of their inherent scarcity, keyword domains are not something that can be compensated for with advertising or capital outlays.

"Leveraging keyword domains ... is a mathematical certainty. It's really two things. By using Phone.com or SEO.com, it will get to the top of the search ratings. But [because of domain bias] we can prove a higher percentage will convert," Mann said.

According to Mann, domain bias and keyword domains gave his companies higher search engine ratings, higher click-

through rates and a higher likelihood a Web visitor will become a paying customer. Competitors, no matter their brick-and-mortar advantages, would always operate at a disadvantage online. It was as if, having come late to the game, Coke's great rival found all the other names taken and was forced to brand itself Theothersoftdrink instead of Pepsi.

Keyword domain name dominance, and domain bias, provided enough of a competitive advantage that Mann said it was worthwhile to use a domain name as the backbone of a growing company.

"If you have a great name ... you have a strategic advantage to build a company around that. There's millions of great companies out there. Say there's 10,000 apartment building companies out there. They all should be trying to buy ApartmentBuildings.com," he said.

Mann, who lives between Dewey Beach, Del., and Boca Raton, Fla., said he owns 10 entities, which include both for-profit companies and charities. The majority of those are based in the Orem area. Mann said it was chance that brought his business empire to Utah.

"I purchased a two-person company there and grew from there. It just so happens that SEO was out there. If SEO had been for sale in Minnesota, I would have bought it in Minnesota. It was organic. It was by accident," he said.

In addition to SEO.com and DomainMarket.com, another Mann company, PRMarketing.com, is also located in Utah. The three were listed on the Utah Valley Entrepreneurial Forum's Top 25 Under 5 list for fastest-growing companies less than five years old. Accident or not, there is a unique trait among the people of Utah that helped Mann grow from two employees to the multi-million dollar companies he owns today.

"There's a lot of smart, very hardworking people [in Utah]. It's a very homogenous Internet marketing community," he said.

While his foothold in the Utah marketplace may have originated with SEO.com, of Mann's Utah-based companies, DomainMarket.com was the most successful last year. DomainMarket.com was modeled in part on rival BuyDomain.com, which Mann reportedly founded in 1994 and sold in 2005 for nearly \$80 million. Bennett said that so far, DomainMarket.com's millions of dollars in revenue are exclusively from sales, though the company is expecting increased revenues with projected expansions into new markets.



"We have one of the largest domain portfolios, with over 320,000. Our average price is over \$1,000. More than 50 percent of our revenue is from domains over \$1,000," Bennett said.

According to Bennett, the company's projected \$4 million in 2012 revenue will also be from sales, though he said DomainMarket.com is planning on entering the lucrative market of domain name brokerage sometime in the next six months.

"That 60 percent growth rate is purely from domain sales. We don't broker names right now, but we're planning to go into that. Revenues are going to double just from that," Bennett said.

Like a true real estate tycoon, Bennett said he is constantly buying up domain names that have the promise of profit.

"We're one of the most active buyers in the world today. We have multiple different ways of buying names. Last month we probably bought over \$350,000 in domain names. This isn't somebody sitting in the back room thinking up names. We have proprietary algorithms," he said.

According to Bennett, those algorithms perform complex calculations, pulling data from user activity online to determine what domain names are most profitable. He said the algorithms, though proprietary, are as yet unpatented because DomainMarket.com did not want to publicly disclose its methods. Those algorithms are indispensable to generating new inventory for a company that, according to Bennett, has only 12 full-time employees in the U.S, with an additional 20 overseas.

"We're growing by leaps and bounds. We have so many names and literally the best portfolio in the world," Bennett said.

Despite its extraordinary growth, DomainMarket.com has no long-term plans to go public, he said. Instead, according to Bennett, the company is looking for interested investors, most likely out-of-state venture capital companies, "to come in and put down \$5 million to \$7 million to take us to the next level."

"An IPO is a little bit out there. We have had interested parties looking to purchase us. If a buyer comes by with the right number, we'd sell," Bennett said. "There's a window of opportunity to invest in DomainMarket.com."

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# Death by PowerPoint

By Steve White

We've all been there at one time or another. It's Friday afternoon after a big lunch. As the lights dim and the laptop begins to purr, we are suddenly lulled into a semi-comatose state. The presenter prepares to introduce the first of more than 30 slides, and we prepare for the grueling endurance test that lies ahead, perhaps second only to the Iditarod.

But if we dread it so much, why has it been estimated that there are more than 30 million PowerPoint presentations taking place all around the world each day, even though the result may be businessmen staring glassy-eyed at endless slides in boardrooms all over New York, New Zealand and New Delhi? There has to be a reason that PowerPoint has been *the* industry program and the most common presentation software on the market since Microsoft introduced it in 1990, effectively replacing the 35mm projector, presentation boards and, in some cases, even handouts.

Unfortunately, the No. 1 reason

for PowerPoint's popularity may be the wrong reason. Too many people have used PowerPoint as a crutch, a way to circumvent their most dreaded fear — public speaking. As one executive explained, "Fear of public speaking ranks slightly below night-landing a plane on an aircraft carrier during a storm." But he also points out that PowerPoint can actually help those with a public speaking phobia. "When they freeze up and forget their own name, they can just read it off the first slide."

So, it's PowerPoint to the rescue! But in our haste to hide in the dark, glaring errors are committed that can prove lethal to even the most well thought-out presentation. In a recent survey of 750 business professionals who incorporate PowerPoint presentations in their business, only 22 percent were ultimately happy with what they have accomplished, with 78 percent saying they felt they needed to shorten their presentation. Explains one industry leader, "Presenters mistakenly assume that if the number of slides is modest, the audience

will not believe the presentation adds much value."

The problem isn't usually the number of slides, but what is actually on them, which in many cases is too much text. In a medium made for bullet points, why do so many people write whole paragraphs after each bullet and then recite them from the slides? This is something that particularly angers one advertising vice president: "If you are going to just read the slides, why not e-mail them and don't make everyone come to the meeting?"

The slides should not serve as notes; most grown-ups haven't enjoyed being read to aloud since they were four years old. And if the *audience* is doing all the reading, then they aren't listening to you. But before they can listen to you, they have to find you — which means don't stay attached to your laptop at the back of the room. It's like telling the audience "Hey, don't look at me. I'm not important, I'm just an accessory to the equipment." Use a remote, not a mouse. Get out front and lead the presentation —

don't let it lead you.

Proponents of PowerPoint tell us it can be an effective tool, one that puts powerful features at our fingertips, once we learn how to use them. "PowerPoint doesn't bore people — people bore people," they are quick to point out. True enough, but how do we handle those features? Perhaps the most effective way to know how to use PowerPoint to the best of our abilities is to first understand what *not* to do. Here is what is referred to as the "Seven Deadly Sins of PowerPoint," as put forth by Dr. Joseph Sommerville, head of a Houston-based firm specializing in helping professionals develop their presentation skills:

**Avoid distracting special effects** (fade-outs, wipes, dissolves, etc.) and sound-effects.

**Avoid clip-art.** It shows a lack of creativity. Try to use only your own scanned photos or purchase a CD of good quality stock photos.

**Avoid templates.** Why fit your original ideas into somebody else's pre-packaged design? Create your own distinctive look and put your company logo at the bottom right-hand corner.

**Avoid text-heavy slides.** Don't use paragraphs, quotes or even complete sentences. Limit your slides to no more five lines of text. Don't use your slides as speaker notes.

**Avoid small type.** It's OK to read 10-point type in this article, but for a PowerPoint presentation, a minimum of 40-point type is the way to go.

**Avoid passing out handouts** of your PowerPoint presentation before the event. They will be reading it rather than listening to you.

**Avoid faith in technology.** It's the law of nature — machines break down. Have a backup of either another machine or transparencies or, at the very least, handouts.

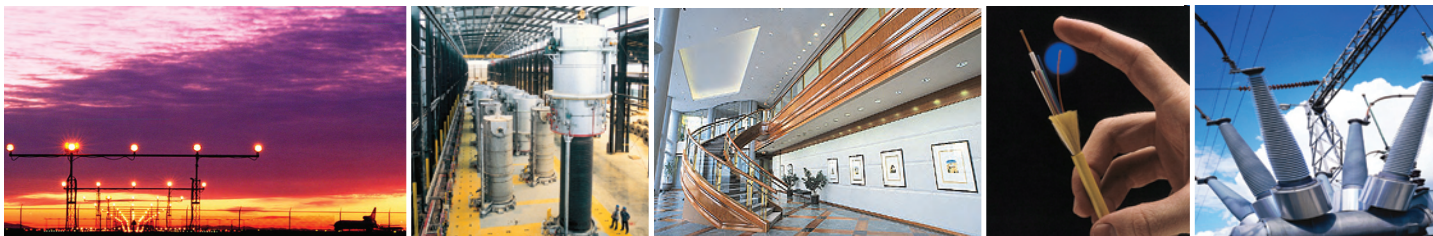
Even though one legal scholar proposed a constitutional amendment banning PowerPoint, and we assume he was speaking in jest (maybe), millions of businesspeople throughout the world will continue to use it and refine it, as the technology upgrades. If used correctly and in tandem with a strong and confident speaker, it can be a powerful presentation tool, one that holds the audience's attention and accomplishes its ultimate goal — to drive home a single, indelible point.

However, if used with little foresight and preparation, with graphics that appear to have been drawn by a small child, an overabundance of text that flies around the screen like a swarm of locust and a narration that drones on like verbal elevator music, the result will be like comparing PowerPoint to what one expert calls "corporate karaoke."

"Like karaoke, for the most part it's tough to listen to," he explains. "But we all applaud each other when it's over — even though we know how bad it is."

Steve White is the president of Steve White Public Relations in Hanover, Mass. He specializes in PR/marketing for small businesses and can be reached at [swhitejb@aol.com](mailto:swhitejb@aol.com). Visit his website at [www.SWhitePR.com](http://www.SWhitePR.com).

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# SOFTPHONES

from page 17

while simultaneously sending secure instant messages asking his secretary to place a missing document saved on a desktop office computer in the client's online portfolio. After the call, he could monitor the office network, checking in on staff productivity from a hotel suite on the other side of the country.

TriTel, which has been in the telephone and communications industry since 1984, does not make softphone software. Rather, it integrates existing office networks with the required IP-enabled phone systems necessary to run the technology. Because they communicate via the Internet, softphones cannot operate on traditional telephone lines.

"We're building the IP networks and integrating them. We're a software integrator," Brown said.

With IP networks in place, customers can choose from a rainbow of available price points that run from free, for a downloadable app made for the Android smartphone, to hundreds of dollars, for much more sophisticated software, Brown said. He said no matter which softphone software a company operates, the technology, including the free app, which Brown uses on his Android, is very reliable, with one exception.

"What is not as reliable is voice quality," he said.

With the free Android app, softphone reliable voice quality is only as good as the smartphone's signal. And with all platforms, from smartphone to desktop, call clarity is

also only as good as the quality of the device's microphone pick-up and speaker hardware. Brown recommended softphone users get a headset for optimum clarity.

"The more you spend on the software, the higher the voice quality, because you are using a managed network, end to end," he said.

According to Brown, the cost of updating an office from an old-fashioned telephone network to a softphone-enabled network, which requires installing necessary IP hardware, runs about \$500 to \$600 per seat. That cost does not include the cost of the softphone software. Nor does it include the cost of upgrading office computers, although that is not always necessary.

Brown said that while most of TriTel's clients upgrade their office communications networks when they move into softphone technology, because the software is browser-based, softphone technology can run on most existing computers. That allows offices to upgrade their telephone network systems without the capital outlays of replacing office computers — up to a point. Offices dependent on obsolete computers would have a difficult time running softphone software, he said.

"If you've still got machines where you're trying to run Vista, it's not going to work well for you," he said.

Most clients use the IP network installation process to upgrade computers and to shift their office telephone lines to session initiation protocol, or SIP, trunking, Brown said. SIP trunking is, in layman's terms, a telephone network that runs off the same line as the Internet, rather than a separate telephone line. As with the switch to SIP trunking, most businesses find the invest-

ment in requisite technologies to host softphone software worthwhile, Brown said.

"A lot of people, when they see the functionality, they don't choose to keep their old infrastructure because the functionality is greater. It's not difficult to cost justify," he said.

As for its ease of use, Brown said

even the most technologically averse office Luddite can learn to use the softphone software.

"It's very straightforward. I could show you everything you need to know in 15 minutes," he said. "If you can use your computer, if you can use your mouse, you can learn in a few minutes."

## WHO'S READING THE ENTERPRISE

### UTAH'S DECISION MAKERS

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- 52% Owner/Partner
- 32% President/CEO
- 12% Vice President

**BUYING POWER:**

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- 84% Influence purchase/lease of any product
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# Top Technology Companies in Utah

Ranked by Number of Employees

Firm Name Address	Phone Fax Web	# of Employees  # of Offices in Utah	% of Business within Utah  % of Business outside of Utah	Revenue for 2011  Industry Type	Services Offered	Owner/Managing Principal  Year Established
<b>LANDesk Software</b> 698 W. 10000 S. South Jordan	801-208-1500 DND landesk.com	700  2	10%  90%	\$150 million  Technology	Management, security and service provisioning software of mid to large enterprise IT organizations.	Thoma Bravo  1991
<b>Spillman Technologies</b> 4625 Lake Park Blvd Salt Lake City	800-860-8026 801-902-1210 spillman.com	239  1	10%  90%	DND  Public Safety Software	Spillman provides comprehensive public safety software for police departments, sheriff's offices, communications centers, fire departments, and correctional facilities nationwide. We specialize in integrated CAD, RMS, mobile data & field reporting, mapping & GIS, crime analysis & CompStat, JMS, Fire, data sharing, and personnel & resources software.	Lance Clark  1982
<b>ClearOne</b> 5225 Wiley Post Way Salt Lake City	801-975-7200 801-977-0087 clearone.com	159  1	99%  1%	\$46.06 million  Audio and Visual Communications	ClearOne is a global company that designs, develops and sells conferencing, collaboration, streaming and digital signage solutions for audio, video and data multimedia communications. The performance and simplicity of its advanced comprehensive solutions enhance the quality of life. ClearOne products are designed for business and residential use, offering unprecedented levels of functionality, reliability and scalability.	Zee Hakimoglu  1983
<b>Mindshare Technologies</b> 310 E. 4500 S. Ste 450 Salt Lake City	801-885-3696 DND mshare.net	100  1	1%  99%	\$18.94 million  Enterprise Feedback Management (EFM)	Using Mindshare, companies improve operational excellence, build customer loyalty, and support employee retention. Our industry experts guide clients in building comprehensive enterprise feedback management (EFM) solutions. Mindshare's proprietary survey technology captures the voice of the customer in real-time, immediately transforming in into actionable intelligence through powerful and incisive reporting.	John Sperry  2002
<b>Allegiance</b> 10235 South Jordan Gateway, 5th Floor South Jordan	801-617-8000 801-302-9043 allegiance.com	85  1	5%  95%	DND  Saas, Service, Voice of Customer	Enterprise saas platform. Allegiance helps companies translate customer insights into actionable business intelligence.	Adam Edmunds  2005
<b>Squire &amp; Company, PC</b> 1329 S. 800 E. Salt Lake City	801-225-6900 801-226-7739 squire.com	68  1	95%  5%	\$12.1 million  Accounting/ Financial Services/ Technology	Quickbooks ProAdvisor Program, accounting software support, audit, tax, business advisory, payroll, wealth management	K. Tim Larsen  1973
<b>Parvus Corporation</b> 3222 Washington St. Salt Lake City	801-483-1533 801-483-1523 parvus.com	60  1	12%  88%	DND  Electronics Manufacturing/ Aerospace/ Defense	Rugged computing and IP networking subsystems for military, aerospace, and homeland defense applications. Parvus' modular tactical mission processors, network routers, and Ethernet switches provide highly reliable command, control, computing, communication, intelligence, surveillance and reconnaissance (C4) capabilities for situational awareness and mobile data processing in aircraft, ground vehicle, and shipboard installations.	Dusty Kramer  1983
<b>FatPipe Networks</b> 4455 S. 700 E. Salt Lake City	801-281-3434 801-281-0317 fatpipeinc.com	54  1	1%  99%	DND  WAN solutions	Wide Area Network (WAN), redundancy, reliability, security and optimization solutions	Ragula Bhaskar Sanchaita Datta  1989
<b>Autonomous Solutions, Inc.</b> 990 N. 8000 W. Petersboro	435-755-2980 435-752-0541 autonomous solutions.com	42  1	0%  100%	\$3.7 million  Robotics	Design and manufacture robotic systems for over 60 vehicle platforms ranging from small under vehicle surveillance robots up through 100 ton mining trucks. Specialize in multi-vehicle command and control, mission/path planning, sensor fusion, and dynamic obstacle detection and avoidance	Met Torrie  2000
<b>Proactive Network Management Core</b> 124 S. 400 E. Salt Lake City	801-355-1099 801-355-1566 pnmc.com	DND  DND	DND  DND	DND  Information Technology	Consulting services and associated hardware and software	John Dunn  1991

DND= Did Not Disclose N/A= Not Available  
Please note that some firms chose not to respond, or failed to respond in time to our inquiries.  
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# Things are not as bad as they seem

While many hoped that the elections would help bring more clarity to the direction of the economy and the upcoming Fiscal Cliff, it appears to have done just the opposite. The fact that Obama was reelected and the party lines in both the Senate and the House remained essentially the same has more or less amplified the unease among businesses and individuals. Decision-makers are unsure about deploying capital until they are certain what tax rates are going to be and how spending cuts are going to impact the economy. Everywhere you turn in the major media outlets, the predictions are dour: an election resulting in no change, spending cuts and huge tax increases will stymie growth, Europe is going to implode and so forth. You can certainly take your pick as far as which issue is going to drive the U.S. and the global economies back into a deep, dark recession.

In the markets, this unease has driven individual investors to pull money out of equities and stock mutual funds and funnel it into low-yielding bond funds, money markets, cash and precious metals. As a result, the interest yields on treasury bonds and municipal bonds have hit all-time lows this year. This fear and uncertainty has driven the markets down since the elections, even though the underlying fundamentals have not changed.

With all of this new negativity it certainly begs the question: has anything truly gotten worse? If Mitt Romney were elected, wouldn't that have created more uncertainty with regard to longer term interest rates and the ultimate bargain on the Fiscal Cliff? My organization certainly does not favor one party over the other, but from a fundamental standpoint the reactions to the election results have been interesting, to say the least.

Let's assume, for example purposes,

the worst case scenario on the Fiscal Cliff — in other words, all of the tax increases and spending cuts are enacted. The top marginal tax rate for 2013 could increase to 39.6 percent, combined with the 0.9 percent and 3.8 percent ObamaCare taxes, and the result could be a 44.3 percent top tax rate for individuals earning more than \$390,000 annually. If you invest in tax-advantaged bonds



**Matthew Pappas**

to avoid the burden, your net take-home investment earnings could be around 3.25 percent for 2013. If you instead decide to invest in stocks, the yield on the companies of the S&P 500 is currently around 2 percent on average. So, if you believe that the top tax rate (including the rate on dividends) will jump to 44.3 percent, you would need to have an additional return on your stocks of *only 2 percent*. Put this into perspective: the S&P 500 was up 12.29 percent through Oct. 31 of this year, not including dividends and equities, that are still undervalued on a historical basis. Bonds, in comparison, are trading at all-time low yields and are relatively much more expensive. If you believe that a compromise will be reached and the dividend tax rate only goes from 15 percent to 20 percent (which the Democrats have already hinted at agreeing upon) then stocks could look even more attractive. I am certainly not advocating that investors should be dumping bonds and moving completely into stocks, but they should at least take a look at the other side of the coin.

Despite the negativity, there are many positive developments going on, not only in the markets but also the economy. For example: auto sales were up 13 percent in September year over year, and are at the highest level in *four years*; existing home sales were up 9.3 percent in August year over year, residential building permits were up 24.5 percent, the amount of cash on U.S. corporate balance sheets is at an *all-time*

*high* and the combined earnings level for the S&P 500 companies is also at an *all-time high*. These are just a few reasons to at least rethink where we are economically and where things are likely to head in the next few years. The mass media is never going to discuss all of the positives going on because, quite frankly, it doesn't sell the same way that negative news does. So as a decision-maker, you have to step away from the crowd to truly see what is going on and where the opportunities lie.

The U.S. is certainly not cruising along at 4 percent GDP growth, but it also isn't declining by 4 percent either. One could certainly argue that we are *not* in the same position that we were in 2008 and 2009. This slow and steady growth has created inexpensive access to capital, more employment opportunities and market returns well into the double digits since the recovery began. This progress shows no sign of reversing once you factor in all of the recent economic data and the realities of the political environment. Neither the Democrats nor the Republicans truly benefit from allowing tax increases *and* spending decreases at the maximum levels. In the more likely case that a bargain is reached, the drag on GDP would be manageable if we continue to grow at the same slow pace.

Corporations are in much better financial positions to weather a significant cut in spending than they were last year or the year before that. Historically speaking, stocks have generally outperformed bonds, real estate and precious metals in the longer term and have proven to be an effective, *liquid* inflation hedge. Today, stocks are significantly undervalued relative to these other asset classes and I believe at some point this opportunity will be taken advantage of by institutional and individual investors alike. Fear and uncertainty have never proven to be sound reasons to base decisions upon. In the current environment this remains true; I think now is the time to

step away from the crowd and consider the facts.

Matthew D. Pappas is a financial advisor with the Cottonwood Group of Wells Fargo Advisors LLC, a wealth management team based in Salt Lake City. With over 75 years combined experience, they provide professional investment management services for individuals, businesses and non-profit organizations. The Cottonwood Group's core focus is developing and implementing tactical strategies, to position their clients' assets to shift and adapt with the changes in the markets and the economy.

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## • Calendar •

• Nov. 21, 10-11 a.m.: **"Secrets to Completing Your To-Do Lists"** webinar, posted by Webinar Masters of North Salt Lake. Julie Edison of Modern Elixir will present a mix of techniques designed to help people manage their businesses and help employees become more efficient. Cost is \$49. Details and registration are at [www.webinar-masters.com](http://www.webinar-masters.com).

• Nov. 29, 8-11 a.m.: **"The Business Case for Clean Air,"** presented by the Salt Lake Chamber. There will be a panel and roundtable discussions regarding Utah's air quality and why clean air should matter to you, your company and the Utah economy. There will also be breakout discussions and a continental breakfast. Location is the Salt Lake Chamber, 175 E. 400 S., Suite 600. Free. Register at [slchamber.com](http://slchamber.com).

• Nov. 30, 6 p.m.: **Utah**

**Technology Council Hall of Fame Dinner.** Keynote speaker will be Jeff Bezos, founder and CEO of Amazon.com. Being inducted into the hall of fame will be Josh James, founder, CEO and chairman of Domo; and Fred Lampropoulos, president, CEO and chairman of Merit Medical. Location is the Grand America Hotel, 555 S. Main St., Salt Lake City. Cost is \$275 for council members, \$400 for nonmembers. Tables can also be purchased. For more information and to register, visit [www.utahtech.org](http://www.utahtech.org).

• Dec. 4, 11:30 a.m.-1 p.m.: **NAIOP "Developer of the Year" Luncheon.** Join NAIOP Utah members to hear from Gardner Co. president and CEO Christian Gardner, the Developer of the Year for 2012. Location is Thanksgiving Point's clubhouse great room in Lehi. Register at <http://bit.ly/NAIOPutDec4>.

• Dec. 6-7: **Summit Director**

**& Officer Training Conference,** an annual forum dedicated to helping the boards of public, pre-IPO and private companies improve corporate governance and best practices. Conference presenters will include leading executives, corporate directors, policymakers, educators and experts from the legal and financial services industries. Location is the Montage Hotel, Deer Valley. Earlybird registration is \$500. For more information and to register, visit [summitconf.org](http://summitconf.org).

• Dec. 11, 3-5 p.m.: **"Best of Marketing 2012 — Starring You,"** a Utah Technology Council (UTC) Exec P2P Forum event. Each attendee will be given five minutes to share their marketing successes in 2012. Event is reserved for the senior person responsible for marketing at a UTC technology company. Location to be determined. Free for UTC members. Details are at

[www.utahtech.org](http://www.utahtech.org) or by calling (801) 568-3500.

• Dec. 12, 10-11 a.m.: **"Blog This! ... Avoiding Social Media Landmines"** webinar, posted by Webinar Masters of North Salt Lake. Mark Tolman, a shareholder at Jones, Waldo, Holbrook & McDonough in Salt Lake City, will explore the dangers of learning too much about job applicants; how to regulate employee use of social media, including what can and cannot be prohibited; and avoiding claims of online sock-puppetry. Tolman also will discuss the essential elements of good social media policy. Cost is \$49. Details and registration are at [www.webinar-masters.com](http://www.webinar-masters.com).

• Dec. 13, 7:30-10 a.m.: **"Public Relations' New Era: Techniques for Advancing a Company's Reputation, Customer Engagement and Sales Online,"** a Utah Technology Council annual PR event. Three

breakout sessions will examine new and advanced methods of communications available online and available free of charge. Location is Neumont University, 10701 S. River Front Parkway, Room 200, South Jordan. Cost is \$15 for UTC members, \$30 for nonmembers. Details are at [www.utahtech.org](http://www.utahtech.org) or by calling (801) 568-3500.

• Jan. 10-11: **2013 Governor's Energy Development Summit,** presented by the Utah Office of Energy Development. The event, with the theme "Advancing Our Energy Future," is designed to facilitate a discussion about Utah's unique energy resources and related development. The main conference day is Jan. 10 from 8 a.m. to 4:30 p.m. The technical day is Jan. 11 from 8 a.m. to 1 p.m. Location is the Salt Palace Convention Center. Cost varies. Details and registration are at [www.energy.utah.gov](http://www.energy.utah.gov).

## What is the most misused word in the world of sales?

The most misused word in sales will surprise you. It's "value."

Value is a misguided, misused, maligned word whose meaning has gone fallow. It is used without meaning, understanding and implication. It's bantered about in a way that has caused customers (including yours) to become numb to anything related to the word.

Value has become an empty buzzword – it's like the word *paradigm*, only dumber, because you can't define value in terms of the customer if your life depended on it.

Reality: When you print or speak the word value, it's usually from

your perspective. Your self-defined value. The value you put on your product or service, your value statement, your value proposition, your added-value, or worse (the slang that no one can define), your "value-add."

Grim reality: Whether implied, given, added, printed or spoken, the key word that makes "value" both misused and misunderstood is *perceived*. If the customer or prospect does not perceive value, no matter what you say, there is none. The customer's perception of value is your reality and the customer's perception is all that matters. Your sales hang in the balance.

Value clarification: When a salesperson says, "The value-add is: *and whatever they say implies you gotta buy before you get any value*" – not good. It sounds insincere, and is usually somewhere close to bogus. It's not value – it's jack – and "jack," in case you're not from Philly, is half of a word.

Ask yourself these questions to discover if there's any real value in your value offering:

- Do I have to buy something to get the *value* offered?
- Is there a pitch at the end of the *free valuable information*?
- Am I required to do something in exchange for the *value*?
- Am I stating *value* in terms of me, my company or my products?

If any of these questions are answered in the affirmative, then the value you're offering is perceived as negative.

If you have a value proposition (most companies do), and you talk about it as your "value prop," it's probably self-serving. My advice is: get rid of it and create a new one. A value proposition is *not* about who you are, what you do or what your benefits are – rather, it's how the customer wins. Value must be expressed in terms of them.

"Added value" is a phrase that makes my blood pressure rise. Don't add value, *give* value. Big difference. Adding implies you have to "buy to get." Giving means the customer receives *before* buying. Give value – don't add value.

My marketing philosophy and marketing strategy: I give value first. I put myself in front of people who can say "yes" to me and I deliver value first. Doing that creates "value attraction" – it's the real law of attraction.

Also note: Providing continuous, value-based information after the sale ensures loyalty.

Here are some specific examples of before and after the sale "value ideas." Think about these and then create your own:

- Sharing industry best practices.
- Manufacturing components and offering plant safety tips.
- Medical devices to doctors and teaching bedside manner.
- Teaching clerks how to close sales when a customer comes in to buy using your coupon or voucher.
- Office supplies and teaching customer service to receptionists and accounting.
- Anything in favor of your customer that helps them increase productivity, communication, operations, morale and especially profit.

Obvious answer: If you really want to deliver value, ask your customer what he or she considers valuable. Whatever they say, do that, offer that, share that, communicate that, teach that, print that and say that. In a nutshell, that's value. Real value. Value perceived.

There's more value insight available. Go to [www.gitomer.com](http://www.gitomer.com) and enter the words VALUE MOTIVE in the GitBit Box.

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

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## What you keep matters more than what you earn

Now that the election is over and we know who will be running this country for the next four years, I ask myself, "does knowing who won the election tell me what the tax environment will look like next year? Probably no."

What I do know is that we still have a divided Congress and barring further legislative action, the Bush era tax cuts will expire Dec 31. The country is deeply in debt, the economy is sluggish, unemployment is too high and every taxing jurisdiction I can think of wants more money. I don't think the government's insatiable desire for funding will decline any time soon.

So what is a successful business owner to do? We work too hard and risk too much to earn a living, and at tax time, as patriotic as many of us are, it hurts to write those big tax payment checks. The good news is there are some things you can do to reduce the tax burden, but you'd better act quickly, because the deadlines for some options have already expired and many more will expire at the end of this year.

Well, here is one of my favorites. I present to you, the boring, unassuming pension plan. I know, you already have one, have already looked at one, or you've been told you can't do better than you are already doing. Fortunately for many, I have seen this attitude before and still been able to show clients how to reduce their taxable income by as much as \$200,000 to \$300,000 per year more than they were previously saving. What does this mean to your bottom line?

To answer that question, we need to know a few things. First, how much money did you make this year? If your overall taxable net income is over \$388,350, congratulations! You made the top tax bracket. What that means for 2012 is that as much as 35 percent of your income may go to the U.S. Treasury, 5 percent to the state of Utah, and your ability to take other deductions may be decreased because of your income. If this doesn't get your heart beating, assuming Congress is unable to make any changes and the Bush tax cuts expire, you may be in the 39 percent federal tax bracket and a new addition called the Medicare surtax increases your Medicare tax rate from 1.45 percent to 2.35 percent, *plus* an additional surtax of 3.8 percent is assessed on net investment income (defined as taxable interest, dividends, capital gains, rents, royalties, annuity income and passive activity income). Oh, and by the way, capital gains rates are going from 15 percent to 20 percent. When you add on the Medicare surtax, that is a whopping 58 percent increase from 15 percent to 23.8 percent on capital gains!

I know, you are not feeling too bad because at least you get to live on half of your income earned over these amounts, right? Actually, you still get to pay sales tax, property tax, Social Security tax, and a whole host of other taxes as well, but that is for another discussion.

Are you ready for some good news?

Well here it is: there are still a few ways left to reduce your 2012 taxable income so that some of the risk, hard work, blood, sweat and tears may be retained for your future benefit. I present you with the lowly pension plan! Here is how it works: a standard defined contribution plan (401k, profit sharing, SEP, etc.) allows you to put money away, not be taxed on it now, and then have something, besides the government, to fall back on in retirement. My understanding is that Social Security was created for those in poverty and unable to care for themselves. Unfortunately, Social Security has gradually become the primary retirement program for most people in this country ... a great idea, except that it is running out of money.

So, in the spirit of self-sufficiency, here is how we take care of ourselves. Spend less than we earn and use tax savings to help save for retire-

ment. If you have a defined contribution plan, you are able to set aside up to \$17,000 of your salary as a deferral, meaning you don't have to pay tax on it now. If you are 50 or older you can potentially defer up to \$22,500 in salary and not pay tax on it now. In addition, if your company chooses to, they can contribute an additional \$33,000 to the plan for your benefit and get a tax deduction for the entire amount. That is a total of up to a \$55,500 tax deduction, socked away for your future retirement. What a great deal!

You have probably been paying into Social Security for years, if not decades. Can you imagine the value of all the Social Security payments you have made over your working lifetime, compounded with earnings? Why don't we have a Social Security surplus? Well, if the government can't manage Social Security as well as we would like, at least you can still manage your own retirement with a boost from tax savings.

Let's look at an example: assume you put \$55,500 into your retirement account and you are in that 35 percent federal bracket and 5 percent state bracket for a total of 40 percent of your taxable income going to the government. If you apply your combined 40 percent tax rate to the \$55,500 going into your plan, your tax savings would be \$22,200 per year. Can you think of an easier way to save over \$20,000 per year out of your budget?

Many times new clients will say, "Yeah, that's a great idea, saving taxes and all, but where do I come up with the money?" As Wimpy said to Popeye, "I'll gladly pay you Tuesday for a hamburger today!" The same thing partially works with pension plans. You can potentially deduct the \$33,000 company contribution in 2012, but you don't have to actually put it into the plan until the earlier of Sept. 15, 2013, or the date you file your 2012 tax return, including extensions. You get the deduction now, but don't have to put the company portion of the cash in until later. Furthermore, if you are saving \$22,200 in taxes, you can reduce your estimated tax payments and withholdings by this amount, which helps you fund your plan. Take the tax deductions this year, but wait until next year to fund the company portion of your plan.

Running out of excuses? I had a new client ask me, "Could I have been getting all these tax deductions for the past 10 years?" My answer – yes. The next question was, "If I had been doing this for each of the past 10 years, how much would I have saved in taxes?" The answer is startling and quite large. If you assume a 40 percent combined federal and state rate, we're talking about \$22,200 per year tax savings x 10 years = \$220,000 in total tax savings. That figure excludes growth and compounding of interest.

Not enough? Well, in my next column, I'll show you another strategy capable of producing four times the deductions or more.

Rich Wagner, CPA, MAcc, is a tax reduction and investment expert. For more ideas on protecting, saving and growing your money, contact him at (801) 657-4459 or [richw@vwapro.com](mailto:richw@vwapro.com). This is not an offer, or solicitation of any offer to buy or sell any security, investment or other product. Such an offer may only be made after a suitability review has been performed and with related offering documents. Examples shown, including different percentages and tax brackets, are provided for illustration purposes only and may not be representative of your specific tax situation. Tax data can be sourced at [www.irs.gov](http://www.irs.gov). Advisory Services offered through Independent Financial Group, LLC (IFG), a registered broker-dealer and investment advisor. Member FINRA/SIPC. [www.vwapro.com](http://www.vwapro.com).



Jeffrey Gitomer



Rich Wagner

## Why it's not President Romney

For a lot of Utahns, and frankly half of the country, there is heavy disappointment about the fact that Barack Obama has been elected to a second term and Mitt Romney isn't, and will never be, President of the United States.

Frankly, it seems almost unfathomable that Romney lost this election. And I assure you it has absolutely *nothing* to do with racism. Consider this:

- Never before has a sitting president been re-elected in the face of unemployment above 7 percent.

- President Obama consistently made policy decisions that squelched jobs, the pipeline from Canada being the most publicly visible.

- The president consistently offended large voting blocks, including almost everybody with religious convictions, Catholics and Jews.

- The president's party refused to acknowledge God in its party platform, for crying out loud.

- The president wasted billions on boondoggles like Solyndra.

- The president forced through a very unpopular and costly new entitlement program, in Obamacare, that caused demonstrations throughout the nation.

- The president and his entire administration is currently embroiled in, and stonewalling on, the outrageous debacle in Libya.

- The president has proven himself to be a poor leader, wrong on almost anything and everything to do with the economy, not a uniter but a divider and, frankly, a classic, Chicago-style strong-arm politician.

With all of this, how could Romney possibly fail to get elected?

He ran a stupid campaign, that's how.

You can argue correctly that this should have been a runaway Romney victory, and you would have been right. As it was, any number of small mistakes could have done Romney in, and unquestionably did.

Let's put aside the now infamous "47 percent" comment for a moment, and simply look at the marketing miscues, where Mitt and his staff simply misread the tea leaves.

For example, failure to deliver substance and failure to point out the opposition's lack of substance. Conventional political wisdom dictates that the more specifics you provide about your plans, the more people you will alienate and the fewer votes you will get. The "safe" approach is to keep plans close to the vest, so they can't hurt you.

That's the conventional wisdom. But it backfired this year – and may in the future for decades to come – because the people feel it's condescending. In this particular election, there was – and remains – a deep concern over the debt, the lack of jobs, the sluggishness in the economy. Romney's platitudinous, five-point plan was too generic to inspire anybody. He needed to boldly talk specifics.

As a marketer, the lesson to you is, "the more you tell, the more you sell."

I suggest that Ross Perot-style infomercials would have served the Romney/Ryan campaign very well.

Romney also failed to utilize technological resources as well as the president. Fascinating that the GOP didn't learn this lesson after the failed McCain campaign. The greatest evidence of this was the final day, when Romney made a couple of whistle stops and President Obama stayed in one location but did a whole series of satellite interviews. Which do you think was

more effective at getting out the vote?

Failure to pounce might describe another Romney campaign miscue. Romney had ample chances to clobber Obama with the president's own screw-ups, but he never did. It's not that he never addressed them at all, he simply didn't stay on point. He never adequately or consistently explained his position on the auto industry bailout; he let Obama off the hook on the Libyan crisis.

As a marketer, the message is you *must* consistently and compellingly draw the distinctions between yourself and the competition. The cola wars worked for soda pop and they do for most products, services and companies. You can't be afraid to tout your own benefits or the competition's weaknesses.



Jim Ackerman

The two biggest failings of the campaign, however, have to do with message and team.

Throughout both the primary season and the general election cycle, Romney's message was about five degrees off-target. It wasn't that he was saying the wrong things, but that

he was saying them the wrong way. His message simply failed to resonate.

Look, I've changed two words in a headline and increased response to an ad by 1,000 percent. Taking the same message and shifting the wording – the delivery – just slightly, *always* makes a difference. Romney's people either failed to test messages, failed to find the right one or failed to stick with the ones that worked. The Obama team didn't. They found the message and kept hammering it home.

And that leads to the team failure. Romney chose and stuck with a lot of old-time advisors for his political team. They failed to accurately read the tea leaves, and either Romney didn't recognize the failings or failed, for whatever reasons, to make changes.

In the world of sales and marketing, we can't do that. We have to surround ourselves with the best advisors we can afford, and if we find their input is not serving us well, we must find people who will serve us better. That goes for your ad agency relationships, your sales management team, your training department, customer service leadership, PR and anybody else that has input into your marketing systems.

For Ackerman's extended and detailed report on *How To Prosper With Mobile Marketing*, send your e-mail request to [mail@ascendmarketing.com](mailto:mail@ascendmarketing.com). Ackerman is president of Ascend Marketing Inc. He was a presenter at KnowledgeFest '12 (<http://www.marketingspeakerjimackerman.com>). His coaching program for businesses includes a 400 percent ROI guarantee. Contact him at 800.584.7585, or by e-mail at [mail@ascendmarketng.com](mailto:mail@ascendmarketng.com).

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## Fraud: Don't be a victim

Occupational fraud continues to be a costly challenge for businesses, regardless of size. With average fraud loss for small businesses (those with fewer than 100 employees) estimated to average close to \$150,000 per incident, it is easy to see how devastating fraud can be to an organization.

Asset misappropriations are the most common schemes perpetrated in small businesses. There are nine common asset misappropriation schemes:

- **Skimming** — Cash is stolen *before* it is recorded on the organization's books and records (e.g., an employee accepts payment from a customer and, instead of recording the sale, pockets the money).

- **Cash Larceny** — Cash is stolen from the organization *after* it is recorded on the books and records (e.g., an employee steals cash or checks from daily receipts before they can be deposited in the bank).

- **Billing** — Person causes organization to issue payment for fictitious goods or services, inflated invoices or invoices for personal purchases (e.g., employee creates a shell company and bills employer for services not actually rendered).

- **Expense Reimbursements** — Employee makes a claim for reimbursement of fictitious or inflated business expenses (e.g., employee files fraudulent expense report claiming travel, meals, etc., or credit card abuse).

- **Check Tampering** — Intercepting, forging or altering a check drawn on one of the organization's bank accounts (e.g., employee steals blank check stock and makes checks out to himself or an accomplice, or employee steals an outgoing check to a vendor and deposits it into his own bank account).

- **Payroll** — Employee causes employer to issue a payment by making false claims for compensation (e.g., employee claims overtime for hours not worked, or employee adds ghost employees to the payroll).

- **Cash Register Disbursement** — Employee makes false entries on a cash register to cover up fraudulent removal of cash (e.g., employee fraudulently voids a sale on the cash register or cash receipt and steals cash).

- **Misappropriation of Cash on Hand** — Perpetrator misappropriates cash kept on hand at victim organization's premises (e.g., employee steals cash from a company vault or petty cash fund).

- **Non-Cash Misappropriations** — Employee steals or misuses non-cash assets of the victim organization (e.g., employee steals inventory/merchandise from a warehouse or storeroom, or employee steals or misuses confidential customer financial information).

Frauds often go undetected for 12 to 36 months. Nearly half of all frauds are discovered due to tips from an employee, customer or an anonymous source. Management review and

audits are other methods for uncovering fraud.

Too often, the perpetrator is an employee with tenure who enjoys a high level of trust from supervisors and co-workers, which can mean less scrutiny over their actions. In addition, their experience gives them a better understanding of the organization's internal controls, which enables them to more successfully carry out and conceal their fraud schemes.

Fraudsters may exhibit one or more red-flag behaviors such as: living beyond his or her means; experiencing financial difficulties; having unusually close association with vendors or customers; and displaying excessive control issues, such as refusing to take vacations.

There are also common weaknesses in victim organizations that are exploited by fraudsters. An outright lack of controls is the most frequently cited factor, followed by override of existing controls and a lack of management's review. There are steps a business can take to protect itself. Providing a hotline (via telephone or website) is an important first step. Be sure to promptly follow up on any issues reported.

Timely reconciliation of bank accounts by an employee who doesn't authorize transactions, review of all general ledger adjustments by someone other than the person making the entry, job rotation and mandatory vacations are controls that can be implemented at most organizations.

Employee education is also a key to preventing fraud. Implement an anti-fraud policy and conduct anti-fraud training for all managers and employees, including a fraud reporting mechanism and prohibition of retaliation against whistleblowers. Communicate the consequences of committing fraud, and follow through if an incident of fraud is discovered.

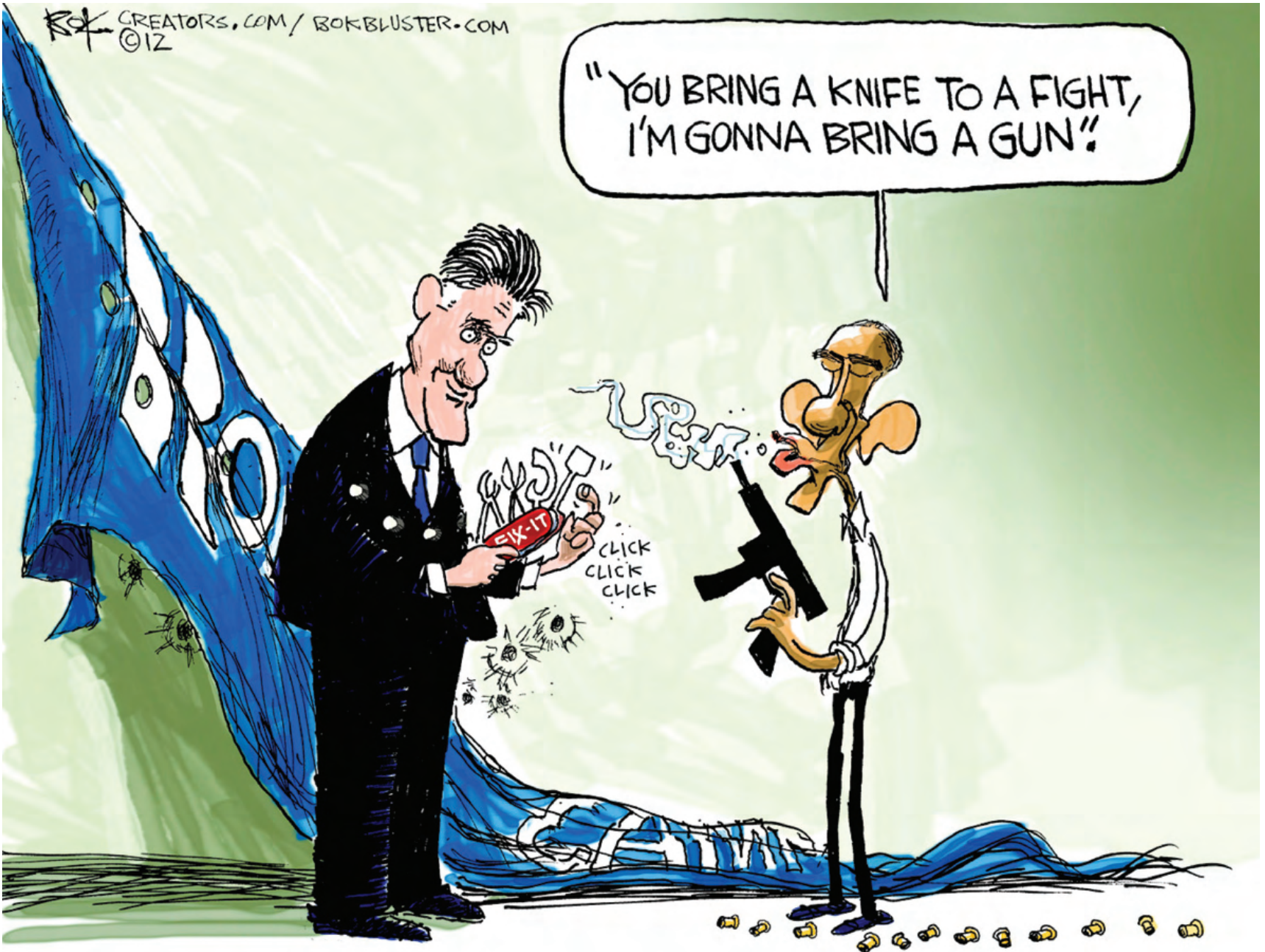
Once these measures are in place, conduct ongoing risk assessments to proactively identify and mitigate the company's vulnerabilities to internal and external fraud. Set a good example by following the rules yourself. Management must exhibit honesty and integrity themselves; the tone at the top matters.

Finally, talk to an expert. In addition internal controls, every organization should take network security seriously.

Terri Ferran, CPA, CFE (Certified Fraud Examiner) works for James & Co. Business Advisors / CPAs, Ogden, (801) 399-3377. For information about the latest tax, business and financial scams, a fraud alert is available on the James & Co. home page at [www.jamescpas.com](http://www.jamescpas.com). Monthly fraud alerts are published the last business day of each month. With offices in Ogden, Salt Lake City and St. George, James & Co. serves clients with annual revenues from \$1 million to \$500 million-plus.



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## Nice losers

Mitt Romney now joins the long list of the kinds of presidential candidates favored by the Republican establishment — nice, moderate losers, people with no coherently articulated vision, despite how many ad hoc talking points they may have.

The list of Republican presidential candidates like this goes back at least as far as 1948, when Thomas E. Dewey ran against President Harry Truman. Dewey spoke in lofty generalities while Truman spoke in hard-hitting specifics. Since then, there have been many re-runs of this same scenario, featuring losing Republican presidential candidates John McCain, Bob Dole, Gerald Ford and, when he ran for reelection, George H.W. Bush.

Bush 41 first succeeded when he ran for election as if he were another Ronald Reagan (“Read my lips, no new taxes”), but then lost when he ran for reelection as

himself — “kinder and gentler,” disdainful of “the vision thing” and looking at his watch during a debate, when he should have been counter-attacking against the foolish things being said.

This year, Barack Obama had the hard-hitting specifics — such as ending “tax cuts for the rich” who should pay “their fair share,” government “investing” in “the industries of the future” and the like. He had a coherent vision, however warped.

Most of Obama’s arguments were rotten, if you bothered to put them under scrutiny. But someone once said that it is amazing how long the rotten can hold together, if you don’t handle it roughly.

Any number of conservative commentators, both in the print media and on talk radio, examined and exposed the fraudulence of Obama’s “tax cuts for the rich” argument. But did you ever hear

Mitt Romney bother to explain the specifics which exposed the flaws in Obama’s argument?

On election night, the rotten held together because Mitt Romney had not handled it roughly, with specifics. Romney was too nice to handle Obama’s absurdities roughly. He definitely out-niced Obama — as John McCain had out-niced Obama in 2008, and as Dewey out-niced Truman back in 1948. And these Republicans all lost.

In this year’s first presidential debate, Obama out-niced Romney. But, when he lost out doing that, he then reversed himself, became the attacker, and ultimately the winner on election night, despite a track record that should have buried him in a landslide.

When you look at this as a horse race, there is no question that the Republicans deserved to lose. But the stakes for this great nation, at this crucial juncture in its history and in the history of the world, are far too momentous

to look at this election as just a contest between two candidates or two political parties.

Quite aside from the immediate effects of particular policies, Barack Obama has repeatedly circumvented the laws, including the Constitution of the United States, in ways and on a scale that pushes this nation in the direction of arbitrary one-man rule.

Now that Obama will be in a position to appoint Supreme Court justices who can rubber stamp his evasions of the law and usurpations of power, this country may be unrecognizable in a few years as the America that once led the world in freedom, as well as in many other things.

Barack Obama’s boast, on the eve of the election of 2008 — “We are five days away from fundamentally transforming the United States of America” — can now be carried out, without fear of ever having to face the voters again.

This “transforming” project

extends far beyond fundamental internal institutions, or even the polarization and corruption of the people themselves, with goodies handed out in exchange for their surrendering their birthright of freedom.

Obama will now also have more “flexibility,” as he told Russian President Medvedev, to transform the international order, where he has long shown that he thinks America has too much power and influence. A nuclear Iran can change that. Forever.

Have you noticed how many of our enemies in other countries have been rooting for Obama? You or your children may yet have reason to recall that as a bitter memory of a warning sign ignored on election day in 2012.

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