Where Are the Unemployed Construction Workers

By Jerry Nickelsburg
Economist
UCLA Anderson Forecast

A curious thing happened on the way to the crash in the housing sector: no one seems to have told construction employers to begin layoffs.

This is a good thing for construction workers, but a problem for economists. The demand for housing is down-home sales in Los Angeles County are off 20% or more. When demand falls, producers cut production and the supply cuts off with permits for residential construction off in the first Quarter and on average negative early 2006. New home have fallen even as occupied housing continues to resist price declines.

of this reaction to weak is as we economists expect. But how is it that new home construction is employment in residen-

construction is not?

each quarter from the beginning of 2006 through of 2007 residential conn

employment in Los Angeles County has either virtually flat or has increased over the same quarter of the previous year. Although

some sub-contractor employ-

continued on page 5

New Kia Motors Facility Rises at Meridian Business Park

Wall tilting ceremony launches construction on a 489,256-square-foot national distribution center

Elected officials, community leaders and key project stakeholders gathered at a wall tilting ceremony to celebrate the beginning of construction on Kia Motors’ new national parts distribution facility at Meridian business park.

Kia Motors America will join several other international corporations including Tesco, Walgreens, Safco, and McLane Foodservices at the new business park in Riverside. The 403,956-square-feet facility will be the main parts distribution center for Kia in the United States, and will help Kia keep pace with increasing sales throughout the United States and Puerto Rico. Kia Motors America has experienced record sales this summer and looks to be on track to another annual sales record.

“This is a great time for Kia. The past few years have brought a great deal of growth in our United States operations,” said Amy Taylor, spokesperson for Kia Motors America. “This new distribution facility will help us as we look to double our number of dealerships in the next few years,” she adds.

Kia Motors plans to open the distribution center in January. RGA Architects and Kimley-Horn civil engineers worked together to design the center that, when completed, will sit on nearly 24 acres and store about 50,000 automotive parts such as fenders, air bags, bolts, and other replacement parts. The distribution center will bring 80 new jobs to the area.

“I am delighted to see that Kia Motors has chosen to do business at Meridian and continue the trend of bringing more great jobs to our area,” said Mayor Ron Loveridge. “The Inland Empire is growing and Meridian is helping Riverside keep pace with that growth by providing vitally needed industrial space,” he added.

David Kim of Studley’s Los Angeles-based commercial real estate firm, represented Kia Motors in negotiations with LNR. The parties have agreed to a 10-year lease on the space with an option for Kia to expand into an additional por-

continued on page 12
IESBDC Consultant Promoted

Robert Usher has been named senior business consultant for the IESBDC in conjunction with the Inland Empire Economic Partnership (IEEP). Usher is pleased to announce that Robert Usher has been named senior business consultant for the IESBDC. He will serve as the senior business consultant out of the Riverside office. Usher will work with client small businesses through the entire SBDC process, providing funding and other resources to help them achieve their goals.

UCR Joins Partners With China’s Tsinghua University

The signing of an agreement between UCR’s Colleges of Engineering and Tsinghua University in Beijing in October signaled a dramatic expansion of the College of Engineering Center for Environmental Research and Technology’s research program.

Dean Reza Abbaspour led a delegation from UCR that included Joseph Norbeck, focusing on the development of new technologies - with low environmental impact. The following day consisted of meetings with the Tsinghua chemical and environmental engineering professors Charles Wyman and Robert Geschke, who performed their research at CE-CERT. Signing on behalf of Tsinghua University was dean of the university’s Institute of Environmental Science and Technology, Hao Jingming.

Sen. Bob Dutton announced that a resident of the 31st Senate District has been selected as a 2007-08 Senate Fellow. Courtney Voss, an Upland resident who graduated from California State University, Chico has been selected to participate in the prestigious program that is considered one of the most competitive in the state. "It's always exciting when a resident of my district gets selected for such a distinguished program," said Senator Dutton. "I am proud of her selection and know she will do an outstanding job in representing herself and her family but the entire 31st Senate District." The Senate Fellows also participate in academic seminars with senators, senior staff, journalists, lobbyists, and state government officials. The fellowship program is jointly operated by the California Senate and the Center for California Studies at Sacramento State University. Fellows will earn 12 units of graduate credit from Sacramento State for the academic portion of the program. Moreno Valley City Manager Robert G. Gutierrez has appointed Kyle Kollar to serve as the city’s new community development director. In his new position, Kollar will direct and oversee the Code and Neighborhood Services, Planning, and Building and Safety operations for the fifth fastest-growing city in Southern California.

Richard R. Snyder of Upland has been elected to serve as a director of Toastmasters International, a worldwide, nonprofit organization teaching teaching skills in public speaking,\n
continued on page 3

EXECUTIVE NOTES

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continued on page 5

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News and Features

Ex-Mexican Prez: Yes, There Will Be an Amero Currency
Former Mexican President Vicente Fox confirmed the existence of a government plan to create the amero as a new regional currency to replace the U.S. dollar, the Canadian dollar and the Mexican peso

Four Ways to Redefine Sales
The Golden Rule of sales is to give people the ability to do what they currently can’t do but would really want to do if they only knew they could have it done.

Jump-Start Your Staff’s Zest to Do Their Best
There are as many ways to motivate employees as there are managers trying to inspire them! Most managers don’t think about their employees how best to motivate them. Start talking with your employees about what motivates them, and really listen to what they say.

Long-Term Real Estate Investment Outlook Favorable
Despite Capital Markets Tightening
Investors face a healthy commercial real estate fundamentals

Special Report: Top Ten Action Items Needed to Succeed in Today’s Real Estate Market
This industry is going through a cleansing period. Maintaining requires growing.

construction workers... continued from page 1

If you’re not growing, you may be through a cleansing period. Maintaining requires growing.

Today’s Real Estate Market
This industry is going through a cleansing period. Maintaining requires growing.

Despite Capital Markets Tightening
Investors face a healthy commercial real estate fundamentals

With your employees about what motivates them, and really listen to what they say.

Best self-employed construction workers do not appear in the Payroll Employment Survey data. Our primary data on employment comes in two forms, the Household Survey which is based on a sample of 60,000 households nationwide but is not broken down by type of industry, and the Payroll Employment Survey which is taken from employer reporting sources and is both more detailed and benchmarked more often. Because of the better quality of the Payroll Employment Survey and the fact that it allows us to look at industry level data, it is the Payroll Employment Survey data that is normally used in analyzing trends and in developing forecasts of industry employment and output.

It is natural that any two surveys, particularly if their coverage differs, show results which at least a little different.

A key difference in the coverage between these two surveys is how the self-employed, those who work for themselves and have no employees working for them, are covered. A self-employed person will answer the Household Survey as an employed person, someone who has a job, or if they are self-employed and looking for work, will answer as unemployed. A self-employed person will not appear on the reporting of Payroll Employment as they do not appear on anyone’s payroll. So there is a systematic bias which yields a higher number of employed by the Household Survey than the Payroll Employment Survey. This is confounded a bit because the Payroll Employment Survey is benchmarked yearly and the Household Employment Survey has been benchmarked to the Decennial Census Data.

For Los Angeles County, the difference between the Household Survey and the Payroll Employment Survey has been growing from about

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UCR partners... continued from page 3

“I felt like I was visiting CE-CERT in another country; our initiatives and research plans are very similar,” Professor David Cooker later told the Business Journal. He characterized the proceedings as very focused and quite productive.

CE-CERT Director Matt Barth says the two universities have interacted informally for years. “We’re both pushing the frontier in transportation, air quality and energy systems’ research,” he says. This research agreement plays very well into the ‘Ten-Plus-One’ program set forth by UC President Dynes last year.” Under the Dynes initiative, the 10 University of California campuses would work in conjunction with 10 major universities in China, allowing students to study in math and science fields in either nation, each bringing that knowledge back to their home country. Barth also pointed out the importance of improving air quality issues prior to the 2008 Olympics in China.

Charles Wyman told the Journal that there were real synergies between the two universities that will be strengthened.

The capabilities of Tsinghua align with our extensive work on cellulosic ethanol that could be beneficial to both our universities and our countries – with the increase in their use of personal vehicles and industrial expansion, there’s a much greater demand for clean energy.

“We’ve had a long-term productive relationship with this

continued on page 8
REAL ESTATE NOTES

Simpson Housing Solutions, LLC has begun construction on an affordable family apartment community in Moreno Valley. Oakwood Apartments will offer 241 units in a mix of floor plans including large, hard to find 4-bedroom apartment homes at 1,282 square feet, as well as 2- and 3-bedroom units ranging from 832 to 1,198 square feet. All apartments will be set aside for households earning from 30% to 60% of the area median income for Riverside County, as published by the Dept. of Housing and Urban Development. Monthly rents will range from $312 to $701 for a 2-bedroom apartment, $256-$805 for 3-bedrooms and $465-$885 for a 4-bedroom apartment below prevailing market-rate rents for comparable apartment homes in the area.

Swanson Advisors, LLP has completed its move into larger offices at the Crossroads Center in Murrieta that will allow the regional accounting firm to expand and better serve its client base in Southwest Riverside County. Swanson, which has been providing professional services to clients throughout Southern California for the past 25 years, will occupy 4,100 sq. ft. at Crossroads, a 25 percent increase from its previous location. The larger space will allow the full-service accounting firm to sustain the growth that has allowed its staff to increase over the last several years by about 25 percent to 20 professionals today.

Omni West Group, Inc., a real estate development and management firm based in Laguna Hills announced that the City of Norco Planning Commission has approved development plans for a 52,000-sq. ft. mixed-use project called Parkridge Business Center to serve the Norco/Corona area. Developed in partnership with HG Capital, LLC (HG) and Mosko Partners, the four-acre project will include two office condominium buildings that span more than 13,000 sq. ft. each as well as a 25,000-sq. ft. “flex-tech” condominium building that can accommodate a diverse range of uses, from office/R&D to industrial and warehouse space. Parkridge Business Center is the only project of its kind in the Norco/Corona area with the ability to offer such a diverse mix of uses for business and industrial condominium space for smaller users,” said Kip Dubbys, president of Omni West Group.

“Office for space for each user can range from 900 to 13,000 sq. ft., while the flex-tech portion can accommodate users that require footprints as small as 2,100 sq. ft. Located along Parkridge Avenue near the corner of Hamner Street, the project is less than a mile from the Interstate 15 and 91 Freeways.

Outside the Inland Empire, The Allen Group, a commercial development firm specializing in logistics parks and industrial developments, announced construction plans for two additional industrial buildings at its Midstate 99 District Center in Visalia, CA, one of the fastest-growing industrial markets in the state. The 139,590-sq. ft. Midstate Hayes Building 5 and 140,700-sq. ft. Midstate Hayes Building 6, both to be developed by Allen, will serve as a warehouse/distribution facilities. The project is currently under construction, and both buildings available for occupancy by the end of 2009. The Midstate 99 District Center has eight existing buildings totaling over two million square feet of space, all of which are 100 percent occupied.

Current tenants include VF Corporations, International Paper Company, JoAnn Stores, Coast Distribution Systems, Workforce One, Worms Way, Boundary Systems, Omnibus, NASCO and DATS Tracking. Approximately 200 acres are left, and the Allen Group believes there are opportunities up to one million sq. ft. The Allen Group’s Midstate 99 District Center is located in the heart of California, with a two-mile radius draw reaching millions of people in the western U.S. The logistics park offers tenants overnight distribution to 98 percent of California at lower rates than the local UPS regional hub, providing a distinct advantage to companies looking to reduce their logistics costs and improve the experience of their customers.

Commercial Real Estate Works(4090s) has formed a new Inland Empire chapter, which has selected Ruby Simpson, CCIM and senior advisor at Sperry Van Ness, as president for the organization’s inaugural term. CREW is the industry’s leading advocate for the advancement of women in the real estate industry; the self-employed contractors who would be part of this growth.

In the construction industry self-employed contractors and developers of homes are also going to appear only in the Household Survey numbers. Even without detailed data on the composition of the difference between the data of these surveys, it is a safe bet that real estate brokers and other support functions are often staffed with 1099 independent contractors who would be part of this growth.

During the period 2006-2007, the number of self-employed as well as their per centage of total employment fell. Unemployment did not rise in part the full characteristics people leaving the work force and in part reflects the growth in payroll employment much faster than population growth and job loss among the self employed. Why the decline? One answer is the growing demand in the service sector for business, scientific and professional services. This demand would be served by a large number of self-employed consultants.

The chapter held its first meeting in mid-September, with approximately 60 women in attendance. The Group plans to use the latest research figures from Grubb & Ellis Company, the national real estate advisor, and their strong third quarter for the Inland Empire office market, as more than a million square feet new office space was completed, with 58 percent of it pre-leased. Net absorption for the quarter totaled 670,000 sq. ft., up from 25,000 sq. ft. posted the previous quarter and the 242,000 sq. ft. recorded for the same period a year ago.

In part this 2.1 million sq. ft. of office space has been absorbed in the Inland Empire office market over the last nine months. The growth that has allowed its staff to increase over the last several years by about 25 percent to 20 professionals today.

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Amero currency... continued from page 1

According to a transcript published by CNN, King, near the end of the broadcast, asked Fox a question e-mailed from a listener, a Ms. Gonzalez from Elizabeth, N.J. "Mr. Fox, I would like to know how you feel about the possibility of having a Latin America united with one currency?"

Fox answered in the affirmative, admitting he and President Bush had agreed to pursue the Free Trade Agreement of the Americas—a free-trade zone extending throughout the Western Hemisphere—and that part of the plan was to institute a regional currency from Canada to the tip of South America.

"Long term, very long term," he said. "What we proposed together, President Bush and myself, it's ALCA, which is a trade union for all the Americas.

ALCA is the acronym for the Área de Libre Comercio de las Américas, the name of the FTAA in Spanish. King, evidently startled by Fox's revelation of the currency, asked pointedly, "It's going to be like the euro dollar, you mean?"

"Well, that would be long, long term," Fox repeated.

Fox noted the FTAA plan had been thwarted by Hugo Chavez, the radical socialist president of Venezuela.

"Everything was running fluently until Hugo Chavez came," Fox commented. "He decided to combat the idea and destroy the idea.

"I think the process to go first step is trading agreement," Fox said. "And then further on, a new vision, like we are trying to do with NAFTA."

UCR partners... continued from page 5

"He continued, having a Latin America united very long

Regarding the possible of having a Latin America united with one currency, Fox commented.

"I think the process to go first step is trading agreement," Fox said. "And then further on, a new vision, like we are trying to do with NAFTA."

Duff & Phelps, LLC

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Duff & Phelps, LLC has issued for sale a series of private-issue fantasy pattern amero coins that have drawn attention on the Internet.

WWD also reported the American Union is moving down the path of regional economic integration, with the African Central Bank planning to create a "Gold Mandela" as a single African continental currency by 2010. The Council on Foreign Policy continued on page 19

The Smile Train

Today, millions of children in developing countries are suffering with cleft lip and palate. According to a lifetime of malnutrition.

The good news is that virtually all of these children can be helped. This is the mission of The Smile Train. We empower local surgeons to provide this life changing free cleft surgery which takes as little as 45 minutes and costs as little as $250. It gives a hope for a new life, a second chance at life.

100% of your donation goes toward programs — 0% goes toward overhead.

YES, I want to give a child a second chance at life.

Avances 5
Declines 7
Unchanged 0
New Highs 1
New Lows 1

Notes: (H) - Stock hit fifty two week high during the month, (L) - Stock hit fifty two week low during the month, NM: Not Meaningful
Four Ways to Redefine Sales

By Daniel Burans

As a salesperson, you’re trained to ask customers what they want in terms of your product offerings. That’s wise advice. However, in many cases, customers don’t want what you think they want, and then give it to them, you’re missing the biggest opportunity that has ever come in front of you.

Realize that clients will always under-deliver because they don’t know what is possible. Think about it... No customer ever asked for an iPod. People don’t ask for things that they don’t know exist.

Technology allows us to do things in a way that was once thought impossible. So for salespeople, while it is important to ask customers what they want and then give it to them, you’re missing the biggest opportunity that has ever come in front of you.

Chances are your competitors are asking customers the same questions, they’re getting the same answers, and they’re providing the same solutions. When that happens, you end up competing on price and not differentiating yourself.

The Golden Rule of sales is to give people the ability to do what they currently can’t do but would really want to do if they only knew they could have done it. That’s so much more profitable than just giving clients what they ask for.

The key is that you have to look a little bit further into your customers’ predictable needs based on where they’re going.

Only then you can see unmet needs and new opportunities. At this point many salespeople might say, “But I don’t create the product, I just sell it.” But how can I deliver what customers don’t know is possible? The answer lies in how you can redefine various aspects of your offering.

Consider the following:

1. **Redefine the Product**

   Today, it’s not about high-tech; it’s about higher-tech. In other words, it’s not about your product; it’s about how your customers use it. For example, currently several hospitals are using the Wii game system to do rehabilitation for people who have been injured in accidents. You hold the controller and make lifelike movements to control the game. So these hospitals have taken a game and redefined how it’s used. That’s an example of using an existing product in a new way.

2. **Redefine the Customer**

   If you sell your product to a specific market segment, can another type of customer use it as well? For example, let’s say you sell software to independent insurance agents, and your software helps them run their offices, track their clients, and calculate their commissions. Could that same software work for real estate agents? It probably could, and with minor modifications, if any. That’s because they’re not truly differentiating the products they’re selling.

3. **Redefine the Value You Deliver**

   Always remember that you’re not simply selling a thing; you’re selling the competitive advantage of the product. In other words, your job is to help your customers use the product you sell to gain competitive advantage.

   When asked, most salespeople say that few of their customers are fully using all of the features of their product in the most efficient manner. In fact, most customers only use between 10 and 50 percent of the product’s full functionalities. They’re under-utilizing the very product that is supposed to grow their business run smoother and more efficiently. No wonder so many companies are struggling; they’re not making the most of their wonder machines. All the salespeople are doing is selling a “thing.” They’re not selling a competitive advantage. They’re not truly differentiating the products they’re selling.

4. **Redefine the Perception of the Salesperson**

   On the other hand, you need to shift from being a vendor to being a trusted advisor. There’s a big difference between the two. A continued on page 32

K1’s Indoor Racing in Ontario

By Joe Lyons

There was a time when the soapbox was the dream of every American boy. Of course, that was back when the little 500 dreamed of hitting the 100 MPH mark. By the 70’s we settled for slot car racing, a sort of combination of racetracks and model trains. The go-kart came into popularity when it was discovered that you could take the motor off of dad’s lawn mower and make a race kart out of it.

Go-karting still has a following, as you can see along the Santa Ana river. That’s an example of using an existing product in a new way.

Now some other industry did not stop there. Go beyond the guidelines and actually help your customers; think of a formula one kart. Today, it’s not about high-tech; it’s about higher-tech. Your customers want to use the product you sell in ways you never thought of using your product. Could you create the same competitive advantage for them?

Could you then apply the same technology in indoor karting? That’s an example of using an existing product in a new way.

Some of the high paced fun at K1 Speed

against all racers by getting ranked against the entire facility. Thus you can race for the Fastest Time of the Year, the Fastest Time of the Month, or take on the challenge of becoming the top of K1 Speed’s ProScore ranking system. Also, you can access your scores live on the K1 Website under Scores.

When the track is not reserved, it’s open to the general public. Drop in to race the clock, or against a friend and other racers. Each Arrive & Drive session is about 10 minutes long, and may include anywhere from one to 12 drivers. First-time racers will receive a mandatory briefing session on rules safety. At the end of each session you will receive a detailed printed scores, position, and ranking. According to K1 Speed, this is a revolution in indoor karting, with its award-winning tents, European-style racing, emission-free electric karts and professionally designed, all asphalt racetracks. As you walk in, the difference is apparent, with up to 8,000 square feet of racetrack, 10,000-square-foot lobby overlooking the tracks, live scoring system, corporate meeting rooms, the Pit Cafe and coffee area. The karts are the best available in the world, with 20hp, they reach speeds of 40 mph, much faster than gas karts and without the smell. They are fully computerized for the best in safety, with remote controls operated by the pit crew to reduce speeds or even put to a stop if necessary, while the go-kart itself is primary. Kids must be at least 5’ tall, and if under 18, must be accompanied by an
I love elections. Even when I have to find the school, firehouse or community center that is my polling place, I never fail to make the point of showing up, even if I am the only person to vote my ballot. There is something visceral about putting my opinion down where counts.

This year, modern technology has caused a few problems with the system. You can’t just put an X down next to your candidates name any more. I like to think that I am tech-savvy, but I am just not comfortable touching the screen and having the machine got it right.

And, as I have said in these pages before, I am no advocate of “government by proposition.”

This, then, is where the problems lie. It was just a couple of years ago that Governor Schwarzenegger called for a special election so that Californians could get their three propositions passed to balance the budget. The election cost taxpayers a bundle and the propositions went down to defeat, creating a larger deficit for the state.

Now comes the great ego vote. For many years the State of California has held its presidential primary in June, after many smaller states have spoken. It is the first pick of a primary, which means that the votes are along party lines. But California wants to do it differently. This year, the state’s primary was moved up to February. I am not sure why they chose that time, but it appears to be an attempt to capture the excitement of the Olympic games.

DRAFT RULES WON’T STOP INSURERS’ ILLEGAL CANCELLATIONS OF HEALTH POLICIES

By The Foundation for Taxpayer and Consumer Rights (FTCR)

Draft regulations released by the Schwarzenegger Administration fail to protect patients from insurers’ illegal cancellations and allow insurers to decide which policies, doctors and hospitals a patient can use. The regulations, which were released for public review by independent regulators, the satnd the Foundation for Taxpayer and Consumer Rights (FTCR). FTCR said that the weak cancellation rules add problems with legislation supported by Governor Schwarzenegger that would require all Californians to buy private health insurance policies.

Followings widespread reports of insurers violating the law by canceling coverage or denying patients “omissions” on a patient’s enrollment application regardless of whether patients “willfully misrepresented” their medical histories as the law requires. FTCR called for new regulations requiring insurers to get approval from regulators before canceling a patient’s coverage.

Insurers who have lesser issues like local school bonds and judicial positions. (These things have a greater chance of passing locally, but they don’t make name headlines.)

The upshot is that a lot of things that Should have been on our first election for ‘08 be put off, perhaps until November. We are hurting ourselves in the front page of TIME Magazine and make headlines for Customers.

This is wrong. This is a waste of tax dollars just from the sake of PR.

The presidential elections have become the main event in recent years. Debates and candidate announcements have preceded this year’s events. Halloween and Christmas shopping and the election is still a year away. The world could change by then. Spain learned that lesson when terrorists blew up the train in Madrid one week before the polls, and their president was virtually run out on a rail.

Rushing our election does little for the campaign process. It will just make us a showpiece. Issues will not be discussed. Personality will win. And the way the state of California is doing little more than trying to say that we had our hand up in the way it owns its own way is no different than the news that start predicting election returns on the air the night before the election with 2 percent of the vote in.

Let’s wait a take a deep breath and think about why we do this, not how good we look doing it.

When Rosa, a regional sales director for a Fortune 500 company, met with her boss, George, she knew her one-year term of anxiety in her own insurance as a result of an illegal cancellation was at an end. In fact, on the first day of work in her new position, George, what do you think of Jill?

Salesperson Jill had been part of Rosa’s team for 10 years. Jill had been in a couple of different relationships, but George as a loyal, dedicated worker, and he didn’t hesitate to say what was on his mind. Rosa came to George for advice about Jill. Yet the answer was not what was expected.

Most managers rarely ask employees about their motivation needs, because:

1. Managers are afraid the employee might ask for additional resources that the organization can’t provide.

2. Managers think everyone is motivated by money, or by the same things that motivate them.

3. The employees don’t know themselves! They aren’t in tune with their own feelings, so they have surprisingly little insight into how others perceive them.

4. When policies are cancelled, patients are left uninsured, uninsured and often in deep medical debt.

5. Insurers who have distribution centers...continued from page 1

The property lease. The lease is valued at over $20 million.

LNR Property Corporation began developing Meridian business park on land from the former March Air Reserve Base in 2004 in conjunction with the March Joint Powers Authority. Meridian business park is a 1,200-acre, master-planned mixed-use center that features office, retail, industrial, and research and development space. As of late, LNR has developed 147 acres of land, including over 2 million square feet of buildings and created over 800 jobs. At completion, Meridian will include 16 million square feet of development and produce up to 20,000 jobs. Meridian is in a prime location to serve business needs, bringing more high-paying jobs to the Inland Empire, with air and rail access and easy access to a number of key inland freeways,” said Michael Morris, vice president of LNR Property Corporation. "The corporate, educational and government corporations are becoming aware of this opportunity and taking advantage of Meridian’s available industrial space.”

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2. Managers think everyone is motivated by money, or by the same things that motivate them.

3. The employees don’t know themselves! They aren’t in tune with their own feelings, so they have surprisingly little insight into how others perceive them.

4. Managers are afraid they’ll just go away. Managers believe employees should motivate themselves.

5. Managers believe employees' interests are indifferent to the organization's goals. Managers are afraid they may not be able to motivate employees.

6. Managers believe employees are indifferent to the organization's goals. Managers are afraid they may not be able to motivate employees.

7. They’re afraid the employee might quit, and then the manager is really left in the lurch.

8. They’re afraid that, as managers, they may not be able to motivate employees.

9. Managers are so swamped themselves, they just don’t have enough time to spend with each employee.

10. They just don’t plain don’t have enough time to spend with each employee.

That’s a shame, because the solution to any motivation problem can be as easy as asking the employees the right questions:

- Experts don’t necessarily agree with managers or a given employee’s opinion, but they often let employees speak for themselves. As managers, we can recognize our employees’ most compelling motivation needs, ask about their future plans, and bring out their drive to steer the direction to the next level. Most employees don’t like things from their bosses and these “wants” fall into four categories:

Appreciation - Who doesn’t want to feel appreciated? Whether you’re in a business relationship or a personal relationship, you want to feel valued by your partners. Employees want to feel valued by their employers. They want to know that you think they’re doing a good job and you respect what they’re doing, a purpose, a meaning. This goes beyond a paycheck and into your career. The next step is to recognize and reflect. Appreciation means that your employee feels respected and recognized for their efforts.

Guidance - Employees want direction from their bosses. They want to be clear about their responsibilities and their goals. This gives employees a sense of security, because they’re not just cogs in a machine - they know their employers consider their accomplishments. To accomplish this, employees must provide measurable standards and expectations for each employee’s particular position.

Communication - An employee who isn’t kept in the loop is not a happy employee. Employees want to feel included...
Long-Term Real Estate Outlook Favorable Despite Capital Markets Tightening

Marcus & Millichap Research Services

Summary of Recent Events

To understand the current climate in the capital markets, it is important to examine the current situation.

1. Build-Up to the Credit Market Disruption
   a. Fed Rate Cuts Spark Growth.
   b. To avoid a prolonged economic downturn, the Fed began cutting the Fed funds rate in early 2001 and continued to do so well into 2003, reaching a low 1 percent. For home buyers to qualify for mortgage loans, the 30-year fixed rate price rose 40 percent from 2001 to 2006.
   c. Flexible Financing.
   d. Lenders were more willing to offer non-conforming loans.
   e. The securitization of mortgages.

2. Housing Boom Begins.
   a. Low interest rates set in motion the greatest housing boom in U.S. history.
   b. An abundance of inexpensive debt and loose underwriting standards made it possible for home buyers to qualify for mortgage loans, the 30-year fixed rate price rose 40 percent from 2001 to 2006.
   c. Flexible Financing.
   d. Lenders were more willing to offer non-conforming loans.
   e. The securitization of mortgages.

3. Consolidation of Grade Securitizations.
   a. Some Adjustment in CMBS Market Was Needed.
   b. Grade securitizations increased as underlying mortgage pools were shifted from one to another.
   d. Tightening Cycle Began. In early 2004, the Fed began bumping up rates in 25 basis point increments to slow off inflation. The tightening cycle continued through June 2006, bringing the Fed funds rate to 5.25 percent.
   e. ARMs Reset. Delinquencies Rise. As interest rates rose and ARMs reset, a growing share of homeowners found monthly payments unaffordable.
   f. A Bipartisan Market. By mid-2007, 15 percent of subprime ARM borrowers were three months past due.
   g. Grade securitizations increased as underlying mortgage pools were shifted from one to another.

   a. Tightening Cycle Began. In early 2004, the Fed began bumping up rates in 25 basis point increments to slow off inflation. The tightening cycle continued through June 2006, bringing the Fed funds rate to 5.25 percent.
   b. ARMs Reset. Delinquencies Rise. As interest rates rose and ARMs reset, a growing share of homeowners found monthly payments unaffordable.
   c. A Bipartisan Market. By mid-2007, 15 percent of subprime ARM borrowers were three months past due.

5. The Problem of e-mail Overuse.
   a. The Federal Reserve has become increasingly concerned about the growing trend of sending e-mails.
   b. "The Washington Post recently wrote about the growing trend of sending e-mail bankruptcy." in order to assert freedom from responding to old e-mails.
   c. But for the majority of us who cannot truly opt out of the e-mail world, there is a need to develop some solutions.
   d. The message is generally lost on Blackberry users who get too many messages.

6. The Reality of e-mail Use.
   a. "Don’t Reply All." If you absolutely, positively must - and even then, check to see that it is necessary.
   b. Very rarely do we need to reply to a sender’s inquiry, especially when so many electronic messages are simply announcements, scheduling inquiries, or a notice of some sort.
   c. Do not reply to e-mail unless you truly have something to say in response to the sender. Really.
Nine UCR Faculty Members Recognized by the American Association for the Advancement of Science

Each honoree named AAAS Fellow

The American Association for the Advancement of Science (AAAS) has named nine researchers at UC Riverside as 2007 AAAS Fellows, bringing the total number of UCR faculty who have been recognized with this distinction to 159.

Election as a fellow is an honor bestowed upon AAAS members by their peers. This year AAAS awarded this honor to 471 of its members “because of their scientifically or socially distinguished efforts to advance science or its applications.”

The nine 2007 AAAS Fellows at UCR are:

- Alexander A. Balandin, professor of electrical engineering
- For distinguished contributions to understanding phonon and excited confinement in nanomaterials and investigation of the thermal and electronic noise phenomena in wide-bandgap semiconductors and devices.

- J. Ole Becker, cooperative extension specialist and nematologist.
- For innovation in developing environmentally conservative approaches and alternatives to pesticides and for advancing understanding of ecosystems with naturally occurring biocontrol of plant-parasitic nematodes.

- Anil B. Deolalikar, professor of economics.
- For distinguished contributions to research and policy discourse in the field of economic development, particularly in the areas of household behavior and human capital accumulation.

- Larissa F. Dobrohodnaya, adjunct professor of earth sciences.
- For distinguished contributions and leadership in the field of ultra-high-pressure metamorphism, particularly to the understanding of the origin and mechanisms of metamorphic diamond formation.

- Mary Gauvain, professor of psychology.
- For distinguished contributions to the study of the influence of media, especially digital media, on young children.

- New fellows will be presented with an official certificate and a gold and blue (representing science and engineering, respectively) rosette pin on Feb. 16 during the annual meeting of the AAAS next year in Boston.

- The tradition of AAAS Fellows began in 1874. Currently, members can be considered for the rank of fellow if nominated by the steering group of their respective sections, by three fellows, or by the association’s chief executive officer.

- The AAAS is the world’s largest general scientific society, publisher of the journal, Science. Founded in 1848, the association includes some 262 affiliated societies and academic societies of science, serving 10 million individuals.

- Additional Contacts: Molly McElroy, AAAS, (202) 326-6434.

- The University of California, Riverside is a doctoral research university, a living laboratory for groundbreaking exploration of issues critical to Inland Southern California, the state and communities around the world. Reflecting California’s diverse culture, UC Riverside’s enrollment of about 16,700 is projected to grow to 21,000 students by 2010. The campus is planning a medical school and already has reached the heart of the Coachella Valley by way of the UCR Palm Desert Graduate Center. With an annual statewide economic impact of nearly $1 billion, UCR is actively shaping the region’s future. To learn more, visit www.ucr.edu or call (951) UCR-NEWS.

Google CHARO on the Web and the first few entries are about the blond “coochi-coochi” girl. This is unfortunate, because if you track down the page, you will find the Charo Community Development Corporation.

CHARO was established in 1967 as a community-based nonprofit organization. CHARO’s mission is to be an economic catalyst, providing quality services and innovative programs for the economic advancement of the underserved Inland Empire and Los Angeles’ Latino community. All services are provided in a bilingual/bicultural environment.

Today, CHARO proudly ranks as one of the top Latino nonprofit organizations in the United States.

During the past two years, CHARO Community Development Corporation has sought to focus its energies in economic development, creating new programs specifically dedicated to developing businesses to create jobs, assisting micro businesses, providing access to capital, training and technical assistance. They have also sought to enlarge their childcare services to provide more working poor families with quality early childhood education.

On Thursday, Nov. 15, 2007, CHARO Community Development Corporation will celebrate its 40th year of community service with their 4th Annual Minority & Small Business Awards Gala at the Pechanga Resort & Casino with awards presented by the U.S. Small Business Administration-Santa Ana District and the CHARO Minority Business Enterprise Center.

CHARO’s intimate Minority & Small Business Awards Gala hosts a highly prestigious audience of senior executives and regional leaders of major California banks, a cadre of elected Latino leadership, community development leaders and executive directors. CHARO’s prestigious event is considered one of the Inland Empire’s premier Latino networking events.

Funds raised from this event will benefit the Minority Business Enterprise Center & SBA Women’s Business Center programs.

As it happens, CHARO is located ideally in the same building as the Minority Business Enterprise Center and the SBA Woman’s Center.

The Inland Empire MBE (Minority Business Enterprise Center) is an economic catalyst, providing minority technical assistance, training and loan packaging services to high growth minority business owners in the Inland Empire, Orange County and San Diego areas. All services are provided in a bilingual/bicultural environment.

The Inland Empire MBE is located in Riverside and is committed to enhancing the local economy through job creation, financial growth and access to capital.

This has been a tremendous year of economic development for CHARO as their mission is to serve as an economic catalyst to their target communities, which has expanded to include the Inland Empire. CHARO’s Riverside Diversity Minority Business Enterprise Center & SBA Women’s Business Center serves the counties of Orange, Riverside, San Bernardino and San Diego. Through the efforts of the Small Business Development Center, Minority Business Enterprise Center and the two SBA Women’s Business Centers, CHARO served over 25,000 clients this year, yielding an economic impact of over $37 million dollars, and creating 240 new California jobs both in Los Angeles and here in the Inland Empire.

Meanwhile, over in L.A., the CHARO Business Incubator is a 36,000-sq.-ft. shared services facility that promotes business enterprise development within our community by helping young firms survive and grow during the start-up period.

The Business Incubator will house approximately 40 businesses. Offices can be leased individually or in blocks depending on space needs.

CHARO’s 4th Annual Minority & Small Business Awards Gala event will begin with a VIP reception, followed by fine dining, musical entertainment and high energy that will recognize the success of minority and women entrepreneurs.

Should you wish to attend, you can contact Vice President Juan Gallegos at (951) 320-7002 ext. 237 or via email at jgallegos@charocorp.com.
Logistics Centre in Victorville Fuels Economic Growth

Stirling Capital Investments Begins Development on Two Multi-Tenant Industrial Facilities, Totalling 233,773 Square Feet and Creating Up to 200 New Jobs

As further testimony to the ever-expanding commercial development demand in the High Desert region of the Inland Empire, Stirling Capital Investments, a joint-venture between Stirling Enterprises, the Kern River, Cal-Biased, development company and Denver, CO-based DCT Industrial Trust Inc. (NYSE: DCT), a leading industrial real estate investment trust, announced it has commenced construction on two speculative, multi-tenant industrial buildings totaling 225,773 square feet at Southern California Logistics Centre (SCLC) in Victorville. The multi-tenant buildings are part of the Phase I development plans which total 6.5 million square feet of industrial space. Southern California Logistics Centre focusing on long-term value for the City of Victorville.

In April 2007, Stirling Capital Investments broke ground on the first Phase I facility for Newell Rubbermaid for one million square feet and 450 acres of multimodal freight transport hub supported by air, ground and rail connections, continues to be a catalyst for the region’s economic growth and vitality. Upon build out, Southern California Logistics is projected to create more than 24,000 jobs and support another 18,500 jobs in the surrounding area. Adding to this, Stirling Capital has already obtained over $1 billion in tax revenue for the Inland Empire’s growth and is preparing to implement a long-range plan according to a draft Economic Impact Study.

“We will be delivering the first high-quality business space that caters to smaller businesses in the High Desert region and is developing with over 28 million in long-range planning and have five signed letters of intent which represents 22 percent of the total space and 375,000 square feet of industrial space completed. Completion of the multi-tenant facilities is anticipated for the end of 2008.

According to Brian Paro, vice president of Stirling, the master developer of SCLC, the two buildings, which will offer suites from 3,500 square feet to more than 20,000 square feet, will range from $3.25 to $6.50 per square foot.

In the first quarter of 2007, 100,000 square feet of building space was leased."
Top Ten Action Items Needed to Succeed In Today’s Real Estate Market

By Carey Schutt

1. Adopt the right mindset—Grow or Go!

Our industry is going through a cleansing period. Charles Darwin’s “survival of the fittest” is being played out in every market, including yours. We all know this down turn will reverse itself, but what we don’t know is who will be left and of those left, who will be in a position to take advantage of an improving market. NOW is the time to adopt a “Grow” mindset. Income per transaction is down; to maintain your income; you will need to GROW your number of transactions. The number of transactions is down; to maintain your transactions; you will need to GROW your share of transactions. Maintaining requires GROWING. If you’re not GROWING, you may be GOING!

- There are only two ways to grow.
- Increase success with existing opportunities and
- Increase your number of opportunities.

2. Have World Class, State of the Art Tools and Systems

A weaker real estate market with less volume transaction requires that broker/owners invest MORE resources for their company, not less. Of course, every resource should be wisely scrutinized to gauge the proper return of investment. A broker/owner should NOT have a minimalist’s mindset when it comes to marketing, advertising, and technology tools & systems in a weak market. Skimping on the very resources that help your agents sell more homes in a weak market could mean the difference between success and failure.

3. Emphasize and promote continuous and aggressive training

Considering the unusual duration of the seller’s market we are living in; it is likely that most, if not all of your agents have never sold real estate in a “buyer’s market.” Consequently many agents lack the necessary skills to effectively compete with long term veterans who have weathered storms that come with the limited transaction volume of a buyer’s market. In order for today’s real estate agents to capture their share of the pie in today’s market, they will need to adjust their prospecting scripts, listing presentations, and marketing messages. As the broker/owner you should ask yourself... “are my agents the most knowledgeable and highest skilled agents in my market?”. If the answer is yes, continue your aggressive approach to training because that may not be your answer tomorrow.

4. Evaluate your company’s ability to capture all your market’s opportunities

Every marketplace is divided into three segments.

People who are:
- Not Moving
- Moving Within The Marketplace
- Moving Into The Marketplace

Typically an unaffiliated broker’s strength is with the ’Moving Within Broker’ to do as much as 90-95% of their business within this segment.

Does your company have the tools to leverage the ’Moving Into The Marketplace’ segment opportunities?

How would it affect your overall market share if you were equally successful in both opportunity segments?

With industry experts forecasting an increase in the ‘Not Moving’ segment, can your business survive without leveraging the ‘Moving Into The Marketplace’ segment?

5. "Rethink" the Traditional Definition of Office Space

This is true for the real estate industry in general and for your business in particular. In the past, agents have often thought of their office as a place to face with clients and potential clients. Think about it for a minute. Why does someone need a permanent desk? Let’s use to make and receive phone calls. The cell phone is adequate for this. How about sending and receiving e-mails? A PDA/blackberry can help there. How about needing access to forms and paperwork. Memory sticks are great for storing forms and can be plugged into any computer for usage. How about a place for clients to visit? I am sure there are some nice restaurants or coffee shops to meet at. Office space is expensive. It is also especially hard when there are empty desks or the sales people are not selling at any given point. No need to cancel your lease agreement. Just wanted to give you something to think about.

6. Mergers & Acquisitions with Compatible Companies

As a broker/owner if you do not have a strategy to grow your company by merging with or acquiring competitors in your market area, you may be missing a golden opportunity to capitalize on advantages only seen in a smaller market. Some of your competitors may not have been “hiding the store” as wisely as they should have been. By approaching these competitors you may be able to provide solutions to their problems by acquiring their company, assets, and production. A strong merger and acquisition strategy can catapult the growth of your company in a weak market and put you ready for exponential growth in the next up cycle.

While it can be unpleasant to close an office, consolidations typically have a very positive outcome. Mergers and acquisitions add new energy (competitive atmosphere, best practices, growth, team spirit, etc.) to the staffs of both offices, thus generating more production, reducing overhead and adding to the bottom line.

7. Keep Quality Service a Top Priority

Remember that most clients want quality first. Please don’t lose site of this during the changing market. Studies show that only 15% of consumers make a buying decision based primarily on price, 80% are concerned about quality more than price, and five percent want to pay a premium price because it connotes prestige and possibly higher quality. So well the quality of your services to the 85% who will appreciate it.

8. Know the 100 Most Influential People in Your Marketplace

Not only should you know who the most influential people in your marketplace but they should know you as well. The opportunity to increase your referrals will significantly increase when influential people respect and trust you in your marketplace. All businesses who desire to be successful should know the top 25 companies in each industry and the people who lead them. Who are the mayors and city counsel people? High School Coaches? Publishers of the local newspapers and magazines? Principals of School’s? Superintendents? Owners of the best restaurants in the area? These are all very important people who need your fellowship and have the desire to help you in your endeavors in this market and beyond.

9. “This Too Shall Pass”

A lot of people think that they are not this is the from the Bible; however, Abraham Lincoln actually said it. It is important to know that when you are existing in a slow market, it too will pass. History has many records of this. How you act is the key to how things will turn out. Some of the best mentors in the world teach attitude (behavior) is more important than the facts. How we treat one another during hard times are important but a skill a lot of people miss completely. Don’t allow the negative picture that the media is painting effect how you respond and act. Don’t panic. Remember that FAIR stands for False Events Appearing to be Real. Sometimes just hearing the words “Hey, you’re going to be okay!” makes a person feel better and will inspire them to make it through this changing market.

10. Align your company with a national brand:

ERA Real Estate is a part of The Realogy Franchise Group. One in four real estate transactions in the United States is done by a Realyogy company. ERA, a leading residential real estate franchise, has approximately 3,000 franchise and company owned offices worldwide. We have approximately 39,000 sales associates and are located in 35 countries and territories. ERA is the Technology and Relationship Real Estate Company and is the only National Real Estate Company to offer the Seller’s Security Plan (“We will sell your home, or ERA will buy it”).

Contact Carey Schutt your local ERA Representative and ask for a free evaluation of your company’s ability to leverage all your company’s opportunities. carey.schutt@realogy.com, 310.308.2908.
Reach

35,000,000

Consumers

Overnight

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construction workers...

continued from page 7

employed who have no work.

Does this cover the entire discrepancy? The anecdotal evidence suggests there is more from a recent article in the Los Angeles Times.

"Romero (an undocumented worker), who has been in the U.S. for 10 years, hasn’t had steady construction work in six months, and the jobs he has found pay a lot less than they used to.” How do we get past the anecdotal evidence to see if Romero represents the missing unemployed or is just an isolated human interest story?

The undocumented appear nowhere in our data. They are the trabajadores escondidos or hidden workers.

They are not on payrolls so they do not appear in the Payroll Employment Survey nor in the Unemployment Insurance Claims. They surely will not be answering the household survey or if they do, they would not state that they were employed nor that they were looking for a job. So they are completely outside of our data system. But there is one place where they do appear, statistically speaking. It is the history of immigrant communities in the United States for over 200 years to send money back home. In Mexico this flow of money has become so important, amounting to $23B in remittances from all sources and countries in 2006, that the Banco de Mexico collects detailed data on it. Similarly, remittances for El Salvador, amounting to $3.3B in 2006, are important enough for the Banco Central de Reserva to collect data on them. So our hidden workers do appear in the statistics of their country of origin.

One of the principal ways in which legal and illegal workers send money back to Mexico is through community or hometown associations. This avenue for remittances is more prevalent with the lesser skilled immigrants who tend to stay away from the higher tech solutions to money transfers. Community Associations register with the Consulates and Embassy of Mexico in the U.S. The registry of home town associations with the Mexican Consulate in Los Angeles allows us to see where our Mexican born work force comes from by examining the number of associations registered for each Mexican State. For example, Zacatecas has the most with 51 followed closely behind with Jalisco’s 41.

If we examine the data for Mexico and El Salvador as reported by the central banks of both countries, we see that in the first quarter of 2006 the growth of remittances positive for each hitting a high of over 30% for Zacatecas. After the second quarter there is a uniform decline in the growth of remittances.
### Commercial Building Developers

(Ranked by total square feet developed from September 2007)

<table>
<thead>
<tr>
<th>Company</th>
<th>Address</th>
<th>L/F Development Completed During Aug. 2007 (Total Square Footage)</th>
<th>Current Projects # of L/F Projects Market-Specific</th>
<th>Proposed Projects # of Square Feet Years to Complete</th>
<th>Locations of Projects</th>
<th>Employees</th>
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Recruitment: Number Two Priority

By Michael Gold

The financial textbooks refer to employees as human capital. The management textbooks communicate that they are human resources. However, the most successful companies treat employees as human beings. When revered and treated with respect, great people will take a company to the highest levels of success.

The short version of your company's leadership philosophy should consist of two words: "People First." Human resource management hires the right people, great results follow. Few leadership techniques will ever have a lasting impact if the leader is not the right hire. When you think about your most successful, most productive and most enjoyable 5 years in business, you tend to center around the years you surrounded yourself with the best people. And more often than not, it wasn't really anything you did to make them great, except invite them to be part of your team.

As you say, "People don't care what you know until they know you care." Get to know your employees and take a true investment in their lives and well-being. As a manager, there are many small yet powerful adjustments you can make to attract, hire and retain the best and the brightest.

1. The Power of MBAW

Get out from behind the desk and practice "Management By Walking Around" (MBWA). There is nothing more insightful than spending time in the bullpen, getting to know your employees and asking questions in an informal setting. MBWA breaks down bureaucratic boundaries and shows that you are accessible, approachable and real.

2. The Power of Hand-Written Notes

Handwritten notes congratulating employees on a recent success and letting them know you appreciate the hard work, budget permitting, include a gift certificate to their favorite store or restaurant.

3. The Power of Random Acts of Kindness:

Practice random acts of kindness by freely delivering movie tickets, dinner certificates, gift cards and other tokens of appreciation to employees who exemplify best practices. This could be done informally or through an internal program entitled "Catch Me At My Best," where co-workers and customers are encouraged to share a great experience.

4. The Power of Attractive Benefits

Time off with family and friends can go a long way in creating loyal fans, so offer paid leave for the birth of a child or the baby's first birthday. Also, provide better

5. The Power of Your Own Example:

As the saying goes, "People don't care what you know until they know you care." Get to know your employees and take a true investment in their lives and well-being. As a manager, there are many small yet powerful adjustments you can make to attract, hire and retain the best and the brightest.
K1 Speed... continued from page 11
adult. All racers must sign a release and waiver of liability form.
A reservation must be made and include a group of at least eight or more racers. A credit card is required to book your event. There is a 48-hour can- cellation policy. They do charge a 50 percent deposit for all cancellations within 48 hours of the event.
K1 Speed believes that it is ideal for company events, whether you wish to motivate your employees with a special bonus or provide your clients with an unforgettable experi-

major projects... continued from page 27
them in the former K-Mart center. The store will feature higher end products.
• The former Wal-Mart site, now Date Palm Plaza, is having a $3 million transformation into an attractive multi-tenant shopping center. The old Sam’s Club has been sold and development will begin shortly.
• The only Sonic Burger in the valley has opened in Cathedral City. Jack-in-the-Box chose adjacent to Date Palm Drive.

When Planning Your 2008 Advertising Budget, Consider the
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to Subscribe to the Business Journal See Page 3

Looking the track, in addition to a gourmet cafe, game room and pool table. Meeting rooms are equipped with new state-of-the-art audio/video presentation equipment and Internet access.
In addition, K1 Speed can assist you with catering. They offer a range of sandwiches, salads and snacks at the Pit Cafe, and they can recommend catering companies who are familiar with K1’s facilities.
As Syverson puts it, “We provide everything you’ll need for that dream bash. Except the adrenaline...you’ll supply that yourself.”
K1 expects that companies can sharpen their competitive edge and define leadership skills while having a great time.
“Speed, Control, Power, Adrenaline,” Syverson enthusiastically stated, “This is what racing is all about, and so is a successful business team. If you are ready to take your team to the next level, look no further.”
Everyone will get a result card of their achievement, and the winners climb the podium to receive their trophies. Photos will be given to make this event an everlasting one.
K1 also stresses that their tracks are not what you may remember from amusement parks nor are they professionally designed. The Italian pro karts reach speeds of 40 mph around hairpin turns and are considered the best available in the world with 20 horsepower instead of the go-kart’s 6.5 or 9. This makes them much faster, with better handling, and, as we have mentioned, no snog, great experience. (You can’t run indoors if that were the case.)
Besides the whine of the high-revving motor sounds almost like an Indy Car revving up...just not as loud. Drivers also believe that they get the drive and feel of a real racecar.
You can find more on K1 at their Web site. K1speed.com.

Commercial Real Estate Brokers Serving the Inland Empire
Listed by Transaction Volume

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<tr>
<th>Company Name</th>
<th>Address</th>
<th>City, State, Zip</th>
<th>LE-2006 Transactions</th>
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<td>1. 4431 Inland Empire Blvd., Ste 300</td>
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<td>Lee Horne, Senior Managing Director</td>
<td>(909) 485-5020</td>
<td>clowww.cbreal.com</td>
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<td>Colliers International</td>
<td>2. 1043 Centinela Dr., Ste 150</td>
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<td>$691,951,319</td>
<td>$596,026,175</td>
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<td>Rick Cichielo, President, Colliers International</td>
<td>(909) 980-0001</td>
<td><a href="http://www.colliers.com">www.colliers.com</a></td>
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<tr>
<td>Grubb &amp; Ellis</td>
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<td>Mario Leonstik, Executive Managing Director</td>
<td>(909) 650-1900</td>
<td><a href="http://www.grubbellis.com">www.grubbellis.com</a></td>
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<td>$510,000,000</td>
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<td>7</td>
<td>Bill Hardy, Regional Managing Director</td>
<td>(909) 878-2055</td>
<td><a href="mailto:billhardy@svn.com">billhardy@svn.com</a></td>
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<tr>
<td>Lee &amp; Associates</td>
<td>5. 1375 Inland Empire Blvd.</td>
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<td>$355,000,000</td>
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<td>Ken Martin, Managing Principal</td>
<td>(909) 947-3771</td>
<td><a href="http://www.leeandassociates.com">www.leeandassociates.com</a></td>
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<td>Carolina Points Industrial &amp; Core, Realty</td>
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<td><a href="http://www.carolina-pts.com">www.carolina-pts.com</a></td>
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<td>D.A.M. Commercial Real Estate Services</td>
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<td>Dennis Sundberg, Executive Managing Director</td>
<td>(909) 580-2585</td>
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<td>(909) 947-4189</td>
<td><a href="http://www">www</a>. kollcenter.com</td>
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<td>Cowan and Wakefield</td>
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<td>Phil Lombardo, Executive Managing Director</td>
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<td>Kevin A. Auer, Regional Managing Director</td>
<td>(909) 651-1665</td>
<td><a href="http://www.marcusmillichap.com">www.marcusmillichap.com</a></td>
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New Executive Director for American Cancer Society’s Inland Empire Office

The nation’s largest voluntary health agency, the American Cancer Society, has hired Alyssa Hays, an attorney from San Diego to serve as executive director for the Inland Empire area office of the Society’s Border Sierra Region.
Hays most recently served as the lead counsel for community development in the San Diego office of the Society. Prior to that, she worked as a community development manager in the Inland Empire area office overseeing several Relay for Life events. Hays is a native of Riverside and graduated from University of California at Riverside with a degree in business administration. Hays will oversee a variety of patient service and educational programs.
La Quinta Arts Foundation

78150 Calle Tampico, Suite 215
La Quinta, CA 92253
760-564-1244
www.LQAF.com

RESTAURANT CLOSURES

Facilities closed down by the San Bernardino County Department of Health Services within the last two months.

ADELANTO
LAZY 3 CAFE
4886 El Mirage Rd.
Date Closed: June 18, 2007
Reason for Closure: Lack of hot water
Date Reopened: June 19, 2007

RIALTO
EL OJO DE AQUA 3
TAQUERIA
830 E. Foothill Blvd.
Date Closed: September 12, 2007
Reason for Closure: Sewage contamination
Date Reopened: September 12, 2007
Comments: Plumbing has been cleared.

SAN BERNARDINO
COLD STONE CREAMERY
5244 University Pkwy.
Date Closed: October 24, 2007
Reason for Closure: Vermin infestation

PEKING INN
4434 University Pkwy.
Date Closed: September 12, 2007
Reason for Closure: Vermin infestation
Date Reopened: September 13, 2007
Comments: Establishment has been cleaned, food contact surfaces have been cleaned and sanitized, and a contract with a pest control agency contracted to service the establishment.

TWENTY-NINE PALMS
ALГОBERTO'S TACO SHOP
56143 29 Palms Hwy.
Date Closed: October 24, 2007
Reason for Closure: Vermin infestation

HOW HOW CHINESE RESTAURANT
73633 29 Palms Hwy.
Date Closed: September 12, 2007
Reason for Closure: Vermin infestation
Date Reopened: September 12, 2007
Comments: Establishment has been cleaned, food contact surfaces have been cleaned and sanitized, and a contract with a pest control agency contracted to service the establishment.
During the position. Studies show
the greatest return on investment
the cost of employee attrition -

It is the business of earning trust.
trust you more.

As a result, both you and your
the bar on trust.

redefine sales... continued from page 26
vendor simply supplies a product.
A trusted advisor supplies true advantage. For example, a trusted advisor will recommend what is best for the customer, not best for the salesperson. In some cases that might mean telling the customer that your company is not the best fit for the customer's needs, and then recommend one of your competitors. When you seek that higher ground and become a trusted advisor, your clients trust you more.

Remember that the future is all about relationships. As we get more technical and more global, the relationships you build with your customers are what will keep your company profitable. Relationships are all about trust, and you gain trust by earning it. So never teach people to distrust you by stretching the truth or hiding pertinent information. To differentiate, you need to raise the bar on trust.

Defining Your Level of Sales Success

As you focus on redefining what you already have, you can take your current offering and leverage it to new levels. That's when you become a sales leader, not because of some fast-talking sales pitch, but because of your commitment to your customers and your true needs. So focus on these four elements of redefining today and you'll be able to give your customers tools and solutions they never dreamed possible. As a result, both you and your company will attain new levels of success and realize the profit potential you always knew existed.

For more information, please visit Daniel Burrus' Website at www.Burrus.com or call 262-367-0949.

Paso Robles... continued from page 4

When we stopped at Wild Horse Winery, pourer Kyle Suits was more than willing to talk about the growing demand for the Wild Horse product. The winery started about 20 years ago and has grown to be one of the top producers on the Central Coast - seven different wines altogether. Tastings at the Wild Horse are free.

On a previous trip we stopped by FOS Estate Winery just east of Paso Robles on Highway 46, where we watched 82-year-old Melitzer put what amounted to a clinic on Paso Robles wines. Melitzer's been doing this for 16 years and he was not reluctant to share his expertise and opinions with visitors.

"Certain wines do a far better job of capturing the mouth for the most important thing - the next food," Melitzer explained. "When you bother to cook something edible - using herbs and spices and so on - and all you taste is the wine, then you're worked hard for nothing. You've overmatched your food."

Melitzer calls himself a wine "purist" because he closely matches his wines with foods. For example, the red zinfandels so prevalent in the Paso Robles area are best served with stews, pasta sauces, barbecue, French country chicken - Melitzer offered a long list of options, giving his visitors plenty of food for thought.

After a day of scenery and wine education, we drove back to the Carlton for dinner. As part of the renovation, the hotel has added the fine dining signature restaurant of G'VINE, which was closed during our Monday visit, and the Carlton Restaurant and Grill. The latter proved to the perfect conclusion to our day in Wine Country - it's a stylish restaurant with heating portions of gourmet-style cuisine ranging from sea food to steak dishes, from sushi to wood fired pizzas. This closed the deal for us on the Carlton - this hotel definitely is a prime spot for couples who want to enjoy a romantic weekend in Tuscany but may have to settle for A-Tuscany-doo.

AT A GLANCE

WHEN: Atascadero is midway between Los Angeles and San Francisco along the Central California Coast. The city has several wineries of its own and is minutes away from wineries in Templeton and Paso Robles.

WHAT: The Paso Robles Wine Country is not as well-known as Napa, but coming on strong. In addition, San Luis Obispo County has great beaches and scenic seaside villages.

WHEN: Year round.

WHERE: The area is easily accessible from L.A. or San Francisco and offers some of California's best coastal scenery.

HOW: For more information on Atascadero and Paso Robles area wineries, phone the Atascadero Chamber at phone 805-461-2044 or visit www.atascaderochamber.org. For more information on the Carlton Hotel, phone 805-461-5100 or visit www.the-carlton.com. For more information on San Luis Obispo County, phone 800-674-1414 or visit www.sanluisobis county.com.

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The Eight Major Mistakes Employers Make When Workers’ Compensation Rates Go Down

By Wayne Partee

Throughout much of the country declining Workers’ Compensation rates are music to employers’ ears. After all, that seems like good news, particularly since Workers’ Compensation is more often than not viewed as a necessary evil and a significant cost of doing business.

Yet, when looking at Workers’ Compensation as a business necessity or a commodity, it is a major fallacy. Although most employers fail to recognize the fact, Workers’ Compensation is a core business practice and a means for improving the bottom line.

Rather than diverting attention and finances during periods of lower Workers’ Compensation rates to non-core business priorities, employers can benefit by taking steps to guarantee long-term savings.

Here are eight mistakes employers should avoid so they can achieve long-term Workers’ Compensation savings.

1. Confusing lower premium rates with cost reductions

Many employers are often surprised to learn that a reduction in rates does not always mean a reduction in costs. Let’s begin with a basic understanding of what determines the cost of Workers’ Compensation insurance.

The cost of Workers’ Compensation functions like a credit line to finance the costs of injuries. As such, rates alone do not determine the overall cost. An Experience Modification Factor (Mod) tailors the cost of insurance to the individual loss performance of an employer. A Workers’ Compensation premium is calculated by this formula: Rate x $100 Payroll x Experience Modifier. The Mod calculation is complex, but in general, an employer is compared with similar employers in the same industry classification, and if past losses are lower than average, a credit is given. Conversely, if past losses are higher than average, a debit rating can actually increase costs in spite of lower rates.

2. Becoming complacent

All too often, insurance rates act as blinders for many employers. With lower prices it’s easy to shift focus away from injury management and thus allow worse outcomes.

While increased attention to safety led to a decline in the number of workplace accidents, which resulted in fewer claims and lower Workers’ Compensation costs, the frequency is only one part of the equation. The other part, claim incidence (lost wage claims and medical care), continues to rise. In many industries where there are tight labor markets, wage gains are expected to trend higher, suggesting further increases in indemnity severity.

At the same time, medical care costs have marched relentlessly upward since the mid-1990s. Even more disturbing is the fact that the growth in Workers’ Compensation medical costs has been much steeper than in the health care industry as a whole, indicating that it is not only medical inflation but a mix of services and over-utilization that are driving up costs. If claims remain open and indemnity costs escalate, reserves (estimate of ultimate cost of injury) rise and adversely impact the employer’s Experience Modification Factor, thus increasing employers.

3. Focusing on direct costs only

Ask a businessperson how much they spend on Workers’ Compensation and almost all will respond with the price of the premium. Yet, the direct costs and associated cost often represent only 20-30 percent of the overall injury expenses.

Indirect costs, including overtime, temporary labor, increased training, supervision time, decreased productivity, increased turnover, customer increased stress, and property or equipment damage represent several times the direct cost of the injury. A 2002 Safety Index report by Liberty Mutual tallied the direct cost of workplace injury at $401 billion.

The total financial impact of both direct and indirect costs was estimated to be as much as $240 billion.

4. Thinking that rates will stay low

Historically, the Workers’ Compensation cycle has been repeated in a predictable pattern—rates decline, insurance is purchased for a lower price, employers shift focus away from Workers’ Compensation, claim costs do not fall in relationship to reduced rates and employers’ Mod increases, legislative reforms erode or become ineffective, insurance company profits diminish and rates increase.

During a declining rate cycle, the plan expects that if rates go downward, so should injury costs. If employers do not manage injury effectively and claims do not go down, the employers’ Mod will go up.

When rates rise again, the increased Mod will wipe out any savings garnered during the declining rate cycle.

5. Viewing Workers’ Compensation as an expense

Delineating what Workers’ Compensation is more than a necessary expense; it is a controllable aspect of business. If managed properly, will have a measurable and positive return on investment (ROI).

In “ROI Selling,” authors, Michael Nick and Kurt Koenig, note three measures of ROI, “Return on investment occurs when a company realizes an increase in revenue, a reduction in cost, or an avoidance of cost.”

Workers’ Compensation as an ongoing process and not an expense can accommodate all three. When injuries do occur, employers can increase their revenues by getting employees back to work quickly and reduce their costs by managing the injury effectively.

By recognizing that Workers’ Compensation, becomes at the date of hire, employers can avoid costs by hiring the right people.

6. Separating Workers’ Compensation from Employee Retention

Returning skilled employees is one of the most difficult challenges facing businesses today. Turnover is extremely costly. According to estimates it is anywhere from 50 percent to 150 percent of an employee’s annual salary.

If a work-related injury is not managed properly, it can result in the unnecessary loss of a valuable employee. The longer employees are away from the job, the less likely they

Cielo

restaurant...

continued from page 17

My bride had a rum and coke. These are not involved connections, so why did they taste so much better here? Maybe it was that attitude thing.

As we waited for our entrées, I discovered that the bread came with bourbon butler. Amazing.

My marvelous rib eye steak included one of the most enormous baked potatoes I have ever seen. I have told you in the past that I love a good baked potato. This one made my short list.

The wife went for the chicken dinner. I knew she would.

But what she got was remarkable. Oven roasted Shelton’s Farms breast of chicken with white bean casse role in a natural chicken au jus. (Shelton’s, you may know, is the Pomona company famous for their free-range Thanksgiving turkeys.)

Just to make sure that we were enjoying ourselves, or perhaps because they knew the people from the Business Journal were in the house, both Billy Deaver, the chef de cuisine and Matthew Pike, the executive chef, came out from the kitchen to make sure we were surrounded things.

Please understand, when I am visiting a facility to write about you, I try not to give away my feelings. I am hoping that the staff will read this article and find out when you do. I am relying on you to give away my emotions here.

Cielo has their wines behind a glass wall. (It is probably hard to tell people about a wine cellar when you are 27 stories up.) When they asked what wine we would like, I was beginning to feel like James Bond. So instead of reading over the wine list, I announced, in my best 007 voice, “Shramsburg Blanc de Noir. Two Thousand One.”

Rather than the usual dumb look, followed by an apologetic, “I don’t know if we have that...” (or worse, “Is that a drink?”), they responded with an equally Bondian, “Very good.” It was, of course, properly chilled.

Along side of my notes I find that I have written in large letters, HOSPITALITY. May times I have told you that a mediocre restaurant is made over by good service and a good restaurant can be ruined by mediocre service. Here, at Cielo, the food, the service, the view and the experience are all outstanding.

I don’t expect, especially if you live in Ontario or Rancho Cucamonga, that you will be driving out to Banning Pass very often for dinner and if you do when you do, may not the opportunity to enjoy dining at Cielo, on the top of the Morongo Casino.

This is one that you will thank me for.

Cielo Restaurant, Morongo Casino Resort and Spa, 4950 Seminole Dr., Cabazon, CA 92230. Phone 951-755-5555.

Please permit me to deviate from a writing technique begun 34 years ago. The words "I" and "me" have never before appeared in any of my reviews. Here's why: that's pertinent. The man who suggested that style of writing to me was Peter F. Drucker. Like author William Cohen, I had taken a course of business study with Drucker and he was generous enough to make some suggestions.

Every student of Drucker's has since encountered shares the same view of him as Dr. Cohen. "Peter Drucker was a true genius — an amazing individual who changed modern management forever." He wrote 39 books and numerous articles. His 1968 book, "The Age of Discontinuity," predicted nearly everyone major change in business that would take place during the next four decades, including the impact of information technology and the inevitable rise of knowledge management as a result. Drucker originated the phrase "knowledge worker." In 1973, his book "Management Tasks, Responsibilities, Practices," essentially laid out a roadmap for how the age of business change would take place. It also pointed out the issues and challenges business would face along the way. His predictions continue to come true, although any predictive accuracy had always been a Drucker trait. In the late-1930s when he was primarily a writer, he foresaw the non-aggression pact between Hitler and Stalin.

Dr. Cohen captures what it was like to attend a class by William A. Cohen. I had taken a course with him as Dr. Cohen. He presented it when he heard management talk of the cost of labor. And he didn't like to think of managing workers either. There were no exams and few case studies, but lots of style of writing to me when I heard management talk of the cost of labor was a vastly more permissive style where managers don't direct their employees. The author has opted to honor Drucker in the best way possible. He has highlighted why and how his ideas continue to vital for the evolution of business. That's worthy of both the student and the teacher. — Henry Holtzman

Bestelling Business Books

Here are the current top 10 bestselling books for business. The list is compiled based on information received from retail bookstores throughout the U.S.A.

2. "The Age of Turbulence: Adventures in a New World," by Alan Greenspan (Penguin Group; $55.00)* (1) Why products sold by Internet generate nearly unending sales. Were a lively, frequently humorous look at management. Managers don't direct their employees. It was the key trait to transforming dreams into reality.
3. "The Long Tail: Why the Future of Business Is Selling Less of More," by Chris Anderson (Hyperion; $24.95) (1) Why products sold by Internet generate nearly unending sales. Were a lively, frequently humorous look at management. Managers don't direct their employees. It was the key trait to transforming dreams into reality.
4. "The Theory X and Theory Y approaches supporting TQM. Theory X was essentially the industrial style of hierarchical management, where workers carried out jobs exactly as managers decreed. Theory Y was a vastly more permissive style where managers didn't direct workers. The workers directed themselves based on an overall objective. Drucker's approach was type of non-permissive management, but it was Drucker's proposed the components of this type of motivation to perform included the following elements:

There is a responsible manager in authority. Workers are led, not managed.
- The workplace is participatory, but not 'free-wheeling.'
- Workers are not motivated through money alone.
- Each worker is motivated differently, according to the individual and the situation. "Management recognizes that workers could leave the organization. Therefore, workers are treated as if they are volunteers and above all, treated with respect." Peter Drucker directly influenced two generations of managers and indirectly impacted a third. An area in which he was initially successful was in persuading boards of directors to steer their organization from senior executives who possess area-specific skills, but not strategic vision. He was an advocate for business schools and encouraged their development and attendance so that those with specific skills might develop or refine their strategic skills.

The author has opted to honor Drucker in the best way possible. He has highlighted why and how his ideas continue to vital for the evolution of business. That's worthy of both the student and the teacher.

— Henry Holtzman

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Imagine a trip to the vineyards of Tuscany where you will drive through a sun-drenched region with vine-clad hillsides, stopping off to visit wineries where fascinating local craftsmen toil at their labor of love. At night you will retire to your villa, a shrine of elegance and testament to good taste.

Now imagine driving just a few hours from Los Angeles or San Francisco and finding much of the same experience. The Paso Robles Wine Country is fast becoming just such an alternative for sophisticated travelers who are often surprised to find such an exquisite getaway so close to home.

To be sure, Paso Robles is not going to become a world-class destination like Tuscany since instead of a well over a thousand wineries there, you’ll find just about 80 in the Paso Robles area. And the overnight accommodations in the immediate area are limited compared to, say, the Napa Valley. Still, there are many inns and lodges within an hour’s drive in places like Cambria, Paso Robles Beach and San Luis Obispo and, of course, the nearby Pacific coastline is an attraction all its own.

Happily we discovered the perfect complement to touring the local wineries – an extraordinary hotel called the Carlton that has just been completely refurbished and re-opened for business in March 2005. This hotel is located in the heart of the wine country, taking up the better part of a block in quaint downtown Atascadero. The first impression is the hotel almost seems out of place as upscale as the finest Napa lodges, yet the town of Atascadero is a simple, laid-back every-day small town with nary a designer clothing store in sight.

The Carlton Hotel is a “boutique” hotel, capitalizing on the growing popularity of boutique lodging both in major cities and with the Carlton wine hotel is just as upscale as the finest Napa lodges, yet the town of Atascadero is a simple, laid-back every-day small town with nary a designer clothing store in sight.

The Carlton Hotel is a “boutique” hotel, capitalizing on the growing popularity of boutique lodging both in major cities and with the Carlton wine country gaining ground on Napa. The aging hotel was recently renovated and now boasts 87 guest rooms with a modern decor, including new furnishings and renovated bathrooms. The hotel also features an outdoor pool and spa, a fitness center, and a wine-tasting bar.

But we digress. The hotel was a pleasant surprise for us, but visitors come to Atascadero and Paso Robles mainly for the stunning combination of wineries and picturesque scenery. We spent a day driving the rolling hillsides of both areas, Searching out various wineries, both large and small. We probably are a bit unusual – we enjoy just visiting the wineries and chatting with the winery employes and do not make a point to taste in every winery we visit. But we did taste a few and found that the wine tastings were often free and the wineries were very welcoming to the visitors we’ve visited where every winery charges for the service.

Local wine maps will help you quite a lot as you seek out the wineries – actually they are something of a necessity considering the rolling hilltops and many country roads. Our preference was to read through the local wine guidebooks and point out the wineries that are little more than a spare taste in every winery we visit. But we did taste a few and found that the wine tastings were often free and the wineries were very welcoming to the visitors we’ve visited where every winery charges for the service.

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At the FountainGrove Inn, Hotel & Conference Center business and leisure travelers alike will discover simple elegance, gracious hospitality and all the amenities one could desire.

From the skylighted, rock-walled lobby whose decor evokes the four elements of earth, sky, fire and water—including a stunning wall-length waterfall that graces the room’s far end. You move through quiet corridors that blend the ancient (Venetian plaster) and modern (brushed metal).

The Inn’s signature horses are represented throughout the property in exquisite sculptures, hand-carved redwood murals, and on colorful canvases in every room as well as in the Equus Restaurant.

The buildings deliberately sweep low across historic Fountaingrove Ranch, affording an unobscured view of the landmark Round Barn above. The native redwood, oak, and stone seem a natural, yet contemporary extension of the surrounding landscape. At the Fountaingrove Inn, the area’s rural heritage and cosmopolitan future are in perfect harmony.

Fountaingrove Inn’s owners began with the most basic premise; The Inn would have to be a place they would just as soon bring their own guests and business associates, as they would to their own home.

Thus, the Fountaingrove Inn reflects upon the people who built it and their deep attachment to Sonoma County’s way of life. Luxurious but not ostentatious, elegant but comfortable, the Inn is true to its environment.

In the twenty years since the Fountaingrove Inn first opened, Wine Country visitors have made it their lodging of choice while in Sonoma County.