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AT DEADLINE

UCLA Anderson Forecast

The second quarter of 2007 has largely lived up to our expectations, showing substantial job loss in real estate-related sectors and sluggish growth elsewhere. Unemployment and mortgage defaults continue to rise. While these fairly dismal results may sound a lot like the beginning of a recession, overall job growth remains positive, and personal income growth remained strong in the first quarter of 2007. In fact, these are the beginnings of exactly the economy we have predicted for some time: sluggish, but no recession. However, the difference between the two is getting smaller all the time.

The continuing increase in mortgage defaults and foreclosures continues to occupy center stage in any discussion of local housing markets, with much of the debate centering on whether these trends are driven by cut-and-run real estate investors, or the dire consequences of the predatory exploitation of working class families. According to the results of our wide study of national, state, and local data on this topic, investors have been a significant portion of the sales boom and the defaults that have followed it. However, the majority of mortgage defaults have still occurred in owner-occupied homes. Furthermore, the counties in California with the

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Ed Arambula recently won the Temecula Valley Arts Festival Poster Competition with this wonderful portrayal of a musician at the Bel Villaggio Center.

Temecula Valley Arts Festival 2007

The Promenade
Winchester Rd.
10/06/07-10/07/07
11:00 AM

SBCERA Earns Record \$1 Billion for Fiscal Year

The San Bernardino County Employees' Retirement Association (SBCERA) recorded earnings of more than \$1 billion for its fiscal year ending June 30, 2007.

"Our board and members can't help but be proud of the accomplishments of our Fund," reported SBCERA Board Chairman, Marvin Reiter. "This year's performance speaks well to our core values."

The total net return for the Fund during this time period was 19.7%. This performance ranked the Fund in the 6th percentile of the ICC (Independent Consultants Cooperative) Total Fund Universe for the year. As an alliance of 18 independent investment consulting firms and State Street Bank, the ICC is subscribed to by the Federal Reserve and the Employee Benefits Research Institute. It boasts the industry's largest and most robust performance universe.

SBCERA's longer term performance in the ICC Total Fund Universe is in the top quartile,

with three and five-year returns ranking in the 9th and 21st percentiles, respectively. Over the one-year period ending 6/30/07, the Fund outperformed its policy index by 180 basis points and bested the allocation index by 290 basis points.

"While we are very happy with the overall annual performance of the Fund, we are particularly pleased by the fact that the Fund had no down months during the period, including those difficult months of February and June," said SBCERA Trustee and Investment Committee Chair Dick Larsen. "Instead, the Fund was up 0.48% and 0.33%, respectively, while the Russell 3000 broad stock market index was down during those months."

SBCERA finished its fiscal year with over \$6.2 billion in assets and has a current annual actuarial rate-of-return assumption of 8.0%. The plan's 2007 fiscal year-end asset allocation included 49.9% in public equities, 15.8% in fixed income, 11.3% in real estate and 8.2% in private equity.

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Corporate Profile

Management

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One Woman and Her Vision

THE PEOPLE

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Health Insurance Industry Contributions to Politicians Block Regulation, Affordability in Health Care Debate

New Analysis Shows \$4
Million from Top Health
Insurers and HMOs

As the Democratic health care bill goes to a vote, the Foundation for Taxpayer and Consumer Rights (FTCR) released a new analysis of health insurance industry contributions to Sacramento politicians which helps explain why they would require Californians to pay for private health insurance but refuse to regulate what insurers can charge for the policies.

Health insurers and their lobbying associations gave a total \$4,094,132 to Governor

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EXECUTIVE NOTES

Veteran venue operations executive **Steve Eckerson** will join **AEG** as the general manager of **Citizens Business Bank Arena** in Ontario, it was announced by Bob Newman, COO, AEG Facilities. **Eckerson's** responsibilities will include overseeing the facility's operations, booking, event and guest services, community and public relations, and security at the AEG-operated and city of Ontario-owned **Citizens Business Bank Arena**, a state-of-the-art, 11,000-seat sports and entertainment arena being built in Ontario, (southern) California, set to open in fall 2008. Eckerson has an extensive background in the facilities and venue industry and joins Citizens Business Bank Arena after most recently serving as the director of event sales and operations for **Qwest Field**, **Qwest Field & Event Center** and **WaMu Theater** in Seattle. He has also held executive and management positions with the **Oregon Museum of Science and Industry**, **Florida Expo Park**, **Eastern States Exposition** and the **Cumberland County Civic Center**.....**Perry Design and Advertising** is celebrating their tenth anniversary, and has expanded to a new office in Rancho Cucamonga's business district -- **Palmae Business Center**, 9431 Haven Avenue, Suite 208, Rancho Cucamonga. Since 1997, **Perry Design and Advertising's** team has been creating and implementing strategic campaigns for regional clients, and was featured on a 2006 cover of **Inland Empire Magazine**, helping to position their agency as a leader in the industry. **Perry Design** was recently appointed full-service agency for the following Rancho Cucamonga businesses: **Terra Vista Town Center**

and the **Rancho Cucamonga Quakes Professional Baseball Club** -- the **CA League Affiliate** of the **Angels**.....**Sperry Van Ness**, one of the nation's largest commercial real estate brokerage firms, is pleased to

announce that **Ruby Simpson, CCIM**, senior advisor, has been selected to serve as the president of the new **Inland Empire Chapter** of the **Commercial Real Estate Women (CREW) Network**. **CREW** is the industry's lead-

ing advocate for the success of women in commercial real estate. The **Inland Empire Chapter** will be the fastest rising chapter in **CREW's** history, incorporating and affiliating less than six months after its initial meeting.

Speculative Building Increasing Inventory

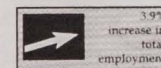
The **Inland Empire's** strong demand drivers are motivating office developers to build in advance of tenant demand, a trend that is expected to continue in the coming months. While vacancy has pushed higher in recent periods, and pre-leasing commitments for current under-construction inventory are lower than in previous years, the long term forecast remains quite positive due to strong employment growth forecasts. In 2007, nearly 11,000 white-collar jobs will be added, despite recent layoffs by mortgage companies. This trend is expected to be short-lived, however, and over the next five years, office-using employment is forecast to expand by nearly 4

percent annually, growth that will drive office absorption going forward. In addition, while deliveries will be elevated this year, construction is expected to slow in the coming years. In the near term, strong growth in metrowide asking rents and rapid price appreciation for existing properties will continue to support current owners and offset the impact of higher vacancy. The competitive threats associated with new development have not stopped buyers from increasing their investments in the **Riverside-San Bernardino metro area**, although the market could experience some modest slowing in the near term. Investors contin-

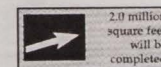
ue to pursue listed properties, pushing prices higher on consistent sales volume. Cap rates have remained in the mid-6 percent range despite higher prices, as strong rent growth has fueled revenue gains. While the investment market may experience some cooling as metrowide vacancy skews higher, buyers focused on the prospects for sustainable long-term growth will likely continue to find opportunities that fit into their investment strategies. Investors may want to target properties in the **Palm Springs/ Palm Desert area**, where vacancy is tight, and concessions are expected to burn off in the coming quarters.

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2007 Annual Office Office



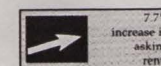
Employment: Inland Empire employers are forecast to create 49,900 jobs in 2007, representing 3.9 percent growth. Office-using employment will expand more rapidly, adding 10,800 positions, a 5.1 percent gain.



Construction: Developers will continue to build in advance of anticipated tenant demand for office space. New construction will total 2 million square feet this year, up from 700,000 square feet in 2006.



Vacancy: Despite healthy absorption levels, the metro's heightened deliveries will drive vacancy up 110 basis points to 10.9 percent this year.



Rents: New construction will push rents higher despite elevated vacancy levels. Asking rents are forecast to increase 7.7 percent to \$22.95 per square foot this year, while effective rents are expected to gain 7.5 percent to \$19.84 per square foot.

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Business Journal!

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Ontario Convention Center Optimizes Website

By J. Allen Leinberger

The Ontario Convention Center has launched a brand new Web site for both the convention center and Ontario Convention and Visitors Bureau.

Visitors to the Web site, www.ontarioecc.com will enjoy the ease with which they can find information about the convention center and bureau amenities. A view of the city's amenities can be found via Google Maps, and people can sign up for the RSS feed to get the latest news on the convention center and visitors bureau activities.

The new site provides an enhanced experience by providing faster access to the site's content.

"Our new site is very easy to navigate and will provide our visitors with information about the bureau and everything the building offers," the Business Journal was told by Bob Brown, general manager and CEO. "We know that meeting planners do much of their research online, and our site offers more information about the convention center to help them do their planning. We geared our content toward what we know is important to them."

The site was built on a LAMP (Linux, Apache, MySQL, PHP) development platform allowing for dynamic ability within the site. Through

the dynamic architecture, better utilization of natural search engine optimization (SEO) gives easy access to Internet search engines picking up Web site content.

Theresa Moretti, director of marketing and public relations, tells the Journal, "We will use the early test phase to fully optimize our content, and then moving forward, we'll apply extensive analytics to continually fine-tune the site."

Centric (www.centric.com) in North Hollywood won the bid to work with the Ontario Convention and Visitors Bureau earlier this year out of a field of four contenders.

"What won us over was their vision for where we go and how we could best utilize Web technology," said Moretti. "Even though we're not yet ready for some aspects of social media like Second Life, they have definitely paved the path for us for when we are ready to expand our reach in that arena."

The Ontario Convention Center provides a full range of technology services, including Wi-Fi, Internet, DS3 and video-conferencing capabilities. To check out the new site for the Ontario Convention Center and Ontario Convention and Visitors Bureau, please visit www.ontarioecc.com.

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UCLA forecast...

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highest foreclosure rates have been those with a combination of middle-of-the-pack home prices, but extremely high usage of adjustable rate mortgages (ARMs) – exactly the combination we'd expect when working families stretch beyond their means to buy a home. But we find little evidence that mortgage defaults have led to wider financial distress for consumers.

Overall, our forecast is that California is in for at least another year of these economic doldrums, with rising unemployment, weak job growth, and a slowdown in all broad indicators. But barring the emergence of a second source of weakness in the economy -- or a substantial

worsening of the real estate sector beyond what we're already predicting -- we maintain our forecast that this sluggishness will not spiral into a full-blown recession.

Labor Market Update: The Chickens Come Home to Roost

In last quarter's installment of the *California Report*, we were waiting for the other shoe to drop: payroll job growth and unemployment were starting to show some signs of slowing, but we were actually holding up better than we expected given the weakness in real estate markets.

The second quarter of 2007 has largely lived up to our expectations – and that's not good. The unemployment rate has continued to increase,

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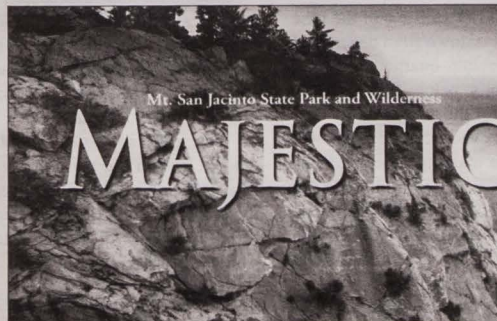
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Record-low Vacancy Rates for the West Inland Empire Industrial Market

by Colliers International

MARKET OVERVIEW

Vacancy rates in Q2 2007 reached their lowest level on record in the West Inland Empire Industrial market. As of the end of the quarter, the rate was just 2.7%, down from 3.6% last quarter and from 4.0% a year ago. This was despite a high level of construction completions - 7.7 million SF in the past 12 months, expanding the base by 3.4%. A still-strong local economy and a severe shortage of space in adjacent markets in Los Angeles and Orange Counties fueled a wave of demand for space in the West Inland Empire.

Asking rental rates and sale prices remained firm at \$0.45 per SF NNN and at \$95 PSF, respectively.

Construction activity has picked up, to 7.7 million SF and vacancy rates may climb slightly as this space comes on-line, but the market is projected to remain tight nevertheless. The West Inland Empire is starting to run out of large parcels of vacant land, and development and activity is generally shifting to the eastern San Bernardino region (Rialto, San Bernardino and Redlands) and towards Moreno Valley and Perris in Riverside County.

DEMAND

Sales and leasing activity in Q2 2007 totaled 5.6 million SF, down from 65 million SF the previous quarter.

When measured in absolute terms, the highest level of activity was in Ontario, at 2.3 million SF. Marketwide, activity also was highest (3.8 million SF) in the big-box segment (100,000+ SF).

When measured in terms of percentage of the base, activity was highest in Fontana (11.9% of the base, on an annualized basis) and market-wide in the 20,000-

40,000-SF segment (18.3%).

In the 12-month period ending Q2 2007, sales and leasing activity totaled 24.7 million SF, representing a "rate of chum" equal to 10.7% of the base. This is a strong rate for Southern California, where the long-term rate averages approximately 8% annually.

Net absorption for Q2 2007 totaled 3.1 million SF, up from 2.0 million SF last quarter.

In the 12-month period ending Q2 2007, net absorption totaled 10.6 million SF, representing growth in occupied space of 4.9%. This is a very high level of net absorption, up from the long-term average for the area of 8.5 million SF per year.

Assuming the economy remains moderately strong, as predicted by the Blue Chip Economic Indicators Group, we expect demand also to remain strong. Activity and net absorption, however, may be somewhat restrained due to a lack of available space.

Long-term, the West Inland Empire industrial market will continue to enjoy a high level of demand based upon its: (1) large supply of modern space; (2) relatively low rents and property prices; (3) immediate access to the large and rapidly growing Southern California economy and market; (4) good rail, air and highway infrastructure; and (5) large labor pool. Further reinforcing its advantageous position are very tight market conditions in the adjacent counties of Los Angeles, Orange and San Diego.

CONSTRUCTION

New construction completions totaled 922,700 SF during Q2 2007, down from the 2.3 million SF per quarter average the previous three quarters. In the 12-month period ending Q2 2007, completions totaled 7.7

million SF, expanding the base very substantially by 3.4%.

Construction activity at the end of Q2 2007 totaled 7.7 million SF, up significantly from 4.1 million SF last quarter. As this space comes on-line over the next six to nine months, it will expand the base by an additional 3.3%. Vacancy rates may climb slightly from their current very low levels as this space comes on-line.

Construction activity at the end of Q2 2007 was very strong in Ontario (3.5 million SF) and Chino (2.0 million SF), as well as in the big-box segment (6.6 million SF).

Despite the recent up tick, the long-term direction of the trends is a slowing in construction activity in the West Inland Empire, largely due to a growing scarcity of large parcels of vacant land.

VACANCY

The total vacancy rate, including sublet space, dropped significantly during the quarter to 2.7%, down from 3.6% last quarter and from 4.0% one year ago. The direct vacancy rate was just 25%. These are very low vacancy rates, particularly for a market with as much construction activity as the West Inland Empire. In fact, they are the lowest rates on record for the area.

Vacant sublet space totaled 466,100 SF or 0.2% of the base. This was down from 638,700 SF the previous quarter, and is significantly below the long-term norm for the area of 0.6%.

The vacancy rate was low in all sub markets except Fontana (65%), where 3.2 million SF in completions took place over the past 12 months. In Mira Lorna, the vacancy rate was an exceptionally low 0.5%.

The big-box segment had a

low 2.4% vacancy rate.

RENTAL RATES & SALE PRICES

The weighted average asking rental rate was firm during the quarter at \$0.45 PSF per month Triple Net (NNN), the same as last quarter but up from \$0.41 one year ago.

Weighted average asking rental rates for big-box space were highest in Mira Lorna (\$0.50 PSF) and lowest in Rancho Cucamonga (\$0.38 PSF). These were the lowest rental rates in the Los Angeles Basin, and were as much as 35% lower than comparable product in Los Angeles, Orange and San Diego Counties.

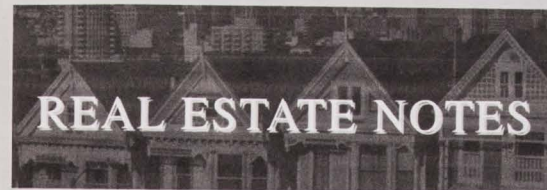
The average sale price remained flat at \$95 PSF, the same as last quarter but up from \$83 PSF one year ago (an increase of 14%). For big-box space, they averaged \$78 PSF, the same as last quarter.

BEYOND THE NUMBERS

Market conditions are exceptionally tight in the adjacent markets located in Los Angeles and Orange counties, where rental rates have been on an upward trend and where sale prices have skyrocketed. Construction activity in these adjoining markets has been restrained, due to lack of available land. These factors will continue to drive strong growth in demand for industrial space in the West Inland Empire, and could result in explosive growth in demand similar to what was witnessed in this market during the late 1990s and in 2000.

Due to the shortage of developable land in the western portion of the valley, rents will likely climb and prices to remain firm. Activity will continue to shift eastward and southward.

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Continued strong demand for office space is the driving force for new spec office space in the Inland Empire, a trend that is expected to continue in the coming months. According to the second quarter *Office Research Report* from Marcus & Millichap, although vacancy has pushed higher in recent periods and pre-leasing commitments for current under-construction inventory are lower than in previous years, the long-term forecast remains quite positive due to strong employment growth forecasts. Some of the most significant aspects from the report include:

- Inland Empire employers are forecast to create 49,900 jobs by year's end, representing 3.9 percent growth. Office-using employment will expand more rapidly, adding 10,800 positions, a 5.1 percent gain.

- New construction will total 2 million sq. ft., up from 700,000 sq. ft. in 2006.

- Vacancy is forecast to hit 10.9 percent this year.

- Asking rents are forecast to increase 7.7 percent to \$22.95 per square foot this year, while effective rents are expected to gain 7.5 percent to \$19.84 per square foot.

- The median sales price has gained 14.7 percent over the past year to \$190 per square foot.

The following are some of the latest real estate activities in the Inland Empire:

A major office/retail project in Ontario is underway, as

PCP Partners Inc. has broken ground on **Ontario Airport Towers**, a 25.2-acre master-planned office/retail project in Ontario. **PCP**, based out of Lake Forest, is developing the project in a venture with a division of **RREEF**, the global pension fund advisor owned by Deutsche Bank. **Ontario Airport Towers** will be built in three phases and will include approximately 850,000 sq. ft. of office space, making it the largest, multi-tower, Class "A" office building development within the Inland Empire. The project is strategically located along the San Bernardino (I-10) Freeway at Archibald and Turner Avenue, allowing for maximum freeway visibility and access. As part of the first phase of the project, which recently began construction, **PGP** will build the first six-story steel frame office building, totaling 150,000 sq. ft., and two retail buildings representing 10,000 sq. ft. Phase One is expected to be complete in the Fourth Quarter of 2008. **Philips North America Corp** signed a five-year, \$5 million lease for 229,800 sq. ft. (\$0.36/sf/mo) of space at **Globe Distribution Center**, located at 25300 Globe Street in Moreno Valley, for expansion of its regional distribution center. This gives the company over half of the concrete tilt-up facility, which sits on over 18.5 acres of land. The building features 32-foot minimum interior clearance, above-standard trailer parking, 72 dock-high loading positions, and easy ingress/egress to the I-215

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market report...

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ECONOMY

- Early estimates show that Inland Empire employers have created 40,800 jobs over the past 12 months, a 3.2 percent increase. Employment growth is slowing, however, as only 8,000 positions were added during the second quarter, according to preliminary data.
- Employers in the Riverside-San Bernardino metro area continue to create office-using jobs more rapidly than total nonfarm employment. Approximately 9,900 office-using positions have been created year over year, a 4.7 percent gain. Growth has been strong so far in 2007, with the addition of 6,000 office-using jobs.

- The professional and business services sector, a key driver for office demand, has created 4,200 positions through the second quarter after adding more than 7,000 jobs in 2006.

- **Outlook:** Inland Empire employers are forecast to create 49,900 jobs in 2007, representing 3.9 percent growth. Office-using employment will expand more rapidly, adding 10,800 positions, a 5.1 percent gain.

CONSTRUCTION

- Office construction in the Riverside-San Bernardino metro area continues to accelerate, as developers have brought 1.1 million square feet to the market over the past 12 months, resulting in an increase to metrowide inventory of more than 6 percent.

- An expanding local economy and strong prospects for future tenant demand are keeping the construction pipeline full despite recent vacancy increases. More than 8 million square feet of new office space is currently in various stages of planning.

- Approximately half of this year's new development will be delivered to the Rancho Cucamonga/Ontario/Fontana submarket, where the triangle created by the I-15, I-10 and I-

815 serves as the metro's core growth center.

- **Outlook:** Developers will continue to build in advance of anticipated tenant demand for office space. New construction will total 12 million square feet this year, up from 700,000 square feet in 2006.

VACANCY

- The delivery of new office space has driven vacancy higher throughout the metro. Early estimates show that vacancy has increased 220 basis points over the past 12 months to 11.2 percent.

- As new construction has come online, vacancy in premium assets has increased. Class A vacancy closed the second quarter at 13.2 percent, 240 basis points higher than at the same period one year ago.

- While some tenants have moved into newer space, vacancy has also risen in the lower tiers. Class B / C vacancy has increased 180 basis points year over year to 9.2 percent.

- **Outlook:** Despite healthy absorption levels, the metro's heightened deliveries will drive vacancy up 110 basis points to 10.9 percent this year.

RENT TRENDS

- Early second quarter estimates put asking rents at \$22.06 per square foot, an 8.3 percent increase year over year. Rising vacancy has prevented owners from easing concessions, but effective rents have recorded impressive gains, advancing 8 percent over the past 12 months to \$19.01 per square foot.

- Asking rents ended the second quarter at \$25.56 per square foot for Class A properties and \$18.72 per square foot for properties in the lower tiers. Over the past 12 months, asking rents for premium assets have gained 7.9 percent, while Class B/C properties have advanced 8.6 percent.

- Average revenue has increased 5.4 percent over the past 12 months, as rising vacancy has

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Vietnam: The New Asian Tiger

Look out your window, the economic engine you see humming away is being driven by globalization. And like any period of economic change, there are going to be winners and losers. You can read the handwriting on the wall, and are aware that you must also incorporate international distributors and suppliers into your operations.

It can seem like a daunting task: committing company resources, acquiring local business connections and knowledge, overcoming language and cultural barriers. While the rewards are compelling, the risks are there: you can waste a lot of time and money chasing leads, trying to separate the players from the stayers, making sure things get done.

The following is a compiled report of the benefits of doing business with Vietnam whether it be direct outsourcing, factory relocation, or direct investment. Not only do we claim Vietnam is the next Asian Tiger, we provide proof to allow you to come to the same conclusion.

Vietnam Today - The way forward

Vietnam has grown by a record 8.2% last year second only to China. Foreign direct investment is set to double this year to a record \$20 billion after a 47% increase in 2006 from prior years. The Vietnam Stock Exchange has seen over 100% growth in 2006 and is up over 45% this year (as of July 2007).

Let's take a look at what the Vietnamese government has done to attract foreign investment and lure multinational manufacturers to Vietnam.

The List that keeps on growing:

- Vietnam joined the WTO on Jan. 11th, 2007
- Vietnam continues to privatize state-owned businesses. The latest being the offering of 30% Sabeco in an IPO set to launch this August.
- State-owned Mobiphone is expected to offer an IPO in 2008.
- Intel has started construction on a \$1 billion dollar assembly plant in South Vietnam.
- Samsung, IBM and Matsushita Electric are moving factories to Vietnam.
- The country has enacted laws on bankruptcy, competition, intellectual properties, and commercial guidelines have been enacted in the last three years.
- As part of the government's 2006-10 socioeconomic development blueprint, **The Bank for Foreign Trade of Vietnam** and **Mekong Housing Development Bank** will be equalized this year.
- Vietnam was named 2006 Country of the Year by the U.S. Commercial service.
- Vietnam will soon issue the first gambling license in Vietnam.
- Recent decrees passed allow for 49% ownership in Vietnamese companies and projects by foreign investors for foreign indirect investment. And 100% for foreign direct investment.
- The Vietnamese dong had gained up to 0.3 percent against the U.S. dollar in 2007. Despite earlier predictions, the govern-



the Capital City Hanoi

ment may look to a mild depreciation to maintain trading competitiveness.

Attracting new companies to Vietnam

- Vietnam government has allotted for companies moving to Vietnam up to a 50-year lease on land and buildings. Currently offering a 70-year lease is under review.
- Tax incentives and relief are anywhere from 1-5 years depending on the size and employment of the proposed factories.
- Expatriates can purchase real estate after residing in Vietnam for one year with land lease ownership for 50 years.
- No import duties on hard assets and machinery that are 80% or newer.
- Vietnam adds between 40,000-50,000 graduated technical and business professionals to the workforce per year.
- Vietnamese literacy rate is over 90%.
- Infrastructure improvement.
- Construction of 3 new container ports.

Vietnam at a Glance:

Total population: 84 million

Formal Name: Socialist Republic of Vietnam (Cong Hoa Xa Hoi Chu Nghia Viet Nam).

Short Form: Vietnam.

Term for Citizen(s): Vietnamese.

Capital: Hanoi.

Major Cities: With 5.6 million people, Ho Chi Minh City (formerly Saigon) is the most populous city. Hanoi has a population of 3 million. Other major cities are Danang, Haiphong, and Can Tho.

Location: Vietnam is located in Southeast Asia, bordered by the Gulf of Tonkin and the South China Sea to the east, China to the north, Laos and Cambodia to the west, and the Gulf of Thailand to the south.

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UCLA forecast...

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now standing at 5.3% in July 2007. We can no longer regard this as simple "uptick": both the size and speed of this increase since the end of 2006 are roughly on par with what we saw at the beginning of 2001. While we still maintain our position that we will not see a full-blown recession over the life of the forecast, this recession-like increase in unemployment obviously introduces more doubt into the equation.

Non-farm payroll job creation has also moved from slightly sluggish to downright anemic: seasonally-adjusted annualized payroll employment growth from Q1 to Q2 was only 0.5%. Even worse, the biggest source of job creation in the second quarter was the Government sector. The news wasn't all bad - Education / Health Care, Professional/Technical Services, and the Information sector all posted faster job growth in Q2 relative to Q1. Unfortunately, small gains in these sectors were not enough to offset the drag from real estate-related employment. Mortgage-related job loss once again swamped the Financial Activities sector, leading to the biggest decline in that sector that we've seen since the end of the boom (5500 jobs). Similarly, job losses in the Construction sector accelerated to 11,500 jobs last quarter. How big a bite out of job growth are these 17,000 lost real estate-related jobs? Total payroll job creation in the second quarter was only 20,000 jobs - real estate job losses offset nearly half of the jobs created in the rest of the California economy.

This combination of real estate-related job losses and sluggish growth elsewhere is what we've been expecting for some time. The overall impact on the labor market has also

been what we've expected: significant drag, but not enough to generate outright declines in total non-farm payroll employment. However, just like with the unemployment numbers, the uncertainty around this "no overall job loss" forecast has risen. In particular, while we have been anticipating Construction job losses of this magnitude for some time, the level of job loss in California's real estate-related finance has been more than we expected. While we worry that job loss in Financial Activities could get worse, given current trends, we still maintain our forecast of very weak but positive payroll growth through late 2008.

But while the employment numbers are starting to look ominous, the broader indicators still look healthy. Aside from some quarterly variation, the overall trend in both nominal and real personal income growth has held steady since 2003, with 2007Q1 showing no hints of any slowdown. However, the combination of weakness in every major source of income (the stock market, the job market, and the housing market) and the sluggishness that we've already seen in national GDP suggests that a slowdown in California's personal income growth is almost certainly just around the corner.

Lies, Damn Lies, and Statistics: A Closer Look at Foreclosures

Depending on who you ask, you can get two very different takes on 2007's explosion of mortgage defaults. Consider these two recent op-ed pieces from Florida and Illinois. The first argues that these foreclosures are simply a well-functioning market punishing investors in a high stakes game of musical chairs, while the second argues that the problem came from predatory lenders taking advantage

of financially naïve families with dreams of home ownership.

So which one of these stories is right? This section will sort through some of the state and local data on mortgage defaults and foreclosures, in an attempt to decide which of these stories is more consistent with the data.

First, let's confront the issue head on: are areas where investors were a big share of home purchases now the areas with more foreclosures? A survey recently released by the Mortgage Banker's Association examines the share of mortgage defaults where the borrowers indicated that they did not plan to occupy the house. Not surprisingly, they find that these investors were a bigger share of purchases in boom states like Nevada, Arizona, Florida, and California, and were also bigger share of defaults. California's share of investor purchases in 2005 was below the national average, but our share of investor defaults is higher. But even in Nevada, which has the highest share of investor defaults of all the states, 68% of prime mortgage defaults and 74% of subprime defaults were not investor owned. Investors are an important part of the default equation, but they are not the majority of defaults.

While the national delinquency data does not indicate widespread consumer distress, the bankruptcy data is more ambiguous, and requires more care. At first glance, it looks great news - in spite of a slow increase since 2006, bankruptcy filings in the US and California are near historical lows. This is somewhat deceptive, since the bankruptcy reforms passed at the end of 2005 made it significantly more difficult to qualify for bankruptcy. As we've seen with previous legal changes, there was a mad rush to file before the new law came into

effect, leading to a signature spike and crash pattern. It is hard to know whether the steady increase in bankruptcy filings since 2005 represents an actual increase in financial distress, or is simply a return to normalcy after the legal change artificially depressed bankruptcy filings by pulling them forward in time.

But while this legal change makes the comparisons across time difficult, it should still be the case that states with a higher level of financial distress in the economy should be the ones that have higher bankruptcy rates when scaled for population.

The majority of foreclosures are occurring in owner-occupied housing (though there are some who argue that many investors claim to be owner-occupants). The county-level data from California shows that foreclosure rates are highest in counties which relied heavily on ARMs, but had below average home prices - which strongly suggests working families who stretched their finances to afford a home, and now feeling the burden of payment resets.

But while owner-occupants are bearing the brunt of the foreclosure epidemic, there is little sign that it had spilled over into trouble paying back other loans. States with high foreclosure rates also tend to have high bankruptcy rates, but recent legal changes and the simple fact that investors declare bankruptcy too makes interpreting that trend difficult. However, the lack of wider financial distress in the economy suggest that this spike in foreclosures is fundamentally different than previous cycles - the days when homeowners ate Top Ramen and let the repo man take the car before missing a mortgage payment may be a thing of the past. But this

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CORPORATE PROFILE

ExpressJet is Off the Ground at LA/ONT

By Joe Lyons

It was barely more than six months ago when ExpressJet Airlines Chief Executive Officer Jim Ream stepped out of a jet at LA/Ontario International Airport to announce flight service beginning in April of 07. That was when the Inland Empire got its first look at the livery of ExpressJet, with the airline's new paint scheme and interior upgrades. The fleet of 50-seat Embraer ERJ-145 jets would soon fly from Los Angeles/Ontario, Sacramento, San Diego, Austin, Tucson, Spokane, San Antonio and New Orleans, to a growing list of cities. Ream had arrived here in Ontario to formally open ticket sales. ExpressJet was new, but definitely not a start-up.

"ExpressJet Airlines operated as one of the world's most reliable regional airlines for more than 10 years on behalf of Continental," Ream told the Business Journal. "Today, we are building on the foundation of our experience and strong base of relationships, to expand beyond our past. We are pleased to begin serving 24 cities under our own banner, as ExpressJet Airlines."

Ream said that ExpressJet Airlines planned to serve more than 150 destinations across the U.S., Canada, Mexico, Central America and the Caribbean with world-class Continental Express service. ExpressJet's branded flying is concentrating on markets that are the right size for its 50-seat jets, with convenient airports, growing local economies and non-stop flights to the markets it now serves. "We are pleased to offer our brand of flying to more customers," Ream said on opening day. "ExpressJet is diversifying its services, but will not depart from the principles of customer service and reliability that allowed us to complete over 3 million departures in

the past 10 years."

Since its inception, ExpressJet focused on efficiency, professionalism and running an exceptional regional jet service as Continental Express. Several of ExpressJet's executive management worked their way up as airline maintenance technicians and crew members learning the business from the inside. They concentrate intently on the details of running a successful operation. That focus has driven ExpressJet to continually find ways to streamline operations, as they did in 2002, retiring all turboprop aircraft to focus exclusively on a faster and smoother all-jet fleet. Attention to detail also earned ExpressJet "Regional Airline of the Year" honors from Air Transport World.

With 75 percent of its all-jet fleet committed to a capacity purchase agreement, allocating 25 percent into markets that offer more strategic control and a greater potential for future growth, is the right mix for ExpressJet. "We recognize that to operate at the level of service and financial performance that earned us a spot on *Fortune Magazine's* 'Most Admired Airlines' list two years running, we must diversify and expand our operations beyond an exclusive focus on Continental Express," Ream said.

Part of that diversification and expansion meant starting service under its own brand, deploying some of the youngest aircraft in the airline's current fleet. It included upgrading their in-flight service, with valet carry-on bag service; free XM® Satellite Radio; redesigned and more comfortable cushioned leather seats, and complimentary, recognized brand-name snacks, as well as full-service meal options on longer flights.

Another part involved turning inward-focused operations into moneymaking businesses serving third-party customers.

A wholly-owned subsidiary, ExpressJet Services, LLC, and Airlines' own Training Services division were certified by the Federal Aviation Administration, (FAA), allowing ExpressJet to provide maintenance and training to other airlines or aviation businesses.

"We have operated a first-class maintenance organization since 1995, and maintained a fleet of 274 aircraft. That gave us a wealth of expertise that we thought would be valuable to customers ranging from a single, private-aircraft owner to an entire corporate or commercial fleet," Ream said.

Boasting one of the fastest and most consistent turnaround times in the industry, with a 99 percent maintenance reliability rating, helped ExpressJet Services attract new partners and new revenue streams. Soon after ExpressJet Services earned FAA certification to provide third-party services, three major European manufacturers of thrust reversers, nacelles and composite airline parts designated ExpressJet Services their North American maintenance repair partner.

Similarly, as ExpressJet grew rapidly in its first decade to operate a fleet of 274 aircraft, it trained more than 3,800 pilots, 3,000 flight attendants, 4,000 ground personnel and more than 1,800 maintenance technicians. Since starting up at LA/ONT it has generated nearly 800 new local jobs. "We knew what it took to have crews well trained and ready to go, because we were making that happen more than 1,300 times a day," Ream said. ExpressJet Training Services gained FAA certifica-

tion to provide third-party training to the corporate and commercial aviation industry. It is also recognized by the American Society for Training and Development. Today the airline's flight simulators, automated classrooms and Cabin Emergency Evacuation Trainer deliver cutting-edge training to third-party customers as well as its own personnel.

Less than a year ago, in December 2006, ExpressJet entered the corporate aviation market, creating a new division, ExpressJet Corporate Aviation, to provide charter service for corporations, aircraft brokers, hospitality companies, sports teams, schools and others. By summer 2007, ExpressJet Corporate Aviation expects to have grown to a dedicated fleet of 15 aircraft.

Corporate customers have responded enthusiastically to ExpressJet's corporate charter service. Clients appreciate the ability to fly newer, cleaner, more reliable jets with a first-class amenity package on schedules they determine.

"ExpressJet Corporate Aviation gives them everything they would want in a company plane without the expense of buying and maintaining it," Ream says.

At a hanger party to celebrate the launch in Ontario, the Inland Empire Business Journal asked Ream why, in fact, ExpressJet chose to launch from Ontario, rather than the larger LAX. Ream explained that Ontario is typical of the 24 airports ExpressJet selected across the country. "They are mid-sized, conveniently located airports that are also located in the right-size markets for ExpressJet's 50-seat jets."

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SALES

You've Fallen... and Don't Know How to Get Up
The Key to Surviving the Downtimes

by Monica Wofford

Leslie paid attention to the trends in the market. At one time she could almost stand on the side of the road with a sign that said "For Sale" and she could make her quota. Things were no longer that way and she, as well as others in her industry were now having to work much harder and much longer to make even the smallest sale. In fact, it seemed that many industries were feeling this trend and the morale, attitude, and action of employees all over was reflecting the apparent down economy. Everywhere she went people complained; sellers were fearful of trying to sell; buyers were fearful of making a big buy; and employees were hearing it from consumers daily. Yet, as was the case in Linda's office, all upper management focused on was the numbers. There was nothing being done about the extra hours she had put in or the extra follow through she had to do, or the downright struggle she faced in psyching herself up to come to work another day.

The truth is our economy has shifted. It has gone back to normal some would say. Others claim the GDP is still rising and job placements are up, both good things. But when your staff starts to feel the crunch and believe that things ARE bad, what do you think the impact on your organization will be? Employees who feel their job is on the line may give up caring what your business looks like. Employees surrounded by negative customers or rejection day in and day out may begin to believe all they hear and pass it on, accurately or otherwise.

The time is now to help those who feel they have fallen, to get up. Change the morale from "it's all going down" to "we can turn things around." Your efforts don't have to rhyme, but they may be the most important thing you do to save your company, your department and your employees from making a mad dash to the door for greener pastures. If you feel your team has fallen... and doesn't know how to get up, try these steps:

Rally the Troops

Much of what is begun as grapevine fodder in organizations is a function of miscommunication. One look or one memo can create an avalanche of damage control and attitude issues. Rally the troops and openly discuss what is going on with your business. What are the trends? What is affecting your business economically? Why are you changing a product line or lowering or raising prices? If they are a part of the process and have all the information they need to know, employees are much less likely to create their own answers to keep from feeling in the dark.

Refocus Training

Part of what helps an organization is training to keep up with the new skills needed and new advancements made. However, training is a 51 billion dollar industry and much of what organizations offer is not what will fix the problem. For example, time management training will not help employees overcome the fear of continued rejection, which may

be the real reason they are not meeting their cold calling quota. A refocused training plan that begins with a complete analysis of where the problems lie may incur a slightly higher investment up front, but will leave you with lasting results far after the downtimes have gone.

Get to Know Who They Really Are

Under stress, a key problem causing element when the media tells us the economy is going bad, people will reach for and use traits and behaviors that are not normally utilized. If an employee shows an attitude problem when the stress is high and change is frequent, but not when times are good, it is possible that mere raised awareness will alleviate the problem. In fact, one profile tool and 90 minutes in our business has been known to clear up days and hours of work in what could have become a huge HR issue. The awareness of what an employee does under stress will help you and that employee to be more rational and productive, at all times.

Bring in an Outside Source

If you have children, then you have seen what happens when they ask you a question. You are just the parent and cannot possibly have any validity. Yet if the neighbor or a complete stranger provides the same answer you did to the same question, that outside, unfamiliar party seems to have real insight! The same is true in your organization. The voices of the familiar faces lose their value over time, and when an outside source comes in and shares

similar information in a different way, their credibility is automatically greater. Bring in a consultant, an advisor, or a trainer that you trust to diagnose and deliver a solution to the problems that you are facing in these times.

Re-Motivate Middle Management

No one seems to suffer more than those in the middle of any situation. Middle management, when times are tough, gets it from senior levels in asking for more numbers and better results. But, they also get it from the employee level in complaints, attrition, or personal issues that prevent performance. Give some thought to the middle managers in your ranks who could use a little kudos, a little team spirit, and a little pat on the back for frankly, being the glue that seems to hold it all together.

Whether you believe times to be tough or just fine, the perception of those you work with is the reality they face every day. What you do in the downtimes shows character and strength and conviction of your beliefs. It is easy to be happy and upbeat when things are good, but who are you when the chips are down and how many people do you help to pick up in the process. They say when you make it through the tough stuff that it builds character, but you have to make it through it to see all the new character you now have.

If you wish to contact Monica personally, visit her Website at www.monicawofford.com or in her office at by dialing (866) 382-0121.

COMMENTARY

San Bernardino Is Still Getting Its Kicks.

By Joe Lyons

For too long the Inland Empire has been seen as little more than "the road to Palm Springs." Such destination sites as the Ontario Mills Mall and Victoria Gardens have changed that perspective. So have our A league ball teams, The Rancho Cucamonga Quakes, The Inland Empire 66ers of San Bernardino, and the Lake Elsinore Storm. Certainly the semi-annual roar of NASCAR in Fontana has been noticed on a large scale.

But the annual Route 66 Rendezvous (sponsored by Stater Bros.) is an important part of this new list of attractions as well. What started with 150 cars and a couple of thousand people has grown into a major event among all people who love the nostalgia of the muscle car era. Granted older events like Reno's Hot August Nights still draws a larger crowd, but the celebrity and notoriety of Route 66 is an event unto itself. Reno, after all, has always been the divorce capital of America, and a small cousin to the lights of Las Vegas.

San Bernardino, on the other hand, is a part of the Route 66 song, which has lasted for better than half a century. Everyone from Nat King Cole to the Rolling Stones has recorded that song, written by Bobby Troup. Holding the event in the town

UCLA forecast...

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need not imply that today's homeowners are somehow less conscientious about their finances. It may be that the mortgage payment has become so large that Top Ramen makes little difference, or that the lack of refinancing

listed right after Kingman and Barstow just makes sense.

Even better now is the fact that the event focuses on the immediate area. For too long the people in charge thought it would be great to get some blow-dried TV celeb from over the hill in L.A. to come out and MC the events.

Those people can't even pronounce the names of some of our towns out here. They would refer to Route 66 as "that thing out in San Bernardino." They even got the dates wrong.

Today one local announcer, KOLA's Vic Slick, can proudly claim to be the "Voice of the Rendezvous." He works the PA all weekend long letting folks in attendance know what's happening and where. The MC for the Hall of Fame Brunch is also a local radio personality, who also happens to be on the San Bernardino City Council.

I know I have sung this song before in these pages, but I continue to believe that continually pretending that anything we do out here needs the imprint of L.A. to make it worthwhile, is just plain wrong. It says that we aren't good enough.

You can say what you want about San Bernardino through most of the year, but come September, San Bernardino has the ability to prove to the world that it is good enough.

opportunities and the adverse incentive of a huge prepayment penalty if you do refinance simply make foreclosure the least terrible of a set of terrible choices.

The end of 2007 will mark the peak of subprime ARM resets, so we expect to see

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market report...

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been offset by the metro's robust rent growth.

• **Outlook:** Asking rents are forecast to increase 7.7 percent to \$22.95 per square foot this year, while effective rents are expected to gain 7.5 percent to \$19.84 per square foot.

SALES TRENDS**

• Investors continue to pursue opportunities in the rapidly expanding Inland Empire office market. Year over year, sales activity has remained fairly steady, declining approximately 7 percent; however, fewer properties have changed hands in recent months, as investors are weighing the competitive pressures of increased construction on existing properties.

• The median sales price has gained 14.7 percent over the past year to \$190 per square foot, although price growth has plateaued in recent transactions. Cap rates have remained steady over the past 12 months, averaging in the mid-6 percent range.

• **Outlook:** The Inland Empire features one of the most dynamic demographic profiles in California, a trend that is driving investment activity, as buyers pursue assets poised for growth. Velocity will likely continue to cool this year, as

healthcare...

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Schwarzenegger, members of the California legislature, and political parties between January 2001 and June 2007.

Assembly Speaker Fabian Núñez and Governor Arnold Schwarzenegger, the architects of a potential health care deal in Sacramento, have led the pack in contributions from the industry. Schwarzenegger has received \$719,600, and Núñez has taken \$136,300. "No one can say, or will admit, how much health care will cost or who will pay. With \$4 million from health insurers and 6 dozen fundraisers in the last three

many properties will experience some fundamental softening due to increased competition from new construction.

SUBMARKET OVERVIEW

• Investors may find properties with upside potential in the Palm Springs/ Palm Desert submarket where concessions are currently above the metrowide average despite boasting the market's highest occupancy rate. Owners are expected to leverage tight conditions to burn off concessions going forward, which should result in solid effective rent gains in the coming years.

• Investors seeking relative value have concentrated on the Corona/Riverside/Moreno Valley submarket, where sales velocity has remained fairly steady. Properties in this submarket currently trade at approximately 10 percent below the metrowide median, while cap rates average in the high-6 percent range.

• The impact of increased development will be felt most dramatically in the Rancho Cucamonga/Ontario/Fontana submarket, where approximately 1 million square feet of new space is under construction and another 1.5 million square feet is in the various planning stages, by far the most in the metro.

weeks, no one in the capital wants to offend the health insurers," said Jerry Flanagan with FTCR.

AB 8, by Assembly Speaker Núñez, benefits insurers at the expense of Californians by requiring workers and taxpayers to pay for coverage but does not cap what insurers are allowed to charge. Under AB 8:

*If the cost of coverage exceeds 5% of income, the worker is not required to buy coverage but will be uninsured or underinsured (forced to buy a high-deductible, low-benefit policy). Those that currently receive cov-

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MANAGEMENT

Empower Your Employees to Make Smart Decisions

By Anne Houlihan

Most company leaders say they want an organization filled with great decision-makers; however, the reality is that the majority of employees are not empowered to make decisions. Instead, the company policy and/or culture make decision-making a multilayer process that requires forms, documentation, and numerous signatures. As a result, few decisions get made, and those decisions that do get made are typically slow to transpire.

Realize, though, that when you empower your employees to make decisions on the spot, not only do decisions get made quicker, but you also improve overall organizational productivity and customer satisfaction. That, in turn, leads to a more positive work environment and increased revenue.

So why aren't more employees empowered to make decisions? Often, the company executives don't trust lower level employees to make decisions. Other times managers are afraid to empower employees to make decisions. They think, "What if the employee makes a wrong decision? What will that do to our bottom line?" Or, even worse, "What if the employee makes a really good decision? What will happen to my job then?"

In reality, once you trust employees, empower them, and train them to be in alignment with the company's values and mission, they rarely make a wrong decision. Additionally, when employees are empowered to make decisions, managers can then focus on long-term goals and strategic planning rather than day-to-day operations.

Use the following guidelines to foster a culture of empowerment in your organization.

1. Establish decision-making parameters for various levels of employees.

Even though you want a company of empowered decision-makers, not all employees should have equal authority for every single decision. For example, you may establish that front line employees can make a decision up to a certain dollar amount, say \$500, and any decision that would exceed that amount needs to go to a manager. Then the manager may have authority to make a decision up to \$2,000, and anything more than that needs to go to an executive team member. Such a structure empowers people, because they know their boundaries and what guidelines to follow when the decision is too big for them to handle. Now there's no guessing or confusion about whether they are allowed to make a certain decision. When people know what they can and cannot do, they feel freer in their decision-making capabilities.

2. Conduct weekly training sessions with your employees.

Your employees can't be empowered if they're not properly trained on all aspects of the business. Therefore, have weekly training sessions with front line employees and managers to allow for role playing and discussion. During these sessions review such things as the company's goals, mission, vision, and culture. Role play possible decision-making scenarios so employees get a sense of what may transpire and how their decisions impact the company. Be sure not to berate or embarrass anyone for making a bad decision during these role play exercises.

Remember, this is a time for learning. Also realize that just because the decision the employee made isn't the one you would make doesn't make the decision wrong. Often, more than one solution exists for a problem.

3. Teach your employees the lifetime value of a customer.

A big part of the training involves educating your employees on the lifetime value of a customer. That is, explain to them that part of their decision-making process should involve looking at how much business that customer has given or could give the company in the future. For example, if a customer is unhappy because something didn't ship on time, and the employee learns that it will cost the company \$100 to overnight the product to the customer, the employee needs to determine if that \$100 shipping fee is warranted. If it's a big customer who gives the company thousands of dollars of business each year, then the \$100 shipping fee is definitely warranted to keep the customer happy. For other scenarios, the \$100 shipping fee may not be warranted, especially if you know this is a one-time sale of an inexpensive item. The key is for employees to give this factor thought as they decide what to do.

4. Acknowledge the special skills and talents your employees possess.

Everyone has special skills and talents that they bring to the table. Know what those are for each member of your team. For example, one company wanted to do a mailer to customers, so they assembled their

employees together to brainstorm ideas. As they talked, they learned that their customer service manager liked to draw. They let him run with an idea he had and sketch out a flyer. The company agreed that his flyer was creative, and they sent it out to their customers. Turns out it was one of the best mailers the company ever did, bringing in lots of new business. The point is that when you allow your employees to use their strengths and creativity, they will often amaze you. The key is uncovering what those strengths are. Therefore, make it a point to meet with employees as people, and not as employees, from time to time. Use those informal get-togethers as a time to find out more about them. By doing so, you're empowering your people to take an interest in the company and feel more confident with their decisions. And confidence is essential to making good decisions.

5. Consistently express appreciation and give rewards to people.

The greatest human desire is the need to feel appreciated. When people feel truly appreciated, they are eager to take on responsibilities and they want the company to succeed. Therefore, make it a habit to thank people, even for small milestones. The thank you could be a simple handwritten note or a big party for a job well done. Also, recognize special events, such as birthdays and anniversaries, and give rewards when appropriate. Some companies give monthly or quarterly bonuses based on company performance, while others give time off or tangible

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LOMA LINDA
CHAMBER OF COMMERCE

"Diversity For A Better Community"



SUNDAY, OCTOBER 21, 2007

The Public is invited to the Annual Loma Linda Community Parade and Fair on Sunday, October 21st. The festivities begin at 10:00 a.m. with the parade starting on Anderson Street near Prospect in Loma Linda, winding down Anderson to the Loma Linda Academy for the Fair immediately following. The Fair activities will continue until 4:00 pm.

This event is sponsored by the Loma Linda Chamber, coordinating the parade, and Loma Linda Academy, hosting the Fair. The theme for this year's parade is "Diversity For A Better Community." Applications for participants are still being accepted. Ribbons will be awarded in several categories. Call the Loma Linda Chamber of Commerce for an application and information, and reserve your spot in Loma Linda's greatest event.

There are four business levels of sponsorship that are offered, and advertising opportunities are available for businesses and organizations. Call the Chamber at 909-799-2828 for details and the Loma Linda Academy at 909-796-0161 for fair booth reservation information, and gain valuable visibility for your business or organization.



Please allow us to introduce ourselves. Triton Communications, Inc., a full service telecommunications company. Originally formed in 1981, and Incorporated on August 12th 1982. We began as a contractor providing installation service for Rolm of California. In 1985, Triton Communications, Inc. became an interconnect and began to serve its own customers.

We are very proud to say that many of our original customers are still with us today. Please review the list of services and qualifications below. We are certain you will find that Triton Communications, Inc. can be of assistance to you and your company. We have a very well trained technical staff and our installation and service technicians have an average of fifteen years experience each. The following is a list of our services:

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empowering employees...

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gifts. Find out what types of appreciation and rewards will motivate your staff, and dole them out freely. This shows employees that you value them, which will make them eager to go the extra mile and make smart decision.

Decide on a More Profitable Future

The more decisions your employees make, the more productive everyone will be. As the leader, you'll have more time to work on the business rather than in it, and your managers will be able to focus on their long-term initiatives rather than the day-to-day minutia. Additionally, empowered employees demonstrate a stronger work ethic, and they hold themselves accountable. They treat the company as if it were their own, and they make smart decisions that advance the company's goals and mission. But perhaps the biggest benefit of having empowered employees is the loyalty they'll show the company. When they feel respected and valued, they'll be eager team members, dedicated to making a positive difference on the company's bottom line.

For more information visit [Anne Houlihan's Website](http://Anne.Houlihan's Website) www.goldenkeyleadership.com or call 951-235-5405.

ExpressJet...

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Immediate gate availability at the Los Angeles/Ontario International airport allowed ExpressJet to get up and running quickly.

Ream also explained that Ontario's facility focuses on providing a convenient air travel alternative to LAX and gave ExpressJet a warm welcome. Its city leaders were eager to gain a new fleet of planes under experienced management. ExpressJet's entry immediately grew LA/Ontario's regional airport service from 20 destinations to 34, and expands its own capacity to serve passengers by another 10 percent. From there, Sacramento, San Diego, Austin, San Antonio and New Orleans, ExpressJet will primarily serve business customers in the bread-basket states. Routes across the West, Midwest and South bring needed non-stop flights to Omaha, Boise, Tulsa, Oklahoma City, El Paso and more than a dozen others.

LA/ONT spokesperson Maria Tesoro-Fermin agrees that ExpressJet has been good for the airport. Its growth has continued, it has brought jobs and, although nothing can be released yet, new destinations are planned out of LA/ONT.

"ExpressJet Airlines has always been 'ready for prime-time,' and it has been no secret to those who follow the industry," Ream concludes. "But the thing about success, particularly in the airline industry, is that the only way to keep it is to keep changing."

Vietnam...

continued from page 8

Length of Coastline: Vietnam's coastline along the Gulf of Tonkin, the South China Sea, and the Gulf of Thailand measures 3,444 kilometers.

Climate: Vietnam's climate is tropical and monsoonal; humidity averages 84 percent throughout the year. Annual rainfall ranges from 1,200 to 3,000 millimeters, and annual temperatures vary between 5°C and 37°C.

Natural Resources: Vietnam's main natural resources consist of coal, copper, crude oil, gold, iron, manganese, silver, and zinc.

Demography: In 2004, Vietnam's age distribution was estimated as follows: 0 to 14 years of age, 29.4 percent; 15 to 64, 65 percent; and 65 and older, 5.6 percent. This age distribution signals slower population growth than in the past. According to 2005 estimates, Vietnam's birthrate was 17.07 births per 1,000 people, and the fertility rate was 1.94 children born per woman. The infant mortality rate was 25.95 per 1,000 live births, and the death rate was 6.2 per 1,000. Also according to 2005 estimates, life expectancy was 70.61 years for the total population, consisting of 67.82 years for men and 73.6 years for women.

Education and Literacy: In 2003 Vietnam's literacy rate was 94 percent, including 95.8 percent for men and 92.3 per-

cent for women. However, educational attainment is less impressive. Although five years of primary school education are considered compulsory and 92 percent of eligible children were enrolled in primary school in 2000, only two-thirds completed the fifth grade. The cost of tuition, books, and uniforms and the need to supplement family income are the two main reasons for dropping out. A huge disparity exists in primary school enrollment between the cities and rural parts of Vietnam. In some rural areas, only 10 to 15 percent of the children progress beyond third grade, whereas almost 96 percent of pupils in Ho Chi Minh City complete fifth grade. In 2000 enrollment in secondary school was only 62.5 percent, much lower than in primary school. One of the government's goals is to expand access to secondary education.

ECONOMY

Overview: Beginning in the 1980s, dire economic conditions forced the government to relax restrictions on private enterprise and sharply cut back on labor camp prisoners, many of them entrepreneurs. In 1986, Vietnam launched a political and economic renewal campaign (Doi Moi) that introduced reforms intended to facilitate the transition from a centralized economy to a "socialist-oriented market economy." Doi Moi combined government planning with free-

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EDITORIAL FOCUS	SUPPLEMENTS	LISTS
November <ul style="list-style-type: none"> • Retail Sales • Industrial Real Estate • Commercial R.E./Office Parks • Educational Services Directory 	<ul style="list-style-type: none"> • Human Resources Guide • Executive Gifts • Building and Development • New Communities 	<ul style="list-style-type: none"> • Commercial R.E. Development Projects • Commercial R.E. Brokers • Fastest Growing I.E. Companies • Mortgage Companies • Title Companies
December <ul style="list-style-type: none"> • Financial Institutions (3rd Quarter, '07) • Top Ten Southern California Resorts • Temporary Placement Agencies 	<ul style="list-style-type: none"> • Health Care 	<ul style="list-style-type: none"> • 2008-09 "Book of Lists" (Jan. 2008) • Fleet Leasing Auto Dealers • Business Brokerage Firms

Why Good Employees Leave - And How to Retain More of Them

By Gregg Gregory

Vickie left the mortgage company she worked with for several years for a competitor and a promotion. No one could blame her for leaving; after all, she had dreams of her own to pursue.

Vickie was well-respected by her coworkers, therefore two of them contacted her almost immediately wanting to come work for her. Vickie knew the talent each possessed and brought them both on board.

Several weeks later, Vickie ran into the president of her previous company. He was outraged, screaming across the parking lot and warning her not to steal any more employees. While Vickie didn't appreciate the verbal abuse, she knew she had done nothing wrong. After all, she could not steal someone who didn't want to leave in the first place, and both employees sought her out for employment initially.

In Vickie's case, the employees joined her because she had gained their respect during her tenure.

While employees leave for a variety of reasons, the reality is the company simply failed to keep them. Many employers believe the ultimate secret to retaining employees is offering more money; however, studies continually show that while money is important - and may be the first answer given in an exit interview - it's rarely the number one reason for leaving a company.

So why do good employees leave? Often times, it's difficult to get a direct answer. However, each person who moves on can tell a story, and it's important to build as much of the story as possible.

The most undervalued tool in determining why employees leave is the exit interview. When someone leaves, who is the best person to conduct this interview? If the immediate

manager is responsible, the interview will not likely result in honest answers. The interview needs to be conducted by a neutral party, usually someone from human resources.

There are certain questions to ask, such as, "Why are you leaving?" While on the surface it seems like a simple question with a simple answer, nothing could be further from the truth.

Think of it this way: when in a department store and the sales associate asks, "Can I help you?" Our preprogrammed response is always, "No, I am just looking."

Well, the same is true for, "Why are you leaving?" The preprogrammed response is, "More money." What is the underlying question? Is money the reason the employee went looking in the first place; that answer is usually no.

To breakthrough the preprogrammed response, there are a series of questions to ask.

Begin with, "What is the reason you have chosen to leave our organization?"

Avoid asking "why" in the opening statement because it sets off the defense mechanism immediately.

The first reason may very well be more money. If so, proceed by thanking the person and asking if he/she feels as though they were underpaid in the current position. Regardless of the answer, ask how important money is to the person. This will feel uncomfortable, but the interviewer will begin to uncover whether money is actually the number one motivator for leaving.

Next, ask what other factors brought on their desire to leave? This could result in many answers - shorter commute, nicer office, etc. - regardless, the next question must be, "Why is this important to you?" Finally, the most important question gauges overall importance: "Which is

more important, money or a shorter commute, nicer office, etc.?"

The first question will bring down the defenses and open the person up for communication, as well as opening the interviewer up to a series of employee needs.

The second question begins the prioritizing process. Usually money is the first answer given - as in the example - and then when asked which is more important, that first answer may be pushed down the list. This process must be continued until the employee says there are no other reasons for leaving.

Beyond a spousal relocation, personal family issues and medical issues, why do good employees leave? While they often tell the exit interviewer it's money-related, a good exit interviewer can uncover reasons, including poor leadership, conflict with others - including immediate supervisors - lack of potential to advance, boredom with the responsibilities, or lack of recognition from management. Even still, there are three main reasons why employees leave.

1. Money

Whether it's the first reason or not, money is always a factor in leaving a job, and often with good reason. Are employers paying their employees fair market value in today's market? If so, money is a scapegoat answer because it's likely the person will not make significantly more in a new position. As an employer, resources like www.salary.com can relay accurate and appropriate information. Managers must reevaluate their employee's salaries on a regular basis to stay competitive.

2. Conflict

Behavioral or personality

conflicts with coworkers or supervisors are also common factors in leaving a job. Conflict with projects can be healthy, yet conflict between people styles can be deadly. Too often people try to get their point across without understanding the other person's point-of-view. Thus, conflict arises on a regular basis. This can be addressed with training on how to adapt to different behavior styles.

3. People Skills

A big reason why employees leave ultimately boils down to poor people skills in management. An employer must ask, "Are my front line leaders good with people?" Many managers were promoted to their position because they did their first job well, but that doesn't mean they know how to lead others in the position. When employees are asked for the top three favorable traits in their best boss, 90 percent are people-based skills.

Determining the underlying causes for an employee's departure is vital to the success and evolution of every company, large or small. The exit interview is the most underrated yet efficient method in gathering this information, and it needs to be continued time and time again to build statistical information on an organization. Each organization is different than the one across the parking lot, therefore, the more information gathered, the more informed senior management will be about strategic decisions down the road.

A job-hopping market is about to take off and retaining good employees will be crucial. Are you ready?

For further information, please contact Gregg at: 866-764-TEAM or visit: www.GreggSpeaks.com

The Super-simplified 401(k) Plan: A Good Choice for Today's Self-employed

By Naseem Qader

As a small business owner, you should be both interested and concerned about two prevailing trends coming together in the American workplace: the job growth created by small businesses and the responsibility of individuals for their own retirement planning. If you are a business owner, with no employees other than co-owners or spouses, then you may wish to consider establishing a Super-simplified 401(k) plan for your business. That's right. As a small business owner, you can enjoy the same 401(k) retirement plan benefits currently provided to millions of other Americans.

If saving as much as you can for retirement is a prime concern, a Super-simplified 401(k) may be an appropriate choice for you. With a Super-simplified 401(k) you are permitted to make profit-sharing contributions up to 25% of your compensation for incorporated businesses or 20% for unincorporated businesses, subject to a \$225,000 compensation cap in 2007. Plus, you may make an additional \$15,500 salary-deferred contribution, and if you are over age 50, that amount increases to \$20,500. The combination of profit-sharing and salary-deferral contributions for 2007 may not exceed \$45,000 (\$50,000 if you are age 50 or older). For many business owners, a 401(k) allows for larger annual contributions than other retirement plans including SEP IRAs, SIMPLE IRAs, and Keoghs.

The Super-simplified 401(k) plan can make saving for retirement easier. Some fully self-directed plans, for example, may allow for a wide range of investment opportunities including

stocks, bonds and mutual funds, provide a loan provision, and allow you to transfer other retirement accounts including Keoghs, SEP IRAs and traditional IRAs (excluding after-tax balances) into your Super-Simplified 401(k)

account.

A good place to start is with our complimentary publication, The Super-simplified 401(k) Plan, which contains information helpful for understanding the options a Smith Barney Super-simplified

401(k) can offer you.

Naseem Qader is a financial advisor with Smith Barney located in Claremont, CA and may be reached at 909-625-9702.

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THE GAINERS

Top five, by percentage

Company	Current Close	Beg. of Month	Point Change	%Change
Modtech Holdings Inc.	1.73	1.17	0.56	47.9%
Hansen Natural Corp.	51.90	44.91	6.99	15.6%
Watson Pharmaceuticals Inc.	31.70	29.82	1.88	6.3%
American States Water Co.	40.89	39.06	1.83	4.7%
CVB Financial Corp.	12.43	11.91	0.52	4.4%

THE LOSERS

Top five, by percentage

Company	Current Close	Beg. of Month	Point Change	%Change
National RV Holdings Inc.	0.55	0.80	-0.25	-31.3%
Channell Commercial Corp.	4.20	4.61	-0.41	-8.9%
Fleetwood Enterprises Inc.	8.53	9.32	-0.79	-8.5%
PFF Bancorp Inc.	16.74	17.52	-0.78	-4.5%
HOT Topic Inc.	8.11	8.37	-0.26	-3.1%

Ticker	9/21/07 Close Price	8/31/07 Open Price	% Chg. Month	52 Week High	52 Week Low	Current P/E Ratio	Exchange
American States Water Co.	AWR	40.89	39.06	4.7	44.84	33.57	NYSE
Channell Commercial Corp	CHNL	4.20	4.61	-8.9	6.01	2.38	NASDAQ
CVB Financial Corp	CVBF	12.43	11.91	4.4	14.15	9.46	NASDAQ
Fleetwood Enterprises Inc.	FLE	8.53	9.32	-8.5	11.41	6.33	NYSE
Hansen Natural Corp.(H)	HANS	51.90	44.91	15.6	52.30	24.75	NASDAQ
HOT Topic Inc.	HOTT	8.11	8.37	-3.1	14.45	7.47	NASDAQ
Keystone Automotive Ind. Inc.(H)	KEYS	47.67	46.95	1.5	47.78	29.80	NASDAQ
Modtech Holdings Inc.	MODT	1.73	1.17	47.9	5.72	1.03	NASDAQ
National RV Holdings Inc.(L)	NVH	0.55	0.80	-31.3	4.46	0.43	NYSE
Pacific Premier Bancorp Inc.	PPBI	10.79	10.50	2.8	12.70	8.51	NASDAQ
PFF Bancorp Inc.	PFB	16.74	17.52	-4.5	38.24	14.53	NYSE
Provident Financial Hldg. Inc.	PROV	22.63	23.22	-2.5	32.80	17.51	NASDAQ
Watson Pharmaceuticals Inc.	WPI	31.70	29.82	6.3	33.91	24.31	NYSE

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

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Five Most Active Stocks

Stock	Month Volume
Hansen Natural Corp.	18,972,864
Fleetwood Enterprises Inc.	11,992,105
Watson Pharmaceuticals Inc.	11,816,856
HOT Topic Inc.	8,478,992
CVB Financial Corp.	4,669,333
D&P/IEBJ Total Month Volume	66,072,327

Monthly Summary

9/21/07

Advances	7
Declines	6
Unchanged	0
New Highs	2
New Lows	1

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COMPUTERS/TECHNOLOGY

A Brief History of the iPod Universe

By J. Allen Leinberger

Success, I am told, has many fathers.

This is especially true in the case of the iPod, the single most successful item in the Apple inventory.

My favorite story has to do with an Apple engineer who was watching an episode of "Star Trek-The Next Generation." Data, the android, was listening to several classical arias at the same time from his computer. The Apple engineer knew this was not possible because computers back then had neither the bandwidth nor the hard drive memory to hold and play back grand opera.

He played around with an existing program called Quick Time in order to get it to hold more music. Thus was born the beginnings of the iTunes Music Library.

So the story goes.

But there is more to the tale. According to Leander Kahney of *Wired Magazine*, there were actually three people involved in the initial development.

Steve Jobs, of course, is one candidate; but engineer Tony Fadell has also been named the father of the iPod, as has Jon Rubinstein, the former head of Apple's hardware division. While they all played key roles in the iPod's development, the iPod was truly a team effort.

Here's the story:

In 2000, Steve Jobs' candy-colored iMac was leading the charge for Apple's comeback, but to further spur sales, the company started asking, "What can we do to make more people buy Macintoshes?"

Music lovers were trading tunes like crazy on Napster. They were attaching speakers to their computers and ripping CDs. The rush to digital was especially marked in dorm rooms -- a big source of iMac

Success, I am told, has many fathers. Success, I am told, has many fathers. Success, I am told, has many fathers.

box software for managing digital music. To catch up with this revolution, Apple licensed the SoundJam MP music player from a small company and hired its hotshot programmer, Jeff Robbin. Under the direction of Jobs, Robbin spent several months retooling SoundJam into iTunes (mostly making it simpler). Jobs introduced it at the Macworld Expo in January 2001.

While Robbin was working on iTunes, Jobs and Co. started looking for gadget opportunities. They found that digital cameras and camcorders were pretty well designed and sold well, but music players were a different matter.

"The products stank," Greg Joswiak, Apple's vice president of iPod product marketing, told *Newsweek*.

Digital music players were either big and clunky or small and useless. Most were based on fairly small memory chips, either 32 or 64 MB, which stored only a few dozen songs -- not much better than a cheap portable CD player.

But a couple of the players were based on a new 2.5-inch hard drive from Fujitsu. The most popular was the Nomad Jukebox from Singapore-based Creative. About the size of a portable CD player but twice as heavy, the Nomad Jukebox showed the promise of storing thousands of songs on a (small-ish) device. But it had some horrible flaws: It used Universal Serial Bus to transfer songs from the computer, which was painfully slow. The interface was an engineer special (unbelievably awful) and it often sucked batteries dry in just 45 minutes.

Here was Apple's opportunity.

"I don't know whose idea it was to do a music player, but Steve jumped on it pretty quick and he asked me to look into it," said Jon Rubinstein, the veteran Apple engineer who's been responsible for most of the company's hardware in the last 10 years.

Now retired, Rubinstein joined Apple in 1997. He'd previously worked at NeXT, where he'd been Steve Jobs' hardware guy. While at Apple, Rubinstein oversaw a string of groundbreaking machines, from the first Bondi-blue iMac to water-cooled workstations -- and, of course, the iPod. When Apple split into separate iPod and Macintosh divisions in 2004, Rubinstein was put in charge of the iPod side -- a testament to how important both he and the iPod were to Apple.

Apple's team knew it could solve most of the problems plagued by the Nomad. Its FireWire connector could quickly transfer songs from the computer to player -- an entire CD in a few seconds, a huge library of MP3s in minutes. And thanks to the rapidly growing cell phone industry, new batteries and displays were constantly coming to market.

In February 2001, during the Macworld show in Tokyo, Rubinstein made a visit to Toshiba, Apple's supplier of hard drives, where executives showed him a tiny drive the company had just developed. The drive was 1.8 inches in diameter -- considerably smaller than the 2.5-inch Fujitsu drive used in competing players -- but Toshiba didn't have any idea what it might be used for.

"They said they didn't know what to do with it. Maybe put it in a small notebook," Rubinstein recalled. "I went back to Steve and I said, 'I know how to do

This. I've got all the parts.' He said, 'Go for it.'"

Thus was born the little music device first reviewed here in the Inland Empire Business Journal nearly six years ago. Its development since then has been in proverbial leaps and bounds. Every generation gets more memory, hence more capacity, and it gets smaller as well.

As the Journal has reported, it has new functions and features as well. The firewire connection has been replaced with a 30-conductor plug, which allows it to sit up in a base for connecting to the computer or a boom box. Color has been added, allowing for album art to accompany each song. Video has been added, allowing people to load movies and TV shows. The Apple TV device lets you play your iPod videos on your TV. Games, contacts, memos and podcasts are now a part of the library.

If Cleopatra had had an iPod, her famous library at Alexandria would not have been lost.

The most recent edition has two new looks. The iPod Touch looks just like its brother, the new iPhone. In fact several people referred to the iPhone as the new iPod. The pity is the iPhone has a very limited capacity for music. Both the iPhone and the new iPod Touch can hold only about 8G of music. The new iPod Classic has a maximum memory of 160 Gigabytes. This allows you the capacity for some 40,000 songs. The average radio station library has about 2,500.

Meanwhile, all of the new generation of iPods have a shorter wider look to them. This provides a bigger sharper video picture. MacAlly, a peripheral company in Ontario has to retool to supply covers for all of the new devices. On the day I had visited

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Vietnam...

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market incentives. The program abolished agricultural collectives, removed price controls on agricultural goods, and enabled farmers to sell their goods in the marketplace. It encouraged the establishment of private businesses and foreign investment, including foreign-owned enterprises.

By the late 1990s, the success of the business and agricultural reforms ushered in under Doi Moi was evident. More than 30,000 private businesses had been created, and the economy was growing at an annual rate of more than 7 percent. From the early 1990s to 2005, poverty declined from about 50 percent to 29 percent of the population. However, progress varied geographically, with most prosperity concentrated in urban areas, particularly in and around Ho Chi Minh City. In general, rural areas also made progress, as rural households living in poverty declined from 66 percent of the total in 1993 to 36 percent in 2002. By contrast, concentrations of poverty remained in certain rural areas, particularly the northwest, north-central coast, and central highlands.

In 2001 the Vietnamese Communist Party (VCP) approved a 10-year economic plan that enhanced the role of the private sector while reaffirming the primacy of the state. In 2003 the private sector accounted for more than one-quarter of all industrial output, and the private sector's contribution was expanding more rapidly than the public sector's (18.7 percent versus 12.4 percent growth from 2002 to 2003).

Despite these signs of progress, the World Economic Forum's 2005 Global Competitiveness Report, which reflects the subjective judgments of the business community, ranked Vietnam eighty-first in growth competitiveness in the world (down from sixtieth place in 2003) and eightieth in business competitiveness (down from fiftieth place in 2003), well behind its model China, which ranked forty-ninth and fifty-seventh in these respective categories. Vietnam's sharp deterioration in the rankings from 2003 to 2005 was attributable in part to negative perceptions of the effectiveness of government institutions. Official corruption is endemic despite efforts to curb it. Vietnam also lags behind China in terms of property rights, the efficient regulation of markets, and labor and financial market reforms.

Gross Domestic Product (GDP): In 2004 Vietnam's GDP was



The City of Ho Chi Minh



Workers at a garment factory

US\$45.2 billion. Per capita gross national income was US\$550. However, based on purchasing power parity (buying power for a basket of goods without regard for market exchange rates), Vietnam's per capita GDP was approximately US\$2,700. In 2004 the contributions to GDP by sector were as follows: agriculture, 21.8 percent; industry, 40.1 percent; and services, 38.2 percent. Reflecting Vietnam's hybrid economy, industry ownership was mixed, as indicated by percentage of output, as follows: state-owned, 40 percent and declining; privately owned, 25 percent, but employing four times as many workers as the state-owned sector; and foreign-owned, 35 percent.

Government Budget: In November 2003, Vietnam's National Assembly approved a total state budget of about US\$12 billion for 2004, corresponding to about 26.5 percent of estimated gross domestic product (GDP). The government's budget deficit, currently targeted not to exceed 5 percent, is rising but remains under control in the view of independent observers.

Inflation: In 2004 inflation was 9.5 percent, higher than the 3.4 percent rate measured in 2000 but down significantly from 160 percent in 1988. The long-term decline reflects the beneficial effect of fiscal and monetary reforms aimed at stabilizing the economy.

Compiled by: Lance McBride, Eric Stevens of LI. Lorachell International has conducted business in Vietnam since 1999. Widely considered experts in this country, many U.S. businesses and media alike turn to Lorachell for expert advice on the business climate.

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A DEVELOPMENT BY



UCLA forecast...

continued from page 12

mortgage defaults peaking sometime in the first half of 2008. Coupled to a sustained lull in building activity, we predict that real estate markets will continue to be a drag on California growth for at least a year to come. With no other sectors picking up the slack, we expect to see overall job growth of less than 1% through this time next year. This prognosis is worse than previous forecasts in part because of the worse-than-expected job loss in Financial Activities. Unemployment will reach a peak of 5.9% at the end of next year, with corresponding weakness in personal income and gross state product. A pickup in building permits and a moderation in mortgage problems in late 2008/early 2009 marks the end of significant drag from real estate, with the California

economy returning to relatively normal levels of growth by the end of the forecast.

Conclusion

Net net, we forecast that a further decline in housing starts along with consumer durables to take the economy down to a near-recession GDP growth pace of 1% in the fourth quarter of 2007 and the first quarter of 2008. Growth thereafter will remain tepid until the economy returns to its 3% trend in 2009. The Fed responds by cutting the Fed Funds rate from 5 1/4% to 4 1/2% by year end. The economy just misses going into recession by strength in net exports and business investment in equipment and software. We forecast that it will take years for the housing market to recover to "normal" and the situation will be exacerbated in the short-run by changes in legislation affecting the mortgage industry.

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Thank you to our donors: Frederic Rubel Jewelers and Chris & Claudia Clarkson, Steve & Sherri Morgan, INLAND EMPIRE business journal, Southern Wine & Spirits, HUB International, Gordon Mountjoy & Associates, Inc., ROBERTSON'S, Gless Ranch, The Inventory Company, Irvine Pipeline Co., John Ginger Masonry, Vic & Carol Karidakis, Life Brokerage Financial Group, Maggard Enterprises, Manheim's Riverside Auto Auction, Painting the Town Park, Guptill & Co, Prudential Overall Supply, Ray's Mobil Auto Detail Service, Inc.

For the Benefit of Loma Linda University Children's Hospital



IF WE SAID IT OURSELVES, IT WOULD BE BRAGGING.



HealthGrades, the nation's leading independent health care ratings company, examines more than 5,000 hospitals across the country. They have all kinds of great things to say about patient care at Pomona Valley Hospital Medical Center. For example, they say we're among the top 5% in the nation in treating strokes. We're among the leaders in the San Gabriel Valley area in orthopedics, joint replacement, appendectomies, and stroke. We get Five-Star ratings in treating heart failure, stroke, sepsis, appendectomy, and hip fracture repair. We're also mentioned among the top hospitals for specialty excellence for women's health services, with high marks in cardiac, stroke, and maternity care—in fact, we earned the HealthGrades 2006/2007 Maternity Care Excellence Award™.

The people at Pomona Valley Hospital Medical Center work long and hard to provide the best in health care and treatment for our patients in the community. And we're pleased that an independent source says our efforts—and the results—are among the best. Because, after all, modesty forbids saying so ourselves.

2007 HEALTHGRADES RECOGNITION:

Stroke Care Excellence Award (Top 5%)

Five-Star Rating – Congestive Heart Failure

Five-Star Rating – Stroke

Five-Star Rating – Sepsis

Five-Star Rating – Appendectomy

Five-Star Rating – Hip Fracture Repair

Five-Star Rating – Women's Health Services

Five-Star Rating – Maternity Care



1798 N. Garey Avenue, Pomona 909-865-9500 www.pvhmc.org

New Technology and Medical Breakthroughs at Pomona Valley Hospital Medical Center

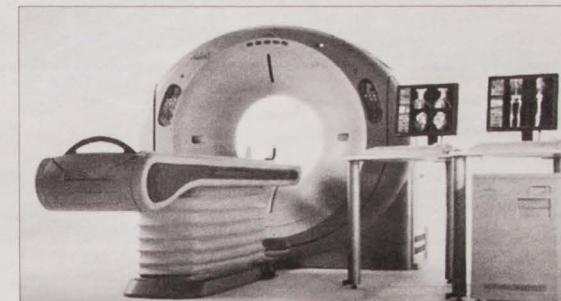
Pomona Valley Hospital Medical Center (PVHMC) has long been a front-runner in using the latest technological advances in the medical field to treat its patients. For over a century PVHMC has maintained a reputation for acquiring medical technology for the benefit of the community it serves.

The Intuitive da Vinci Robotic Surgical System provides physicians a sophisticated new surgical tool, translating into less-invasive procedures and potentially better outcomes for patients. With patients traditionally positioned for surgery, the surgeon remotely controls four robotic arms at the da Vinci console, allowing the physician to use miniature EndoWrist surgical instruments within the patient. The surgeon manipulates the robotic "hands" in real-time using master controls, allowing him to see minute, 3-D details inside the patient with the aid of cameras located inside the patient. With smaller incisions patients can experience a faster recovery time, as well as a lowered risk of infection or other complications.

The swallowable PillCam™ or Capsule Endoscopy as it is also known, is a non-invasive procedure used to diagnose and treat patients with gastrointestinal disorders of the small intestine such

as Crohn's disease, celiac disease, gastrointestinal bleeding, inflammatory bowel disease and small bowel tumors. With a miniature camera on one end, the PillCam™ video capsule is swallowed and glides down the GI track taking approximately 50,000 images of the small bowel. The images are transmitted to and then stored on a recorder belt worn by the patient for eight hours. The physician views the images at a later time to make a diagnosis.

The Aquilion 64-channel Computed Tomography (CT) System from Toshiba America Medical Systems, Inc. was a first in the region and for PVHMC. Previously patients undergoing a traditional one or four channel CT would lie still for up to 30 minutes. These same CT studies can now be done in less than 30 seconds with the new 64-channel (or 64-slice) CT while producing images more clearly than ever before. These images can then be manipulated in a variety of ways using a Vitrea 2 workstation, allowing the physician to choose the style, angle and color of the image in order to create optimal viewing to analyze vessels, bones, tumors or other anomalies. The software offers images in two, three or four-dimensional views. Because of the speed of its scans, the new 64-slice scanner



The Aquilion 64-channel Computed Tomography (CT) System

has enormous implications in the treatment of emergency, pediatric and elderly patients.

Digital Mammography with Computer-Aided Detection (CAD) is technology on the cutting edge of breast cancer screening. The New England Journal of Medicine has highlighted the accuracy of Digital Mammography, stating that it is more accurate than film in detecting breast cancer in women under age 50, those with dense breasts, and in pre-and-perimenopausal women. Although patients will initially notice little difference between digital and traditional film mammograms, with the digital system patients no longer must wait for their films, as the digital images are available right away for reading by a radiologist.

The Trilogy System from Varian Medical Systems was recently installed at The Robert

and Beverly Lewis Family Cancer Care Center at PVHMC. The new image-guided radiation therapy (IGRT) system for the treatment of cancer is the most powerful, precise and versatile treatment solution ever provided by one product. In addition to delivering conventional forms of radiation therapy, the Trilogy system can be used for stereotactic

approaches (non-invasive radiation treatment with the precision of surgery, used for certain brain conditions) for treating very small lesions quickly and with unprecedented precision. It can also compensate for any movements a patient might make during the treatment, as well as normal respiratory motion. The Trilogy linear accelerator was designed to deliver high doses of radiation very quickly, and with great precision. That translates into faster treatments, greater patient comfort, and the potential for better outcomes.

For more information on the newest technologies at PVHMC, call the hospital's marketing and public relations department at (909) 865-9129.

Pomona Valley Hospital Medical Center is one of only 277 hospitals in the country to be named a recipient of the HealthGrades 2006 Distinguished Hospital Award for Clinical Excellence, and is ranked among the Top 5% in the nation for clinical excellence. PVHMC has also been recognized nationally as a Benchmark Hospital by Solucient for earning the 100 Top Hospital designation four times the list's eleven-year history; PVHMC is one of only two California hospitals given this Benchmark distinction, and no California hospital has earned the 100 Top Hospital designation more than four times.



The Intuitive da Vinci Robotic Surgical System

Interconnect/Telecommunications Firms Serving the Inland Empire

Ranked by Number of Employees in the Inland Empire

Company Name Address City, State, Zip	Employees: Inland Empire Companywide	Year Established in Inland Empire	Offices: Inland Empire Companywide	Major Brands Carried	Top Local Executive Title Phone/Fax E-Mail Address
1. Verizon 3633 Inland Empire Blvd., Ste. 600 Ontario, CA 91764	2,600 25,000	1952	5 3 Headquarters	Northern Telcom, Fujitsu Business Comm.	Mike Sherburn General Manager, Branch Ops. (562) 483-6262/483-6126
2. Business Telecommunications Systems, Inc. 549 W. Bateman Circle Corona, CA 92880	40 N/A	1981	1 1	Inter-Tel, Toshiba, Tadiran Active-Voice, CISC Shoretel	Larry Lavorgna President (951) 272-3100/493-3033
3. Triton Communications, Inc. 663 Brea Canyon Rd. Walnut, CA 91789	12 25	1982	1 2	NEC, Panasonic	Vito M. Tasselli President (909) 594-5895/598-2832 vito@tritoncomm.com
4. Quintron Telephone Systems, Inc. 500 Harrington St. C-2 Corona, CA 91720	10 240	1982	1 3	Prime NEC Dealer, BMC/Call Processing/Voice Mail Syst., Simon by Quintron	Charles Minerd District Manager (951) 736-6790/736-6793
6. Inter-Tel Technologies 1667 Batavia Orange, CA 92867	2 990	1982	0 32	Inter-Tel AVT, Active Voice, Toshiba, Mitel	Gary Giddings Branch Manager (714) 283-1600/283-2600
5. Phone Systems Plus 13741 Danielson St., #A Poway, CA 92064	0 12	1986	1 2	NEC, Microsoft, Novell	Ron Kohl President (888) 552-2600/(858) 679-3910

N/A = Not Applicable WND - Would not Disclose na = not available. The information in the above list was obtained from the companies listed. To the best of our knowledge the information supplied is accurate as of press time. While every effort is made to ensure the accuracy and thoroughness of the list, omissions and typographical errors sometimes occur. Please send corrections or additions on company letterhead to: The Inland Empire Business Journal, P.O. Box 1979, Rancho Cucamonga, CA 91729-1979. Researched by Janette Damian. Copyright IEBJ.

Internet Service Providers Serving the I. E.

Ranked Alphabetically

Company Name Address City, State, Zip	E-mail Address http://www.	# Subscribers I.E. Year Founded I.E.	Three Major Services	Top Local Executive Title Phone/Fax
1. Cruznet 215 E. Orangethorpe Ave., Ste. 333 Fullerton, CA 92832	webmaster@cruznet.net cruznet.net	WND 1994	Unlimited Time 56K Dial-Up and ISDN Service, Full Service Web Hosting and Design, E-Commerce, High Speed Corp. Access Services: T-1, T-3 Leased Lines	Shahram Manigalham Director Network Operations (714) 680-6600/680-4241
3. Infinity Internet 1101 SE Tech Center Drive, Ste. 150 Vancouver, WA 98683	www.iinet.com	1987	DSL, Wireless, Company Location	Doug Palin President (888) 863-1682
4. Inland Internet 27192-A Sun City Blvd. Sun City, CA 92586	info@inland.net inland.net	N/A 1995	Unlimited Dial-Up Access, Web Design & Hosting, Business/Personal Accounts	Nancy Kiren ISP Manager (951) 672-6620
5. Keyway Internet Services 1030 N. Mountain Ave., Ste. 335 Ontario, CA 91762	sales@keyway.net www.keyway.net	1,000+ 1995	Dial-Up/DSL Services Web-Hosting Services T1/T3 Services	Travis Weden Sales Manager (909) 933-3650/933-3660
6. Linkline Communications, Inc. 10427 San Sevaine Way, Ste. A Mira Loma, CA 91752	linkline.com	10,000 1993	DSL/Hi-Cap Service, Dial-Up Service, Web Page Hosting	Steve Caster VP/General Manager (951) 727-5095
7. NetWebb.com 9605 Arrow Rte., Ste. S Rancho Cucamonga, CA 91730	admin@netwebb.com netwebb.com	700 1997	Internet Access, Web Hosting, Web Design, Shopping Cart for E-Commerce	Arris Harwood President (909) 980-2695/980-5105
8. Ultimate Internet Access, Inc. 4120 Jurupa Street, Ste. 212 Ontario, CA 91761	info@uia.net www.uia.net	10,050 1996	Broadband, Managed Firewall, Hosting	Ray Mouton President (909) 605-2000/605-2900

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record-low
vacancy...

continued from page 6

MARKET DESCRIPTION

The West Inland Empire continues to stand out as one of the fastest growing industrial markets in the country. Comprised of 233 million SF, it represents 19% of the total industrial space in the Los Angeles Basin for buildings 10,000 SF and greater. Considered the premier big-box market in Southern California, approximately 73% of the space in this market is contained in buildings 100,000 SF and greater. The vast majority (88%) of its space was built in the past 20 years. The West Inland Empire continues to attract large distributors, warehouse and logistics firms seeking to consolidate their operations into large, state-of-the-art facilities.

DEFINITIONS OF KEY TERMS USED IN THIS

REPORT

Total Rentable Square Feet:

Industrial space in buildings with 10,000 SF or more of industrial space. Includes speculative as well as owner-occupied buildings. Excludes Research & Development (R&D) buildings (industrial buildings with at least 30% office build-out, 3/1000 parking ratio and a high level of finish). Excludes space that is under construction or renovation.

Direct Vacancy:

Space in existing buildings that is vacant and immediately available during the quarter for direct lease or for sale, plus space that is vacant but not available for direct lease or sublease (for example, that is being held for a future commitment).

Total Vacancy:

Space in existing buildings that is vacant and immediately available during the quarter for direct lease, for sublease or for

sale, plus space that is vacant but not available for direct lease or sublease.

Total Available:

All space that is being currently marketed for occupancy includes space which may be currently occupied or which may be under construction or renovation.

Net Absorption:

Net change in occupied square feet from one period to the next (includes the impact of change in vacant space available for sublease.)

Sales and Leasing Activity:

Square feet sold or leased for all known transactions completed during the quarter. Includes lease renewals. Excludes investment sale transactions.

Weighted Average Asking Rental Rates:

Weighted by square feet available for direct lease. Data is

based on Triple Net rents, and excludes expenses such as taxes, insurance, maintenance, janitorial service and utilities. Reported on a monthly, per SF basis.

Average Sales Price:

Calculated using a straight average of actual sales transactions.

SF Added (Net):

Total square feet added during the quarter via construction completions, including renovated space returned to market, less total square feet taken off-market due to demolitions or conversions.

Under-Construction/Renovation:

Includes buildings that are in some phase of construction, beginning with foundation work and ending with the issuance of a Certificate of Occupancy. Also includes buildings that are under going substantial renovation.

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You don't need to go far to find a career with an innovative, growing company. ESRI, the world's leading developer of geographic information system (GIS) mapping software, is located right here in the Inland Empire. With annual revenues of more than \$610 million, ESRI employs 4,000 people worldwide—1,700 of whom are based in Redlands.

We are looking for qualified professionals in the areas of

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- Contracts
- Human Resources
- Marketing
- Software Development



380 New York Street, Redlands, CA 92373-8100

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Computer Retailers in the Inland Empire

Ranked by Inland Empire Revenue

Company Address City, State, Zip	2006 Revenues: I.E. Total	Services	Products	#Empl. Inland Empire #Stores Inland Empire Yrs. in Inland Empire	Marketing Director	Top Local Exec. Title Phone/Fax E-Mail Address
1. Jaguar Computer Systems 4135 Indus Way Riverside, CA 92503	\$22 Mil. \$22 Mil.	Networking Connectivity, Client Services	Novell, Hewlett-Packard, Compaq, NT, WEB, ISP	50 1 22	George F. Hoanzl	George F. Hoanzl Vice President (951) 273-7950/734-5615 ghoanzl@jaguar.net
2. Burtronics Business Systems 216 S. Arrowhead Ave. San Bernardino, CA 92408	\$16 Mil. \$16 Mil.	Novell, Microsoft, Epson IBM, H.P. Compaq, Gateway Xerox, Service Center	Novell, Microsoft, IBM, Gateway, H.P., Compaq, Xerox, Premio, Authorized Resellers	81 2 42	Greg Gray	Tom Thompson President (909) 885-7576/885-7416
3. Accent Computer Solutions, Inc. 8438 Red Oak St Rancho Cucamonga, CA 91730	\$3.5 Mil. \$3.5 Mil.	Network Services, Accounting Software, Voice & Data Cabling, Telephone & Voicemail Systems, WAN Design, Remote Access Solutions, Hardware & Software	Microsoft Products, Masgo, Peach Tree Acct. Sw Toshiba Phone & Voice Mail Sys. Siemon & Levitan Cabling Sys., Citrix Solutions, HP & Dell	25 1 20	Marty Kaufman	Marty Kaufman President (909) 481-4368/481-4376
4. Netseller.com 7207 Arlington Ave., Ste. G Riverside, CA 92503	\$4.5 Mil. \$4.5 Mil.	Computer Sales Surplus, Excess, Closeouts	Computer Hardware Surplus	29 1 5	Bruce Nicklin	Bruce Nicklin Owner (951) 637-0460/637-0463 sales@netseller.com
5. Unitek Technology, Inc 2037 Pointe Ave. Ontario, CA 91761	\$3 Mil. \$3 Mil.	Own Warrant Support, Limited Repair for Regular Customers	HP, Compaq, IBM, Apple, Unitek Brand Hardware, Software, Peripherals, Microsoft NT & Novell Networks	5 1 12	Eugene D. Rossel	Yubo Ho President (909) 930-5700/930-5710 utu@worldnet.att.net
6. Inland Computer Center 3811 Schaefer Ave. "A" Chino, CA 91730	\$2 Mil. \$2 Mil.	Manuf. Networking-Repair, Sales, Consulting	Computers	8 1 20	John Incontro	Steve Incontro Owner (909) 591-1944/591-8980 john.1@webicc.com
7. Computer Nook 965 S. "E" St. San Bernardino, CA 92408	\$1.95 Mil. \$1.95 Mil.	Network, Computer, Printer Repair, Technical Support	Novell, Windows 2000, DTK Computers, Okidata Printers	7 1 20	John Hohensee	John Hohensee Owner/General Manager (909) 381-3446/381-0882 nook@cnook.com
8. Western Data Ent., Inc. 6711 Studio Place Riverside, CA 92509	\$1.5 Mil. \$1.5 Mil.	Network Services, Software Integration, Data & Voice Integration, Consulting	Servers, networking products, Telephone systems	8 1 18	David Dennis	Rick Wright General Manager (951) 360-0558/360-0965 wright@westerndata.net
9. Southwest Networks, Inc. 19020 N. Indian Ave. Ste. 2B N. Palm Desert, CA 92258	\$1.3 Mil. \$1.3 Mil.	Sales/Service of Computer Networks	Compaq, Hewlett-Packard, Novell, Microsoft	8 1 3	Valerie Bizier	Mike Bizier President (760) 288-2200/288-4988
10. Hollis Computer Corporation 8401 White Oak Ave., #113 Rancho Cucamonga, CA 91730	\$250,000 \$250,000	Networking, Repairs, Sales, DSL, Remote Services, Technical Support, Upgrades, Contracts	Intel, H.P., Epson, All major brand hardware	3 N/A 5	John Hollis	Adam Daniels Lead Tech (909) 483-0042/483-0297 carla@holliscomputers.com
11. Advanced Micro Computer 6667 Indiana Ave. Riverside, CA 92506	N/A N/A	Sales, Service, Training, Technical Support, Upgrades, Networking	IBM Compatibles, other names on request, Custom-Built Systems	12 1 9	James Nguyen	James Nguyen General Manager (951) 682-1455/682-9940
12. Alpha Business Systems 30 N. Central Ave. Upland, CA 91786	N/A N/A	Sales, Service for All Computer Products Sold, Technical Support	IBM, Macintosh, AST, Compaq, Packard Bell, Compatibles, Printers	3 1 6	Mahmood Khan	Mahmood Khan Owner (909) 608-7660/982-2252
13. CompUSA 625 Hospitality Lane San Bernardino, CA 92408	N/A N/A	Mail Order, Computer Training, Technical and Corporate Services	Hardware, Software, Peripherals, All Related Products	60 1 12	Rick Fountain	Sam Sindha Regional Manager (800) 849-4622/447-3085 (909) 381-1636/387-1598
14. Computer Resources 42-575 Melanie Pl., Ste. F Palm Desert, CA 92211	N/A N/A	Microsoft, Network Gold/Unix, Computers Repair/Service, Training	Novell/Unix, Compaq, Okidata, Microsoft, Hewlett-Packard, Epson	10 1 12	Fran Yaqinto	Fran Yaqinto President (760) 328-4158/568-3907 compresources.com
15. Human Computer 3678 Van Buren Blvd. Riverside, CA 92503	990,000 990,000	Computer Sales, Networking, Hardware/Software Repair	IBM Compatibles	5 3 11	Mike Brewer	John Lim Vice President (951) 343-2800/343-2869
16. Inland Computer Systems 740 S. "H" St. San Bernardino, CA 92410	N/A N/A	Local/Wide-Area Networking, MS/ Novell Gold Solution Providers, Cisco Design & Support, Web programming	IBM, H.P., Compaq, Lexmark, Epson, Apple	15 1 5	Ray Nieves	Sergio Guevara President (909) 383-3450/383-3451
17. Inter-Tel 1251 E. E. Dyer Rd Santa Ana, CA 92705	7,000,000	Repair, Maintenance Agreements, Consulting, Sales, Novell Networks	Computers, Networks, Peripherals, Software	5 0 25	Susan Cable	Ross A. Jones General Manager (714) 283-1600/283-2600
18. Riverside Computer Center 3613 Canyon Crest Dr. Riverside, CA 92507	\$2 Mil \$2 Mil	In-House and On-Site Service, Printer and System Repairs, Full Upgrade Service	Custom-Built Intel Pentium Systems, Hewlett-Packard and Epson Printers	8 1 24	Dave Scharffenberg	Dave Scharffenberg General Manager (951) 787-0200/787-9932
19. Simplified Computer Systems & Training 415 N. Central, #A, Upland, CA 91786	N/A N/A	Repairs, Business Services, Training, Computer Classes, Upgrades	IBM, Compaq, Novell, Bondwell, Panasonic, Custom-Built Systems	6 2 13	A. Harry Panagiot	A. Harry Panagiot President (909) 981-9535/981-9525
20. US Computer Solutions 23300 Sunnymead Blvd. Moreno Valley, CA 92553	N/A N/A	Microsoft Network Installation HP Warranty Support, Repair Maintenance Services	Microsoft, Hewlett Packard Cisco, Novell Network	7 1 14	Michael Deveso	Larry Min Branch Manager (951) 242-3442/485-2138

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MANAGEMENT

Retention: Your Most Important Competitive Edge

By Francie Dalton

No matter what source you choose, Department of Labor, Bureau of Labor Statistics, Department of Commerce, etc., the forecast is the same for the United States:

- By 2010, there'll be 10 million more jobs than workers;
- By 2013, there'll be a shortage of 6 million degreed workers;
- By 2020, the shortage of workers will be 14 million.

And these numbers are net of the talent we import and the jobs we export!

The implications of these shortages are numerous and serious.

First, the competition for workers will be intense. Losing good employees to "better offers" will be a constant problem, resulting in 30 percent turnover being comparatively low.

Second, in addition to a quantitative deficit, we're facing a qualitative deficit. The US currently ranks 7th among the world's 30 most industrialized nations in producing college graduates from the 25-34-year-old age group. This exacerbates the coming shortage of over 6 million degreed workers, threatening organizational ability to sustain both the pace of project execution, and the volume of valued services.

Third, these projections reveal a significant and tough-to-manage gap in the ages of workers. Our workforce will include those under 30, and over 49, but very few workers who are age 30 to 49. Managerial talent will have to be sufficient to manage each group effectively, and have the skills needed to get the groups to work together productively.

Fourth, as technological advances continue to allow the automation of physical and technical jobs, remaining positions will increasingly require the "high

touch" style of management traditionally attributed to females. Current and aspiring male executives will have to achieve fluency with "high touch" management to compete successfully with women.

Well informed businesses are already aware that retaining talent is now a top strategic priority. As your firm engages in this highly competitive endeavor, success will be determined by whether you can offer alignment to existing and potential employees in three workplace arenas: (1) between job content and the developmental aspirations of individuals; (2) between work environment and the needs or preferences of individuals, and (3) between managerial style and the needs of a diverse work force.

Aligning Job Content and Individual Aspirations

Let's look at how to achieve each. Job content is typically expressed in some combination of position description and specific outcomes discrete to a given review period. The position description isn't usually negotiable, and no effort is typically made to customize the job description to the specific interests of the employee. Further, although one can be promoted into or out of the position, the job of the hiring manager has always been to find a candidate who, for the foreseeable future, wants the position as described. Today, retaining employees means being willing to revise and reformat positions, to mix and match duties, to clarify, from day one, the path from one's initial position to one's desired position. This requires ongoing, substantive communications with resident employees and applicants, integrating their input into both the design of new positions and the redesign of existing positions.

I'm not suggesting that you just snap up any and every candidate and let them design their own

jobs, but I am suggesting that you be more flexible about who does what. True, there will always be specific functions that must be performed, and yes, all of us will always have to shoulder some complement of less than delightful duties, but giving employees more control over a significant portion of their job content will make the difference between attracting or keeping them, and losing them. Here's how.

Relevant to existing positions: Allow groups of employees to collaborate to determine how each might, or what might enhance the work product of the other; how each might, or what might help the other grow; and how each might, or what might enrich the overall work experience. (2) Allow administrative support personnel to review a comprehensive list of all the duties required for all the such positions, and let them divide up the responsibilities consistent with their preferences, ensuring that each has their fair share of the more mundane functions.

Relevant to new positions. Let's assume a candidate has interest or experience in two different openings for which you're currently hiring. Why not allow them to work a week or two in each job to determine which they prefer? Or, let's assume you have a candidate who is qualified for a job in your accounting department, but whose real interest is in your legal department. Consider collaborating with the managers in both departments to structure the position such that some mix of work becomes reasonable and useful.

Sound impractical? Are you thinking that you can't hold multiple job openings hostage for weeks while a candidate makes a choice between the positions? Are you thinking that managers in different departments won't be willing to restructure jobs to accommodate candidate interests? Think again. Economists are predicting a short-

age of 6 million individuals with four-year degrees by the year 2016. Organizations will be turning somersaults to get and keep employees.

Aligning Work Environment With Individual Preferences

You'll be ahead of the game if you recognize now the need to offer a smorgasbord of work environments to align with individual preferences. The more of the following your organization can offer, the better positioned you'll be to attract and retain talent.

Work Hours: 35-hour work

weeks; flextime; telecommuting; job sharing; sabbaticals

Education: Full tuition reimbursement; mentoring; coaching; corporate universities and certification programs

Professional Services: legal; mortgage and other financial; medical

Personal Services: concierge and personal assistant services

Family Services: onsite or paid day care for children; after school programs; elder care

Facilities: onsite or paid gym; health and recreational facilities; food services; employer-subsidized work stations; employer-supplied home offices

Benefits: cafeteria style; temporary/emergency/back-up transportation; child or elder care; phased retirement plans; long-term care insurance; five weeks vacation from first year of employment

Technology: state-of-the-art equipment; home offices paid for by employers multi-lingual services

Aligning Managerial Style With the Needs of a Diverse Workforce

All this collaboration and customization will necessitate consid-

SALES

I'm Not a Salesman ... Or Am I?

10 Tips for Maintaining Your Professional Image While Selling Your Services

By Lenann McGookey Gardner

As a thoracic (chest) surgeon, Aaron was used to working on hearts and lungs.

He's a gifted surgeon, with a wonderful bedside manner, impeccable skills, and true caring for his patients' lives and families. But the truth was, his case volume was down, and so too was his income. What to do?

Aaron was surprised to realize that he had a sales problem.

In the medical community that deals with America's epidemic of heart disease, the cardiologist is king. When surgery is indicated, the cardiologist recommends a surgeon, and most patients, firmly bonded to the cardiologist, accept those recommendations. Aaron needed better relationships with cardiologists who could appreciate his skills and special talents. And a program of targeting specific cardiologists, and systematically and methodically building relationships with them, improved his income.

So what about you? You may not cut open people's chests for a living ... but if you're a consultant, or an accountant, or an attorney, or a banker, or any of a variety of professions that rely on referrals, could you benefit from a sales approach like Aaron's? Here are 10 tips to help you improve referrals without damaging your professional image:

1. Know who you'd like to have sending business your way. A Prospect List is not a list of organizations; it's a list of human beings who could send clients to you, but are not currently doing so. Do you have such a list? There is data saying that writing up a list of those with whom you would like to be doing business, and reading the

list daily, increases the likelihood that you will actually establish those relationships!

2. Work your Prospect List. Don't let a single week go by without completing a minimum of two activities related to your Prospect List. Sometimes you can attend a meeting that is likely to put you face-to-face with targeted prospects; failing that, you may have to send an article of interest, and suggest an in-person meeting to discuss matters of mutual concern. Aaron chose to suggest coffee with the cardiologists he encountered when doing his rounds at the hospital with which he was affiliated.

3. When you speak with your prospects, use the word "you" often, and the word "I" (or "we") seldom. Making the conversation more about your prospect and less about you will make conversations longer – perhaps long enough for trust to develop.

4. Begin every conversation with a prospect by adopting a "Clean Heart Position" – a sincere desire to see your prospects get what they want, whether or not they get it from you. Try to understand their practices/businesses, and what they're trying to accomplish; ask questions about that rather than turning the discussion to the fact that you want them to refer people to you. Once you feel you understand their objectives for their practices/businesses, restate their objectives, and be sure that the prospect agrees that you understand. If they do agree, then you can introduce the notion that you may be able to assist them in achieving those objectives, if

you legitimately feel that you can.

5. At all stages of the process of cultivating referrals, be sure you are focused on the prospect, rather than on your objectives, your message, or your agenda. The way to make meaningful connections is to understand what your prospect is trying to achieve, and the extent to which he or she has PAIN that you may be able to alleviate.

For example, if you are an accountant seeking referrals from attorneys, you would want to focus a great deal on an attorney sharing with you that she has just had a bad experience referring one of her valued clients to an accountant who failed to return phone calls, thus angering the attorney's client. If that's the PAIN, then talk about that: "Oh no! The accountant you referred your client to didn't even bother to return your client's calls? "Gee, that can't reflect well on you! Unbelievable!" Let the prospect know that you HEARD, and that you understand how this behavior works against what he's trying to achieve, rather than talking about yourself and saying something like, "Well, I always return MY calls before sundown." Of course, if you are asked your own protocol for returning calls, answer the question.

6. Keep your voice at the same volume level, and speak at the same pace as your prospect does, to build rapport. Research from Dr. Genie Laborde suggests that these may be the most powerful things you can do to help others to like you, quickly!

7. Express continued inter-

est in your prospect. As Brian Tracy has said, listen as if he could speak for the next eight years, and you would still be here, listening attentively – rather than trying to make your point.

8. When speaking with prospects, make an effort to avoid using words that are rooted in the word "no," such as not, won't, can't, don't or aren't. There's evidence that such negativity will drive prospects away from you.

9. If the conversation gets to the possibility of working together, express enthusiasm for that, without going overboard or losing your professional demeanor.

10. Don't forget the people who ARE currently sending you referrals. In addition to conveying your thanks after every referral, have a regular program of base-touching with them, and put it into your scheduling program so you're reminded when to make the calls monthly, quarterly, or, at minimum, twice a year. And be sure to send business to them whenever you can – the best referral relationships are two-way!

Developing relationships with those who can refer others to you is possible, but it requires thought about whom you'd like to serve as referral sources – and action to cultivate these relationships. Follow these principles, and develop the referral sources who will support your organization's growth for years to come!

For more information, please contact Lenann at Lenann@YouCanSell.com or at 505.828.1788.

Forest City Commercial Development

Recognized for Partnership

Acknowledging Forest City Commercial Development for its partnership with Lewis Retail Centers and the City of Rancho Cucamonga, the International Economic Development Council (IEDC) recognized the Los Angeles, California-based entity with an honorable mention at IEDC's Annual Conference last month.

"Economic development efforts have always played a vital role in shoring up the nation's economy, one locality at a time," said Ronnie L. Bryant, IEDC chairman. "As our population grows exponentially and as we continue to overcome challenges, both new and longstanding, these efforts have taken on an even greater importance. The award serves as a salute to pacesetter organizations like Forest City for leading the charge."

Competing in the category of partnerships by organizations serving areas with populations exceeding 200,000, Forest City was a clear standout. Forest City and Lewis Retail Centers, with the City of Rancho Cucamonga, partnered to create a regional downtown for Rancho Cucamonga. Victoria Gardens is the center of this downtown, generating jobs, taxes, and economic growth illustrated in an array of retail, residential, office, and civic uses. The city and the developers mutually planned,

financed, and crafted this continually growing downtown into a reality. "The success of

Victoria Gardens speaks volumes about the success of the partnership between the city

and the Forest City/Lewis Retail Centers team," added Bryant.

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The After Action Review and Your Sales Team: A Great Match

by Bryan Feller

The problem with many sales organizations is not laziness, lack of selling skills or the myriad of other issues CEOs point to when sales are down. The problem with most sales organizations is the inability to learn from experience. Sales people are knowledge workers. Knowledge is their most valuable asset. Yet most sales organizations have no viable way to harness or exploit the knowledge gained everyday from their salespeople.

Good knowledge management (KM) holds the key to breakthrough performance for many sales teams; however, KM has had mixed reviews by managers ever since it came on the management scene. Managers love it and hate it. They love it because it offers easy-to-see benefits by leveraging what's in peoples' heads. They hate it, because most KM initiatives are expensive and take too much time to start showing results.

Without question, leveraging knowledge is a powerful performance improvement tactic. The faster you can capture information, turn that information into knowledge, and get that knowledge into the hands of the people who can use it in meaningful ways, the faster you will see results.

What's needed is a "quick and dirty" KM approach that is easy to implement and that doesn't require complex systems or processes.

A quick and dirty KM program for a sales organization has two parts: a technical part and a people part. The technical part is a simple, accessible, and easy-to-use web-based information repository. The people part of the program is the After Action Review, or AAR. This tool can be the single most

important sales performance enhancer that you implement.

The U.S. Army first developed the "After Action Review" as a learning methodology in the 1970s. Its purpose was to create a structured means to facilitate day-to-day learning from combat training exercises. The reasons for success or failure in combat training exercises are often not clear.

AARs were designed to tease out the learnings from such exercises. Action Reviews are now used by many companies in a number of ways. When conducted properly, the AAR serves as a post-event debrief that generates specific actionable recommendations (SARs) for immediate use. It also creates an environment in which sales people can identify real mistakes, learn from them, and make immediate adjustments, rather than get bogged down in blaming the market, the prospect, or the competition.

In a business setting, an AAR is a team-only discussion after an event or activity - to start with, perhaps, a sales call, presentation, or phone meeting. As the team becomes adept at conducting and leveraging their AARs, their use can extend to larger activities such as lead generation events, networking initiatives, and trade show exhibit participation.

The purpose of the AAR is to identify one or two specific actionable recommendations (SARs) focused on improvement that can be acted upon immediately.

Key characteristics of the session are:

- Short-term, in a small group
- By the team, for the team

- Takes about 15 minutes
- Makes learning conscious
- Can make learning explicit
- Builds trust

An AAR consists of four deceptively simple questions asked in succession:

- What was supposed to happen?
- What actually happened?
- Why was there a difference?
- What have we learned?

The only acceptable climate for an AAR is one of openness and commitment to learning. The objective is to improve performance, not assign blame for something that isn't working. AARs are not critiques; more important, they are not personal performance evaluations or even a part of the evaluation process. Nothing kills an AAR effort more quickly than using it for any kind of management evaluation.

Each member of the discussion is on an equal footing, with one member assigned the role of facilitator. The facilitator's job is to keep the conversation factual and free of blame, and to present supporting questions (specifically, "whys" and "hows") to capture more information under each main heading. The manager or leader of the team should not be present if their participation will inhibit honest or open communication. In these cases, the facilitator can provide the manager with a summary of the AAR that has been shared with all team members beforehand.

The final result of an AAR is the identification of SARs; that is, specific statements of actions to take to improve the

outcome of the next similar event or activity. Other than instances where a manager summary is written, AARs are not usually formally captured in written form. During the discussion, each member takes notes. However, this is not written in stone; you can elect to have a written record of AAR activities on the team's online system, with proven SARs converted to best practices and included in the Sales Standards.

KM doesn't have to be complex and expensive. By simply putting AARs into place, you can implement a quick, dirty, and effective KM component to your sales team for far less time and trouble than any packaged KM solutions currently on the market. Not only that, you will see far more meaningful results from a quick and dirty KM initiative than any training program you have considered trying. When you combine the technical and people parts of a quick and dirty KM system, the result is greater than the sum of the two parts. In addition to providing a repository for sales and business intelligence, your online repository can hold the results of AARs, so that as SARs arise from the debrief process, they can be recorded and then refined as they go through further AAR processes.

Over time, as team members comment on SARs recorded on the site and their results in the field, some of these learnings will evolve into best practices. When best practices are noted, codifying them into your department's Sales Standards is the next step in performance enhancement.

For more information, please visit Bryan Feller's Web site: www.catalystgroup.us.

executive time out...

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Variety

Nightlife, concerts, theatre, fine dining, picturesque cafes and outdoor sports are available for every taste.

The harbor is the place

Visit Aker Brygge formerly a dilapidated shipbuilding yard that has been renovated into a super mall-type complex that offers dining, entertainment and shopping. "Louise Restaurant" is a favorite of the locals. If the hardier soul can get down to the harbor between 7 and 8 a.m., a shrimp feast is available. The shrimp boats pull in at that time with fresh shrimp caught, cooked the night before and sold by the bag. If shrimp is a favorite, it doesn't get much better than this.

Accommodations to fit

Accommodations run from expensive five-star hotels to bed and breakfasts and youth hostels.

healthcare...

continued from page 12

erage from their employer may not be able to afford that coverage in the future.

*If a worker earns below 300% of the federal poverty level, the worker's share of coverage is capped at 5% and the remaining cost will be paid by taxpayers with no regulation of how much insurers can charge.

The analysis includes contributions made by the top six health insurer and HMO donors - Blue Cross, Blue Shield, PacifiCare, Molina, Health Net, Aetna - as well as the Association of California Life and Health Insurers and the Association of California Health Plans:

Assembly: \$1,258,873
Senate: \$1,058,912
Dem/Rep Party: \$1,056,747
Schwarzenegger: \$719,600
TOTAL: \$4,094,132

"Lawmakers are focused on the interests of the health insurance industry to the exclusion of

Important info:

Late June to mid August is the best time for the best values. This is the time hotel prices are deeply discounted and everything seems a little more reasonable in a very expensive country.

Simple rules of etiquette:

Keep in mind if you are a guest in a Norwegian home, never drink before your host makes the traditional toast "skål," which should be echoed by the guests. After the toast, the guests and host are allowed to drink whatever is offered.

What to Buy:

A Norwegian hand-knit sweater of course. No one comes home without one. Flawless crystal is a choice buy. Many fine crafts and artworks are also available.

A side trip not to be missed

Three hundred miles west of Oslo lies the beautiful, laid-back town of Bergen. The seven to eight hour comfortable train ride offers stunning views from the

consumers and workers, who will be required to purchase a private health insurance policy regardless of what it costs or covers under the emerging deal," said FTCR's Carmen Balber.

Legislation that would have required health insurers to defend their overhead and profit while getting approval for premium increases to regulate the insurance industry was defeated in the legislature in July. The legislation would have applied to health insurers the same requirements that apply to the auto insurance market and have saved drivers \$23 billion since 1988.

The five California companies (Kaiser, Blue Shield, Blue Cross, PacifiCare, and HealthNet), that control 80% of the HMO market, have recorded profit increases of \$11.7 billion since 2002. Four of the companies transferred \$4.1 billion in profit to out-of-state parent companies since 2002. The six largest HMOs spent \$1.6 billion on marketing in 2006.

large picture windows of the train that seem like beautiful pastoral paintings continuously changing as the train whizzes past fjords, lakes, forests and tiny charming alpine villages. Fine skiing venues are stops on the way. Upon arrival at Bergen, everything is just about in walking distance.

Composer Edvard Grieg's home and final resting place is a short bus ride and well worth the effort. His original manuscripts are on display, and his Steinway piano is still used for special concerts.

The experienced traveler will find that Oslo and Bergen are both experiences instead of destinations.

Getting there

SAS has daily flights from Los Angeles to Oslo and service and amenities on SAS are better than average.

Camille Bounds is the travel editor for The Inland Empire Business Journal and Sunrise Publications.

iPod history...

continued from page 19

them, they had just bought an entire new set of iPods in order to measure them. Another company, iFrogz, gave away their older covers for the iPod mini on line, since they have plenty of inventory and Apple has pulled the device.

Many new TV shows this season are already providing content to iTunes for download. Some offer "Behind The Scenes" features while some, like "K-Ville," have provided their pilot episode for free. Others, like NBC, have dropped their contract with Apple because they don't feel comfortable with the security.

Recently, in reviewing the new supercomputer at UC Riverside, I mentioned that soon their amazing 514 Terabytes would be sitting on your desk. A new external hard drive, now out on the market, features 1T.

Smaller and stronger continues to be the mantra of Silicon Valley.

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When What Matters Most is NOT Your Bottom Line

By Frank Bucaro

It is hard to disagree that good ethics is good business. What many organizations struggle with is how to support ethical behavior, communicate the values of good ethics within and outside of the company's walls and how to deal swiftly and justly with unethical misconduct.

An important part of developing an ethically sound company is 'stewardship.'

Some call it 'corporate social responsibility.' Basically, stewardship can be defined as 'what you do, once you say that you believe in your mission statement, code of conduct/ethics, core values.'

The greatest example of stewardship in today's marketplace is Patagonia, the outdoor specialty apparel and gear maker. *Ethisphere Magazine*™ ranked Patagonia among the top ethical companies for apparel in 2007. The story is quite fascinating, but what is most exciting is how Yvon Chouinard, the founder, melded a natural partnership between ethics and business success.

Chouinard's driving force has always been his passion for the earth. He began mountain climbing in the 1950's and developed a natural appreciation for the environment and its beauty. This appreciation propelled him to use his passion towards the betterment of the environment. From early on, honing his blacksmith skills that he picked up from his father, Chouinard made pitons (a steel spike drilled into rock to aid in climbing) that he sold for \$1.50 a piece out of his car, and lived on the proceeds for months, while he spent his summers climbing.

1. Your actions must support what you say!

It was not until 1970 that Chouinard discovered that his equipment company (Chouinard Equipment) was becoming an 'environmental villain' with the repeated use of pitons that were hammered into well-known routes up several mountains. He realized

that his pitons were destroying the thing they most loved - the rock in the mountains. These pitons were the mainstay of their business and with mountain climbing growing more popular, Chouinard was extremely concerned. It was during a routine climb that Chouinard and a business associate decided to phase out of the piton business when they saw firsthand the damaged rock that their pitons caused. They did not think twice about this decision.

One of their core beliefs was 'strive to do no harm' and when they realized a product of theirs was hurting the earth, they immediately decided to stop selling it. They found alternative material to serve the same purpose without causing such damage. Their actions served as an example of the first core value of stewardship.

2. It's not about you! Be other-centered.

Chouinard states that he never set out to be a businessman. He did not dream of building a multimillion dollar company. He wanted to enjoy and appreciate the environment and help others do that too. He yearned to share his passion with others who hold similar passions. What is your passion? What do you dream of? How can you help others? The second core value of stewardship is how to be focused on helping others. Life will go on even when you are gone.

What is your company doing today, to leave a lasting legacy for tomorrow, to better the world around us? Maybe it's the environment, maybe it's developing your employee's skills to help them be the best they can be. Maybe it's to make a product or service that will relieve pain or end suffering. What is your company focusing on, making money or sincerely helping others? (And this does not have to be mutually exclusive!)

In Patagonia's case, they long

to leave a legacy full of ethically and environmentally responsible people that use their passions to sustain natural resources and take care of the earth. Their core values led them to found "One Percent for the Planet" organization. Chouinard knows that when he passes away, the world goes on. In fact, he knows that the degradation of the environment, the burning of the ozone, the elimination of endangered species will linger long after he is gone. However, to leave a lasting legacy, he has partnered with 574 other organizations (as of June 8, 2007), to "donate at least 1 percent of our net revenues to efforts that protect and restore our natural environment."

Patagonia is not thinking about themselves. Yes, they are a business and yes, they must make money to donate anything. However, their passion lies at the forefront of their legacy. Their business is not about them, it is about preserving the environment and using their resources to influence others to do the same; it is about making products to help their customers live out their passion.

3. Is it the right thing for the customer?

To be a good corporate steward, ask yourself two questions:

- Is this in line with company's objectives?
- Will this decision result in the right thing for the customer?

If the answer is "no" to either question, don't do it. Referring to your company's objectives or code of ethics is comparable to referring to the rules for playing a game. You must be certain that employees (the players of the game) know the rules (the code of ethics/conduct) before they begin to play (work for your company).

The first question should be fairly simply to answer if you know, and empower all employees to know, the company's objectives, code of ethics. The second ques-

tion may take a little work to answer. Who determines what is right? What Patagonia has done is defined the company's objectives and then compared who their customers are and what is in the best interest of their customer.

Patagonia created a checklist of quality measures for their designers to consider. All products must be functional, multifunctional, durable, and must fit their core customers. The designers then started with the functionality of the product asking questions like "Where is this product going to be used, in a hot or cold climate?" "Should it keep moisture out or does it also need to breathe?" Then, they found the materials to accomplish that function. They sought out to make one piece of clothing, with two uses (multifunctional), a jacket that wicks away moisture but that also allows for full range of arm movement. The goal of their products being durable is that after a long life span, all the parts of the product should wear out around about the same time, which to Patagonia, is a sign of high quality.

Patagonia builds their products and services with their customers in mind and they sincerely concentrate a lot of energy on their core customers, their desires and wants. In return, they are a multimillion-dollar company sustaining profitability for the long haul.

You can hardly consider a company ethical, if they are not a good steward. How does your organization show its care for others? Focus on how you can be more of a steward, be it for the environment, specific charities or causes, or the development of your people, both professionally and personally. Strive to model the behavior you expect, based on the values you profess. If you do this, and do it continually, then brace yourself for great success.

For more information visit Frank Bucaro's Website at www.frankbucaro.com or call 800-784-4476.

retention...

continued from page 29

erable managerial skill, but many of us view management training as a luxury we can't afford. Wake up NOW and realize that retention is a strategic necessity, and that managerial skill is crucial to retention. Required will be a quality of management that elevates the function to an art form.

Unless and until senior management exerts the same level of scrutiny upon the management function as is already applied to the functions of production and finance, the impact of poor management on retention will remain invisible. The "one-style-of-management-fits-all" approach must be shed in favor of a comprehensive template of managerial skills including:

- Versatility in communicating effectively with numerous behavior styles, cultures, and skill levels;
- The ability to engage, motivate, and appreciate employ-

ees not just en masse, but as individuals, ensuring employees know they are valued;

- The ability to synthesize seemingly disparate preferences, needs, and opportunities, into a blended composite that serves both macro- and micro-level objectives.

Make no mistake: serious retention initiatives aren't going to be optional. That you may demean all this as over-coddling and pampering does not make it any less true. Whether you believe it or not, high salaries and interesting work won't be enough to retain employees. You can ignore this advice until the marketplace makes it indisputably clear, by which time your proactive competitors will have snagged all the best people, or you can act now, ensuring that your firm has set the retention standard in your industry.

You can reach Francie Dalton at www.daltonalliances.com or by calling 410-715-0484.

SBA to Extend Export Express

Agency will Determine Whether to Continue Program Past 2008

The U.S. Small Business Administration announced that it will extend its Export Express pilot program through fiscal 2008.

The Export Express Pilot Program was established in 1998 to assist small exporters with their financial needs, particularly those needing revolving lines of credit. Export Express terms and conditions closely follow those of the SBA Express loan guaranty, but carry the 75-85 percent guaranty of the standard 7(a) loan.

Exports are playing an increasingly important role in the U.S. economy, with small businesses accounting for \$375 billion in exports in fiscal 2006, up from \$300 billion in 2002. During the same period, the number of small business exporters grew from 215,000 to 230,000. Export Express loans,

however, have not kept pace with this growth rate. The one-year extension to the program is meant to give this loan product additional time to reach maximum potential in serving the special capital needs of U.S. small business exporters.

"SBA is refocusing its efforts on Export Express and developing a strategic marketing plan to the small business community and to the agency's lending partners," said SBA Administrator Steve Preston. "The extension of this pilot program through Sept. 30, 2008, will allow the agency to determine whether Export Express should be retained or whether SBA's other programs can successfully serve the needs of small business exporters."

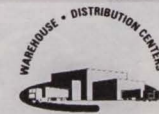
For more information on the Export Express program, please call Richard Ginsburg at (202) 205-7429, or email at richard.ginsburg@sba.gov, or visit <http://www.sba.gov/oit>.

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RESTAURANT REVIEW

Restaurants Here in the Mission Inn

The Mission Inn Hotel located in Riverside is not just another hotel with a restaurant or two. The Mission Inn is a peaceful, full-color technical dream of beautiful gardens.....breath-taking flowers.....old world courtyards.....spiral staircases.....ceramic tiles.....old Spanish bells.....intricate wrought iron decor..... and warm and family-like service from the hospitable staff. This charming hotel and landmark also boasts of four, yes four, restaurants----just take your pick.

I had the fortune to dine (not eat) but fine dine at some of the best restaurants in this area and as far away as Mexico City at the San Angel Inn and at the Oak Room in New York's Plaza Hotel. The Mission Inn restaurants are prized, in my opinion, as all my favorites wrapped into one beautiful location and one

place. I need not go so far away to find the best.

I am not going to describe all the dishes I tasted, but rather give you a brief overview as follows:

- Duane's - The AAA Four Diamond Restaurant: Elegant....smart....serving U.S.D.A. Prime Beef....fresh, never frozen fish, such as swordfish, salmon and halibut. This is a special-occasion event restaurant even if the only special event is going to Duane's. It is highly recommended by who--well of course, by me.

- Mission Inn Restaurant: Open breakfast, lunch and dinner. Food is good (nothing to write home about) but very good. The highlight is the exquisite location, ambiance of the Spanish courtyard. It is definitely worth the trip!

- Bella Trattoria Italian Bistro: The entrance is not

through the hotel but from around the side of the hotel with outside seating facing the enclosed street with boutiques and shops (for scenery, I preferred the courtyard area). The food is OK but not great and certainly cannot compete with some other Inland Empire Italian restaurants.

- Las Campanas Mexican Cuisine & Cantina: This, in my opinion, is the best of the four Mission Inn restaurants. It is located in a very lush garden patio with outdoor dining. Food and service is attentive and friendly with

excellent menu items to choose from. The best beverage is the Golden Cadillac Margarita. This is the place you should not miss--you will thoroughly enjoy the experience and the food. If you don't enjoy this eatery, you must have some serious food issues and could use some help (perhaps from me).



Las Campanas Restaurant



Mission Inn

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REAL ESTATE NOTES...

continued from pg.7

Freeway via major transportation routes. Currently, there is still 172,700 sq. ft. of space available at **Globe Distribution Center**, which is being marketed for lease. The property owner, **IDS Realty JV**, was represented by Rob Fuelling and Dan Sibson of **IDS**, along with Chuck Belden, Kyle Kehner and Timothy Pimentel of **Cushman & Wakefield**. Vince Tuminelli in the New York City office of **CB Richard Ellis**, assisted by Phil Lombardo and Sean Austin of **Cushman & Wakefield**, represented Philips.....In the city of Perris, a 52.94-acre parcel of industrial zoned land located on Nuevo Road was acquired by **Weekend Warrior** for \$14.3 million (\$6.20/sf). The property was sold by **SLS GF Kearny Nuevo LLC**, which was represented by Allen Nunez and Jeff Givens of **Coldwell Banker Commercial Almar Real Estate Group**. The buyer was repped by Mike Guiliano of **Lee & Associates**.....In a Hesperia land deal, The Quercus Trust paid \$8.98 million for 69 acres (\$2.99/sf) of land located at the southwest corner of Rancho Road and Caliente Road. They were represented by Teresa Knight, while the seller Amity Realty Land Inc was repped by Brian Barasch of **CB Richard Ellis**.....**Omni West Group Inc.**, a real estate development and property management firm based in Laguna Hills, has commenced construction on **The Plaza at Lakeview** in Lake Elsinore. The five-acre project will include 66,000 sq. ft. of medical and professional office condominiums. One two-story medical office building will span approxi-

mately 33,000 sq. ft. and is designed exclusively for medical users, such as urgent care and out-patient surgery providers as well as general practitioners, dentists, ophthalmologists, orthopedics, pediatricians and physical therapists. The second two-story, 34,514-sq.-ft. building is intended for regular office users such as law firms, financial institutions and other professional office users. Both the Murrieta and Corona markets have expanded and **The Plaza** will accommodate the strong need for urgent care facilities in Lake Elsinore.....Bill Heim, Eloy Covarrubias and Eric Hutchins of **Lee & Associates**' Ontario office, along with Doug Jorritsma of **Park Place Partners**, represented **Oakmont Industrial Group** of Atlanta in a 192-acre, \$92 million acquisition of the **El Rivino Golf Course** and surrounding properties located in Rialto. The seller was Rancho Cucamonga-based **Cactus Investment LLC**. **Oakmont Industrial** plans to redevelop the land as a master-planned business park with up to four million square feet of space. Oakmont will be offering the buildings for sale as well as for lease, although specifics of the building sizes and other details have yet to be determined.

This column provides a review of the latest commercial real estate activity throughout the Inland Empire. It is produced in a joint media effort between the Inland Empire Business Journal and Rentv.com, a leasing Internet real estate news site that has been covering the industry in California for nine years. For more commercial real estate information from around California, go to www.rentv.com.

Retired UCR Chancellor Ivan Hinderaker Dies

Ivan Hinderaker, UCR Riverside's longest-serving chancellor, died Sunday, Sept. 23, in Irvine. He was 91. Hinderaker, widely revered as a champion of students, the community and the arts, was named UCR's third leader on July 1, 1964 and served until his retirement in 1979.

"Ivan Hinderaker had a profound impact on UC Riverside during the formative years of the university," Acting Chancellor Robert D. Grey told the Business Journal. "His emphasis on academic excellence and advocacy of the arts helped establish the university as a center of intellectual life, important research and artistic expression in the community."

Francis Carney, a founding faculty member who taught at UCR for 50 years, met Hinderaker as a graduate student at UCLA. Hinderaker endeared himself to students during the anti-war protests in the 1960s by inviting protestors into his office for coffee and doughnuts, Carney said.

"Once he did let police break up a demonstration outside a lab," he recalled. "He wasn't a pushover. He preferred negotiations. That was Ivan's way."

Hinderaker and former UC Regent Phil Boyd pushed for construction of the Carillon Tower, a landmark on the UCR campus, and continued to financially support the instrument long after he'd retired, said Jim Erickson, former UCR vice chancellor for university advancement who met the former chancellor a few years after he retired. He also was instrumental in forming the UC Riverside Foundation Board of Trustees, which continues to support the campus.

"Ivan was terrific," Erickson recalled. "He was a great chancellor. He always reached out to the campus and

was an enlightened voice in the community."

Hinderaker loved athletics and the arts, those who knew him recalled, and fought for the UCR/California Museum of Photography.

"We fought many battles together to advance, not only the museum, but also the fine arts on campus and in the community," said Ed Beardsley, founder of the UCR/California Museum of Photography. "He cared deeply about higher education, UCR in particular. He was more than a colleague. We were good and close friends."

Hinderaker was born in Hendricks, Minn., on April 29, 1916. He received his bachelor's degree from St. Olaf College, and his master's and Ph.D. degrees from the University of Minnesota. He was a member of the Minnesota State Legislature in 1941-1942 and served in the U.S. Air Force from 1943 to 1946.

After teaching one year at the University of Minnesota, Hinderaker joined the UCLA faculty in political science in 1949, eventually serving as department chair. In 1963 he was named vice chancellor/academic affairs at UC Irvine, where he served for one year until his appointment as chancellor at UC Riverside.

Ivan Hinderaker is survived by his brother, Theodore Hinderaker and his wife, Laura, of Tucson; grandson, Blake Hinderaker, and his wife, Daniella, of Fremantle, Australia, and daughter-in-law, Janice Hinderaker, of Albury, Australia. He was preceded in death by his wife, Birk, and his son, Mark.

Services were private. In lieu of flowers the family suggested that gifts be made in honor of Ivan Hinderaker to the UCR Carillon Tower Fund.

MANAGER'S BOOKSHELF

"India Arriving: How This Economic Powerhouse Is Redefining Global Business,"

by Rafiq Dossani; AMACOM Books,
New York, New York; 2007;
276 pages; \$24.00.

From the mid-1960s to 1990, the two largest democracies on the planet, the United States and India, pretty much ignored each other. With notable exceptions, including India's unexpected development of nuclear weapons, America's surprisingly long involvement in the Vietnam War, and both nations' sundry mini-wars and government activities against its own citizens, India and the U.S. treated each other with "benign neglect."

According to author Rafiq Dossani, by 1990 most Indians decided that after 40 years they had enough of the Nehru family and the Congress Party. The new leadership of India made two key decisions.

First, they rejected the quasi-socialist approach of centralized economic micro-management and put new emphasis on venture capital. Second, when faced with the choice between emphasizing heavy industry or information technology as the economic horse to ride, they selected "mental working over metal bashing."

The net result is that neither India nor America can afford to ignore each other during the foreseeable future. India is growing wealthier and the United States has become the most productive nation in the world.

Dossani has written a fascinating book that tells the story, including its warty elements, of how both nations are arriving at a point where they realize that they need each other. He points out how yesterday's stereotypes are beginning to vanish. For example, at one point it was commonplace to believe that Indian students were coming here to learn at American universities so that they could get take jobs away from native born citizens in the U.S. These days it's far more likely that a sizable minority of the native born students are of Indian descent. Dossani notes that 4,000 members of the student body are composed of men and women with Indian parents.

The book's final chapter is in many ways the most interesting. That's because it offers a look at the real differences among China, India, and the United States: our differing approaches to economic development. The author admires both nations he sees as key global competitors to India, but for different reasons. He believes the differences among them are plain. He states:

"...the answer lies in a key difference in India's democracy from the United States: the need for civil society. Even in the pr-market United States, the Washington Consensus approach is rarely adopted. Like India, the approach is to study-then-adopt. The difference is that extensive consultation is done. Before a new rule comes into force, the American method is to consult as many stakeholders as possible. Think tanks, universities and lobbying groups will all typically participate in such a project.... The result is that the quality of thinking that goes into rule formation is sophisticated and the chances of failure are low.

"By contrast, in India, getting the public to respond to such consultative processes is very difficult and bureaucrats will sometimes ignore public depositions.... India needs to become more democratic, not less democratic. In practice, the near absence of civil society makes consultation difficult.

"Nevertheless, there are some rules of the game at which India excels vis-à-vis China: respect for property rights, building effective regulatory and legal institutions, and the management of persuasive risks. In China, the regulation of professional services is weak, and access to providing a range of services, such as telecommunications and airline services, is excluded for the private sector."

The ultimate conclusion reached by the author contains surprising echoes of the U.S. Constitution:

"India had become one of the world's fastest-growing countries by 2004.... At its heart is an awareness of real freedom.....to be able to invest one's time in the acquisition of knowledge and then put that knowledge to use as one wants."

What an excellent way to express freedom in a global market.

-- Henry Holtzman

Bestselling 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.

1. "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.
2. "Execution: The Discipline of Getting Things Done," by Larry Bossidy & Ram Charan (Crown Publishing...\$27.50)*** (3)
The key to transforming dreams into reality.
3. "The Five Dysfunctions of A Team: A Leadership Fable," by Patrick M. Lencioni (John Wiley & Sons...\$22.95) (3)
Common problems that prevent teams from working together.
4. "Freakonomics: A Rogue Economist Explores the Hidden Side of Everything," by Steven D. Levitt (HarperCollins...\$25.95) (5)
Why you shouldn't accept the official version of anything.
5. "The Dip: A Little Book That Teaches You When to Quit (and When to Stick)" by Seth Godin and Hugh Macleod [Illustrator] (Penguin Group - USA...\$12.95) (6)
Why winners often quit while losers stick.
6. "Crucial Conversations: Tools for Talking When Stakes Are High," by Kerry Patterson, Joseph Grenny, Al Switzler, & Ron McMillan (McGraw-Hill...\$16.95) (4)
Why open discussions in difficult situations are essential.
7. "Jim Cramer's Mad Money Handbook," by James J. Cramer with Cliff Mason (Simon & Schuster...\$25.00) (7)
Wall Street's angry man diversifies from TV to more books.
8. "The 4-Hour Work Week: Escape 9-5, Live Anywhere, and Join the New Rich," by Timothy Ferris (Crown Publishing...\$19.95) (9)
Effective time management neatly disguised as wish fulfillment.
9. "Jeffrey Gitomer's Little Red Book of Sales Answers," by Jeffrey Gitomer (Pearson Education...\$19.99) (8)
Sales guru offers answers to sales questions.
10. "The World Is Flat [Updated and Expanded]: A Brief History of the Twenty-First Century," by Thomas L. Friedman (Farrar, Straus & Giroux...\$27.50) (10)
Why business globalization has arrived and is likely to stay.

*(1) -- Indicates a book's previous position on the list.

** -- Indicates a book's first appearance on the list.

*** -- Book previously on the list is on the list once again.

I.E. PEOPLE

One Woman and Her Vision

By Joe Lyons

Tracy Romanow didn't start out to be a professional photographer. At 13, she believed that she would be a model. In fact she did not really even want to be a model, but she fell into it. Then she had to quit at 17 because she was missing school. It wasn't just the jobs; it was the audition calls that kept eating up her time. She could have quit and gotten a private tutor but she wasn't up for that. After high school she took a job as a secretary.

Applying the assets that she had, she went about earning a Double E, a degree in electronic engineering. By that time she was making a living as an exotic dancer.

Many such women often have dreams of becoming a doctor or a journalist, but somehow things never change. It did for Tracy.

Taking the bull by the horns, she decided to take what she had learned of modeling, and the eye she had developed for lighting and setting and balancing the photo shoots, and to step around behind the camera. She went back to school at Chaffey. It seemed that she had just gotten

out of school but she was back again.

She had to go down to Mexico to get her first camera because she wanted to get one that would let her take large photos.

Her first customers were the girls she had met as a dancer. Boudoir photography had been popular a few years ago but there were problems. One photographer in San Bernardino still tells of the day he quit doing those shots. It has to do with a drunken enraged boyfriend who chased him around the studio with a baseball bat. Neither Tracy, nor her dancer friends had such problems. These first clients helped her cover the costs of photo paper and supplies.

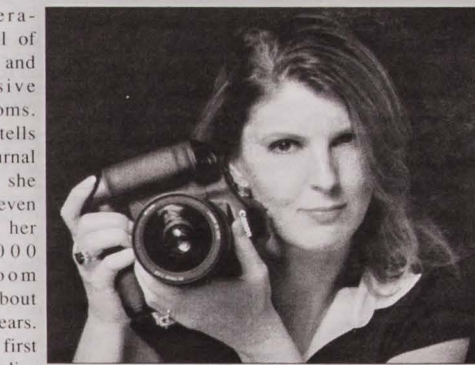
Her teachers became mentors and business advisors to her and she found herself in the business before she even knew it.

The *Daily Bulletin* did a feature on her and her dancing clients. The *Herald Tribune* focused on her transition from model to photography. More media coverage fed her burgeoning business. This was in the days of chemicals and

refrigerators full of film and expensive darkrooms. Tracy tells the Journal that she hasn't even used her \$45,000 darkroom in about three years. Twenty first century digital technology and computers have revolutionized her work. In the old days she would spend hours developing her own shots in order to make sure that her colors came out the way she wanted them instead of the way some shop would produce them. As her company name implies (Vision Photography), she wanted her work to reflect her vision.

In this day and age snapshot photos are all too common. Everyone with a 2Meg digital camera can upload shots of the babies. Phone cameras have almost no quality to them but people are popping shots everywhere.

Many critics of digital photography say that you cannot get the pixel sharpness from digital that the old cameras could give. Tracy got what she calls "the Rolls Royce" of cameras, an EOS 1VS Mark II. It's not just the focus and the sharpness and the color balance that she demands. It's a question of software and computer standards that are compatible with the camera.



Tracy Romanow

take me two or three weeks, take me five seconds in the camera," she declares.

Her latest computer tool is Photoshop CS3. She calls the end results "stunning." She can do special effects including color shifts and wrinkle elimination, superimposing and even making people thinner. When necessary, she will spend time in the lab for detail work. She finds that only about one photographer in 10 ever goes into the lab. She believes in keeping as much as possible in-house.

Today Tracy Romanow still does boudoir photography. She also does weddings, events and political portraits. She is humbled by the fact that that skinny little 13-year-old model wannabe, a "welfare brat" is now invited into the homes of powerful elected officials to pose them for posterity.

"I don't mean to toot my own horn," she concludes, "but I think I am one of the best."

Her Vision Photography is based in the Alta Loma section of Rancho Cucamonga and can be contacted at 909-633-5910.



One of Tracy's shots of Victoria Gardens

"Things that used to

NEW BUSINESS

County of Riverside

- ALMIGHTY COMMERCIAL CLEANING SERVICES 15338 VILLA MARAVILLA MORENO VALLEY CA 92555
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SALCEDO GARDENING SERVICE 91093 GARDENIA CT MECCA CA 92254

EXECUTIVE TIME OUT

Oslo-Norway The Viking Capital

By Camille Bounds Travel Editor

You can't think of Oslo without including the whole of Norway, and when you think of Norway, visions of the plays by Ibsen, the music of Grieg, the paintings of Munch and the Nobel Prize come to mind.

A cultural capital Oslo was founded in 1050 and is the oldest and largest of the Scandinavian capitals. Destroyed parts of the city until a fire leveled the entire city in 1624.

Norwegians and tourists of the world. Oslo is also one of the most expensive cities in Europe. While Norwegians have one of the highest per capita incomes in the world, they are also one of the most heavily taxed countries on earth.



Bergen's beautiful landscape

The ultimate rafting adventure

The Kon-Tiki Museum shows the actual balsa raft that carried Norwegian explorer Thor Heyerdahl, in 1946, on his famous rafting adventure--confirming his theory that the first Polynesians came from Peru.

An easy walk

Central Oslo consists of the central station to the east of the city center and the Royal Palace to the west. Karl Johans Gate, the main street, connects these two points.

An enticing destination with a price

With 500,000 residents in an area that covers about 175 square miles, of which two thirds consists of forests and lakes, Oslo is a beautifully underpopulated city.

Independence declared Denmark ruled Norway from 1380 to 1814. In 1814, Norway cut its ties with Denmark and united with Sweden until 1905 when Norway declared her independence.

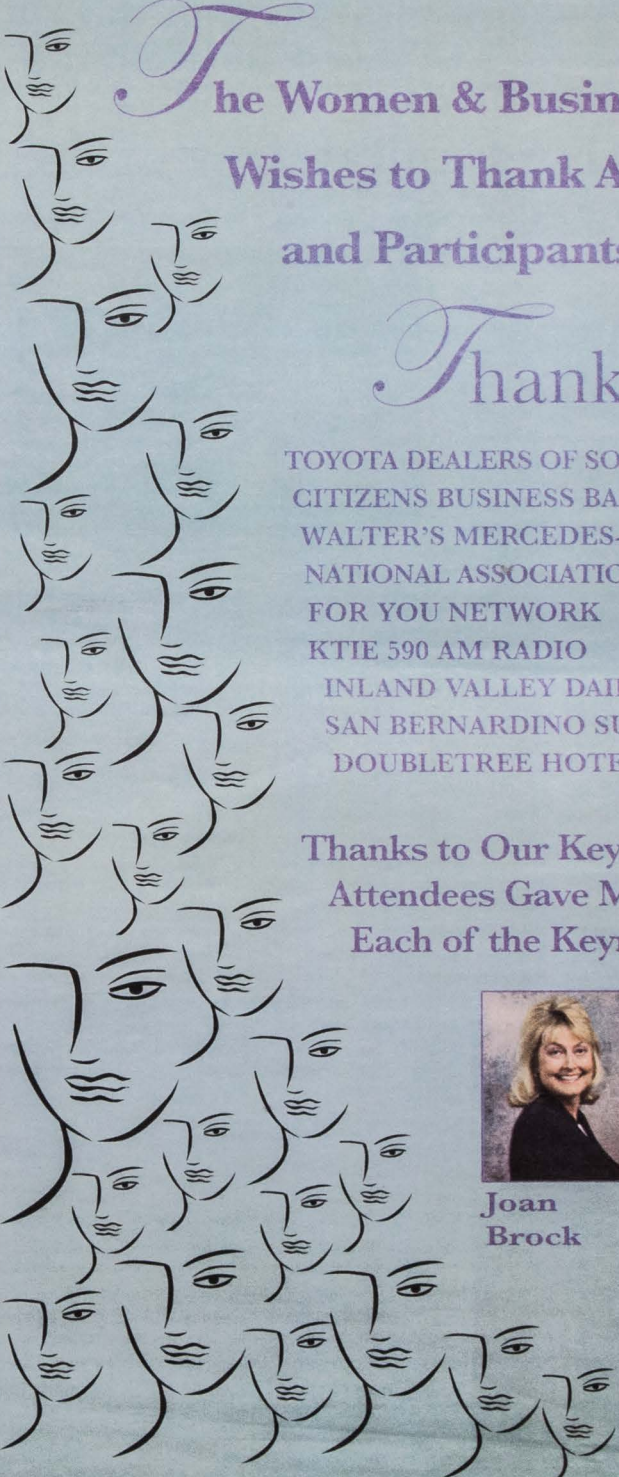
Panoramic view

The Old Town lies south of the Parliament Building and Karl Johans Gate. This section covers the Norwegian Resistance Museum, the Old Town Hall and some of the city's oldest restaurants.



Picturesque downtown Oslo

continued on page 33



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