January 2009

Inland Empire Business Journal

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Retail hubs at realistic economic risk

By Parjia B. Kavilanz

As the recession leaves more retail casualties in its wake, rising store bankruptcies and mall closures could have devastating economic consequences. As more stores exit malls, vacancies in regional malls could rise past 7%, a level not hit since the first quarter of 2001, according to real estate research firm Reis.

Major cities will be affected, said David Bimbrey, chairman and co-CEO of Atlanta-based The Shopping Center Group, a retail real estate services firm.

Both Bimbrey and Susan Tarule continued on page 12

Murrieta Safest City

Murrieta is the safest city in Riverside County and one of two Southern California counties, according to a report released by Congressional Quarterly Press (CQ) Provision a well-researched and award-winning commercial publisher.

The report also ranks Murrieta as the 10th safest city in the state and 42nd in the nation. The rankings were calculated by determining the amount of murder, rape, robbery, aggravated assault, burglary and motor vehicle theft that occurs in cities with populations of 75,000 and more.

“We work very hard at keeping this city safe,” said Capt. Michael Payne of the Murrieta Police Department. “We attribute that success to Murrieta having its own police force and employing top-notch officers.”

Murrieta has a population of about 100,000 and employs 92 police officers.

Murrieta Police Chief Mark Wright believes that the city’s low crime rate is directly related to a strong sense of social intervention.

“Most of our officers live here and feel that it is their personal responsibility to keep this community safe,” Wright said. “Our officers have developed strong partnerships with the community. And last week, they had a lot to say. Frankly, I don’t pay too much

continued on page 6

Five Insiders Give Dire Warnings

About China

by Tony Sagami

Because of its rapid economic growth over the last 30 years, it’s easy to forget that China is a communist country. The Chinese, like everybody else, love money. But the Communist Party is clearly in control.

One of the areas controlled with an iron communist fist is China’s media. The main TV station, China Central Television or CCTV, is owned, operated, and controlled by the government. And unlike the U.S., Chinese government officials can’t spout off their own opinion. Instead, they must speak the “company line” of the ruling Communist Party and carefully choose their words.

Chinese officials must speak the voice of the Communist Party. And last week, they had a lot to say. Frankly, I don’t pay too much

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‘Taxes’ Are Raised for the General Revenue ‘Fees’ Are OK for Regulatory Purposes

By Tom Martin

SMAC Executive Director and Legislative Chairman

“The (Appellate) court noted that, if revenue is the primary purpose, and regulation is merely incidental, the imposition (of a fee) is a tax, but if regulation is the primary purpose, the mere fact that revenue is also obtained does not make the imposition a tax. Moreover, according to United Business, if a fee is exacted for revenue purposes, and its payment gives the right to carry on business without any further conditions, it is a tax.” California Supreme Court on “Fees,” June 26, 1997.

“Taxes are raised for the general revenue of the governmental entity to pay for a variety of public services.” Most taxes are compulsory rather than imposed in response to a voluntary decision to develop or to seek other government benefits or privileges.

As the Appellate court observed in SDG&E’s “Proposition 13’s goal of providing effective property tax relief is not subverted by the increase in fees or the emissions-based apportionment formula.”

CREATIVE FUND RAISING

Gov. Arnold Schwarzenegger Speaker Karen Bass and Senate President Pro Tem Darrell Steinberg in mid-December decided that with the budget standoff continuing and the Republicans (needed to get the tax increase) to consider tax increases, the Democrats could raise revenue by claiming their actions were tax neutral.

Speaker Bass said, “In order to address the state’s looming budget deficit, resolve its immediate cash crisis, avoid derailling transportation projects and protect the jobs that go with them, the California State Assembly voted (Dec. 18) on a package of $18 billion in new, new revenues and new solutions to the state’s growing fiscal emergency. Following repeated efforts by Republicans to block budget solutions requiring a 2/3 vote, the $18 billion solutions package put forward by Assembly and Senate Democrats and passed with out Republican votes was constructed to require only a majority vote.”

TAXES THE DEMOCRATS WOULD RAISE

Sacramento Bee reporter Shaine Goldscheider wrote:

To call the Democrats’ latest tax package complex was an understatement. “California law requires a two-thirds vote to increase taxes, so increasing Republican support is necessary,” Bass said. “So we’re already made an end-run around the GOP with our package, which the Democrats passed.

HERE’S THE BOTTOM LINE:

The state sales tax will rise three-quarters of a percent. Total in new taxes: $4.9 billion through the 2009-10 fiscal year. All residents will pay an additional 2.5 percent on their income tax bills. So if you owed the state $1,000, you would now owe $25 more. Total in new taxes: $1.75 billion through the 2009-10 fiscal year. California would implement an oil severance tax—in 5.5 percent—on all oil extracted from the ground in the state. Total in new taxes: $845 million through the 2010-11 fiscal year.

The current gas sales and excise taxes would be eliminated and replaced with higher per-gallon fees: “The new gas fee would be $1.35 cents per gallon higher than users at the pump currently pay. The new funds would be earmarked for transportation.

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Arrowhead Country Club Welcomes Steve Henthorn

Arrowhead Country Club, one of the premier private country clubs in the Inland Empire, is pleased to announce that Steve Henthorn has been named as the general manager. Henthorn’s years of experience and expertise will be a valuable asset to the club.

“This is an exciting time to be involved with such a prestigious organization. I encourage anyone who hasn’t played this wonderful course to please do so. We are in the midst of a tremendously affordable membership drive,” Henthorn said. Prior to joining Arrowhead Country Club, Henthorn had been president and CEO of the San Bernardino Convention and Visitors Bureau and most recently, director of operations of the National Orange Show.

Scott Daniels, president of Arrowhead Country Club, remarked, “We are pleased to have Mr. Henthorn join our staff. We are excited about the new year.”

M’Elle Decor Design Studios—Expanding Instead of Downsizing

In a time when many companies are downsizing or laying off employees M’Elle Decor Design Studios has actually expanded its design studio with the addition of three new interior designers, Amber Roberts, Melissa Kelly, and Sara Clark. With each designer bringing a different design background and different specialities, M’Elle Decor Design Studios can provide design services for every market from residential to hospitality.

The owner of M’Elle Decor, Melissa Brewer, has a different approach to the economic slow down than most. She has chosen to expand her business by adding new employees and new services at a time when many others are pairing down.

She understands that when the market begins to come around, the businesses that are prepared and staffed will be capable of handling the resurgence of available customers.

M’Elle Decor Design Studios, located in Corona, services all of Southern California and is ready to announce these new hires to all of the areas that they serve.

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BUSINESS JOURNAL • PAGE 2

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AT DEADLINE

MWA Expects Near Record Low Deliveries from State in 2009—Agency told to expect only 15% of annual entitlement

Falling interest rates, gasoline and home prices are a good thing—but not everything that’s falling is good. Water levels in reservoirs throughout the state continue to drop prompting the Department of Water Resources (DWR) to notify State Water Contractors, including Mojave Water Agency (MWA) that deliveries from Northern California starting in January 2009 will initially be only 15% of demand.

With the exception of a 10% allocation in 1993, this marks the second lowest initial allocation in the history of the State Water Project. Ongoing drought conditions and court ordered restrictions on water deliveries from the Delta also influenced DWR’s decision. If, however, hydrologic conditions improve later in the year, DWR could increase allocations to MWA and the other state water contractors.

“This announcement does not come as a surprise considering the general deteriorating state of water supply conditions we have seen over the last few years,” said Kirby Bril, MWA general manager.

Of its 75,800 annual acre-foot entitlement, MWA has been able to import only 27,000 acre-feet of State Water Project water for the 2008 water year, which ended Dec. 31st. “This represents only 35% of our annual entitlement,” added Bril. “So we’ve already come to expect reduced deliveries.” But therein lies the challenge—having adequate supplies to meet present and future demands. To meet these anticipated challenges continued on page 30

by Jeff Neeb
Senior Economist UCLA Anderson Forecast

In the September California Report, we straked to be optimistic about the now-current quarter. What we did not expect was the spectacular Panic of 2008. California consumers reacted in a predictable way: they stopped shopping and began to conserve their resources. Our optimism remains only in taunting and market fundamentals. The state is going to share the national recession with negative economic growth through the middle of next year and high unemployment until 2010. The U.S. recession will be unevenly felt across California. The Inland Empire, Orange County, the East Bay and the Central Valley will hit the hardest as the recession provides a double whammy with a generalized downturn in demand and a postponement of a recovery in residential construction. The concern will not be immune as a U.S. downturn means that imports flowing through California’s ports will continue to decline, and recessions in Europe and Japan mean that export demand for California manufacturing will be muted. In short, the forecast for the next three quarters is one of contraction in economic activity followed by the beginning of a slow recovery.

However, we believe less of a drag on economic growth, but remains an important part of the current California economic scene. Price declines in the housing sector continue to accelerate. According to the OPM’s Home Price Index, home prices in California dropped 25% from the peak at the beginning of the 3rd quarter of 2006. We have been saying that this accelerating rate of decline will hold off the extreme contraction by early 2009 and that prediction remains true. The Case/Shiller Index shows only an 11%-15% price appreciation in housing in major California cities over the past five years. That being the case, only the excess appreciation of 2001-2003 remains to be burned off.

But, the more general downturn in economic activity and consumer concern will hit the California housing market even further. So foreclosures will continue and residential construction and manufacturing of home furnishings and appliances will contract through the 2nd quarter of 2009 and begin to turn around closer to the end of ’09.

Though the California economy was already weakened by the near-three-year-old downturn in housing and finance, it took a fall in consumption to push it over the edge. Beginning last summer, California consumers struggling with high gasoline and food prices began restructuring their consumption purchases. The spate of bad news from Wall Street and Pennsylvania Avenue starting the first week of September when the collapse of Fannie Mae and Freddie Mac created sufficient increased uncertainty for consumers to pull back and the malls to empty out. The relented American shopper is usually a resilient phenomenon. If the piles of Black Friday purchases sitting in my living room are any indication, the pullback may be less severe but it is very likely. But, uncertainty about future economic prospects as well as the incentive job loss brings will turn the early part of the recession will negatively impact the California economy for the next few quarters.

Thus far, the economic aid packages from Washington are directed towards the financial markets and continued on page 13

I put my money on the sun and solar energy. What a coincidence! I hope we don’t have to wait until oil and coal run out before we tackle that.

-Thomas Edison

The stone Age did not end because of lack of stone, and the Oil Age will not end because of the world running out of oil.

Sheikh Zayed Yumani

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The Stone Age did not end because of lack of stone, and the Oil Age will end long before the world runs out of oil.
Higher Taxes Mean Fewer Jobs

With California's unemployment rate rising above 7%, the national economy shrinking, and the state's budget deficit widening, voters are looking for answers to ease their financial fears and fix the state's budgetary mess. The tempest among some in Sacramento is to raise taxes in order to fund government programs they would both help people through these difficult economic times and balance the budget. However increased taxes would only worsen the situation by hindering economic recovery, which in the long run, means fewer jobs.

California already ranks among the top 10 in hostile business environments in the nation. According to the Tax Foundation, only New York and New Jersey beat California in harsh business climates.

A hostile business climate does not invite entrepreneurs to expand business or start the businesses necessary to create jobs. This means less investment in the state, which means fewer employment opportunities for California residents.

Negative Talk #3: The Minister of Human Resources and Social Security, Yin Weimin, echoed the same warning. "The current situation is grim, and the impact is still unfolding," China's Premier Wen Jiabao did not offer an optimistic outlook.

Five Insiders... continued from page 2

I do, however, pay very careful attention when they start talking about trouble.

You see, glowing words can be true or a complete lie. But when even the same official can't disagree with the negative, you can take those warnings to the bank.

And the 'talk' coming out of China has turned very, very negative. Just over the last few weeks, five very knowledgeable insiders had some not-so-pretty things to say about the Chinese economy.

Negative Talk #1: Li Yanzhong, head of the Ministry of Information and Technology, said this:

"The international financial crisis is having a severe domestic impact. We don’t think we’ve bottomed yet. Just above every industry has occupancy.

Negative Talk #2: China's economic and social goals are based upon a series of Five Year Plans. The head of that planning body, Zhang Ping, described the economic outlook from his office's perspective:

"The global crisis has not bottomed out yet. The impact is spreading globally and widening in China. Some domestic economic indicators point to an accelerated slowdown this month.

"Excessive bankruptcies and production cuts will bring massive unemployment, straining social unrest. Owing to dramatic changes in the international economic and financial environment, the Chinese economy faces growing downside pressure."

Negative Talk #4: The biggest politician of all, Chinese Premier Wen Jiabao, said a monthful last week, too.

"We must be crystal clear that without a certain pace of economic growth, there will be difficulties with employment, fiscal revenues and social development.

Lawmakers call for austerity while raising their aides' pay

More than 200 got raises the past year. Tacky

The latest evidence that California's Legislature is out of touch with constituents is the widespread, ill-conceived pay raises granted during the past year to 214 lawmakers' aides, including pay hikes for 57 staffers already paid $80,000 or more a year. All but 29 of the raises were 5 percent or more. Another 105 legislative employees got raises with promotions.

All of this occurred even as Californians reeled from a yearlong recession that some economists say may be with us for several years.

The raises also were granted while legislators sought to cut government spending because of an $11 billion deficit in the current budget, which is expected to grow to a $28 billion deficit in the next year and a half unless drastic measures are taken.

These raises occurred while the Legislature accomplished next to nothing on the fiscal front, other than haggle nearly three months beyond the constitutional deadline to agree on the current $103 billion budget that’s already 10 percent in the red and expected to run out of money in February.

Nevertheless, 179 Assembly and 35 Senate aides "quietly received raises, a comparison of first-and-fourth-quarter rosters," says the Sacramento Bee reports. This occurred at the same time Gov. Arnold Schwarzenegger proposed cuts for the budget by imposing unpaid furloughs and

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SALES AND INCREASED PROFITS

Increase Your Company's Profits by Becoming a Real-Time Organization
By Daniel Burrus

Thanks to modern technology, today's computers and networks are ready for real-time data communications, and the advantages are nothing short of revolutionary. Some industries, including telecommunications, finance, and manufacturing, are already using real-time data in parts of their operations. But having real-time data is not enough. To successfully compete and increase your company's bottom line, you need to become a real-time organization.

In other words, you need to use your real-time data to change how you work, how you manage, and how you sell. Imagine for a moment how much more productive and profitable your company could be if you could track products from warehouse to store shelves in real-time, provide targeted offers the moment a customer calls, and give executives up-to-the-minute reports on critical operations data? When you integrate existing technologies to become a real-time organization, you can do precisely that and so much more.

The fact is that organizations operating in real-time can deliver better customer service, turn around inventory faster, respond quicker to changes in the market, and better anticipate challenges before they impact the business. Consider the following benefits of becoming a real-time organization.

- You can be proactive. You've likely used the word "proactive," which means taking positive action now. But how do you know the actions you're taking will be positive when you have to wait and see? Those aren't good odds. A better idea is to be proactive for future known events.

For example, if your real-time data indicates that there was a run on blue jeans, size 32 waist and 34 inseam, in store number 53 and that there is only one pair left, you can safely predict that tomorrow there will be one or more customers who will not find what they want. You can solve this problem before it occurs. When you use your real-time data to be a real-time organization, everyone involved with the shelves stocked will automatically be informed of the stock levels and the supply chain wheels will turn to make sure no customer is unable to find what he or she wants.

- You can have up-to-date information on demand. While many companies offer information on demand, most of the information is not up-to-the-minute. Becoming a real-time organization changes all that. Here is a simple yet powerful example: a real-time data change can even the most routine chores.

Remember when you were in college and needed to use the school Laurdmot to wash clothes? How often, everyone else had the same idea you did and all the washers and dryers were taken. Today, many universities use real-time data to change the Laurdamot problem. Now students can use their computers from their dorm rooms to see which washers and dryers are in use and which are not.

- You can make a real-time enterprise today. If you want your company to experience similar benefits, then you must implement real-time information and use it to become a real-time organization. The following tips will help:

  - Know Your Goals

The basic concept of real-time is that when something happens, you want to react to it the moment it happens, not an hour, day, week, or month later. As the speed at which a company can intelligently and automatically respond to changes increases, the cost of all their business processes decreases.

- Start Small

Realize that being a real-time organization is an evolutionary process. An ancient Chinese proverb states that a journey of a thousand miles begins with a single step. Therefore, select a place to start and build out from there. For example, Signature Homes, a residential homebuilder, cut three weeks from the five months it takes to build an average 1,200-square-foot single-story, by sharing information with plumbers, roofers, masons, and carpenters. It's an idea that works. (109) 284-8006.
Growing in a “Down” Economy

By Ron Burgess

In the marketing industry, there is a never-ending debate about what strategy to use in tough economic times. This answer to this boils down to two basic strategies:

1. When things are tough, cut advertising to the red ink.

2. Increase marketing to get as much business as possible. The hope is that business will not decrease, much, if at all. As it turns out, the answer requires you to have a clear understanding of all your expenses.

Eliminate Spending

Very conservative business people (and those who are too thin on cash) tend to clam up and stop all “unnecessary” spending. Since advertising and marketing can be stopped within a short time frame, these are some of the first cuts that are usually made.

Advertising, entertainment, marketing, turning down the thermostat, and finally firing employees are “controllable” expenses, making them easy prey to the axe. This strategy, along with other careful spending, may allow for a short-term profit in a lower-revenue environment.

However, the “cut-spending” strategy may only be a short-term solution. Since the real issues with costs have to do with how much controllable the costs are, you actually need to pave the way to higher profits. Here is why—When you spend your fixed-costs across more revenue dollars, you actually create more revenue to pay for increased marketing costs. Of course, wasting advertising dollars is stupid in any economy! However, if additional marketing costs bump-up your revenue, you can maintain expenses and get closer to break even or maintain your profit margin.

In fact, some management studies support the notion that companies that do a better marketing job during a recession come along, because they do not understand where to increase spending.

Managing the Risk

The founder of East Coast Wannamaker’s Department store once said, “I know half of my advertising does not work, I just don’t know which half.”

Confused about how to manage your marketing budget? It is often difficult to assess what part of your marketing dollars to eliminate and which ones to increase. Following are some general suggestions for recognizing your marketing budget to squeeze the poor spending—continued on page 18

Educating Our Future Work Force

Economic & Demographic Impacts

A Panel Presentation Featuring

Dr. Gary Thomson
Superintendent of Schools

Dr. Virgil Barnes
Superintendent Ontario-Montclair School District

Dr. Harry Varner
Superintendent/Principal

Chaffey Community College

Mathew Holm
Superintendent Chaffey Joint Unified School District

This panel of distinguished area educators will discuss the current economy and its impact on education in our local areas, as well as how changing demographics are affecting our schools.

Thursday, January 22, 2009 - 11:30 a.m.-1:00 p.m.

Check in begins at 11:15 and program will begin at 11:50

Lunch seminar to be held at John’s Incredible Pizza Fusion Room 5280 Arrow Hwy., Montclair $15 Chamber of Commerce Members • $20 Non-Members

Don’t miss this informative luncheon! Space is limited and reservations are required.

For Advertising Information, Call us at 909-483-4700
Top Colleges and Universities in the Inland Empire  
continued from pg. 19

Business at the crossroads

as the financial crisis continues to unfold far away from the Golden Triangle, the impact of the most recent forecast, expects that 6,100 retail establishments-both public and private - will go out of business this year and another 73,000 stores will close in the first half of 2009. However, the number of potential closings rises exponentially when the firm takes into account both the financial and economic impact of empty stores can be devastating.

The ICSC estimates that store closings will exceed 3,100 in just the first half of the year. However, the number of potential closings rises exponentially when the firm takes into account both the financial and economic impact of empty stores can be devastating.

The financial crisis is falling and you need to get a job. What do you do? You've done all of the obvious exercises of posting your resume on job boards and have submitted your resumes to dozens of jobs posted online. You've alerted your network to the fact you're on the market and are actively looking for a new job. Now what?

Don't be so sure you've posted your resume everywhere it should be. There are recruiters and hiring managers who search every job board that exists. Some definitely get more traffic than others, but all of them get some traffic so it's worth your time to register and post your resume with a media that is applicable to your job search and the most exposure. To briefly review, the big job boards are Jobing.com, Monster.com, HotJobs.com and CareerBuilder.com. But there are literally thousands of others across the country that cater to all types of jobs. As is typical in a downturn, banks ration their scarce loan availability. They mostly all have good and bad debt. What happens is that some lenders have tighter requirements and are unable to lend at all. This is true for interest rates and other aspects of the credit market and is embodied in the data that we are near that bottom. A good holiday season will speed this along. A decent Black Friday was a good start, but there are many shopping days to go and we are not optimistic about the prospects. The report finishes with the latest California forecast and highlights the course of the recession as it impacts the state economy.

Financial Crisis in New York and Economic Growth in California

The turmoil in the New York financial markets from Sept. 8 to Nov. 24 has been nothing short of incredible. Obviously California is not immune to the collateral damage from the failure of the Wall Street's most venerable institutions. But most of the action in the meltdown of financial markets and the intervention of the Feds is unfolding far away from the Golden State. Sorting through the data to ascertain the scope and magnitude of the impact might be turned out to be something of a walk through a jungle. The soft analytics provided to Congress in support of the TARP plan is all one indication of this.

So, to keep all of this in perspective we want to carefully distinguis gh between financial institutions which already exist—previously issued loans, bonds, and securities—and newly-issued or about to be issued financial instruments. This is true for interest rates and yield spreads as well. Packages of existing loans, securities, and bonds which carry a variety of ratings from AAA down on down are sold in secondary markets. These packages are followed carefully by market participants and reported in the financial press. But the yield on a AAA rated bond which was initially sold in the easy credit days of 2008 is not the same as the interest rate or yield to a AAA rated bond which was issued during the financial crisis impact of 2008. All AAA ratings are not alike even though they all are ostensibly of the same credit worthiness.

When all is sorted out, we find that nonfinancial, non-real estate credit-worthy borrowers seem to have credit markets open to them. But, there are not enough of these potential borrowers to make this particular slice of the credit market tight again. Rather, general economic conditions have sharply reduced demand on the part of this class of borrowers. For other than the best credit real estate borrowers, financial institutions, and for those whose credit is not stellar, the supply of loans has shrunk so rapidly that demand for credit crisis pinch is felt here in this, the largest segment of financial markets. It will surprise no one that bank lending conditions have tightened further. This is true for all types of lending and is reflected in the tightness of all financial markets.

“Geographic spread across the state is stark,” said Bimbrey. The village of North Randall in Cuyahoga County, which has 11,135 people, has seen two local businesses close in the last year. The loss of a sense of community and economic impact of empty stores can be devastating.

“Most troubling is the long-term educational and social impact of empty stores,” said Bimbrey. The village of North Randall in Cuyahoga County, which has 11,135 people, has seen two local businesses close in the last year. The loss of a sense of community and economic impact of empty stores can be devastating.

If you would like to meet people and change careers, the best place I have found in this transition is the Career Development Center at the University of California. For instance, I belong to the Association of Women in Science. Get online, surf the Web and find out about local job fairs by doing Internet searches and submit your resume directly to recruiting firms by going to their Web pages yourself to apply directly to these companies. Sometimes you'll be able to submit your resume to a general group. For instance, I belong to the University of California. For instance, I belong to the Association of Women in Science. Get online, surf the Web and find out about local job fairs by doing Internet searches and submit your resume directly to recruiting firms by going to their Web pages yourself to apply directly to these companies. Sometimes you'll be able to submit your resume to a general group. For instance, I belong to...
D-day arrives on Feb. 17, 2009. That is the day that, after many decades, broadcast television switches from analog to digital broadcasts. Now, if you don’t understand the difference, don’t worry. It would take a full freshman semester of broadcast technology classes to explain. Suffice it to say, you’ll get a better picture. Of, perhaps, no picture at all.

You see, old style analog TVs, like the one you watched as a kid, won’t receive the new signals. Of course, if you have cable TV or a dish, you’re OK. If you get a new flat screen TV for Christmas, you’re OK. But, if you’ve been watching the same tabletop set with rabbit ears for the last decade or two, you are going to be disappointed.

Many people who think they are OK may not be. Sure, they have a 50-inch HD set in the entertainment room, but what do they have out in the garage? What do they watch in the bedroom or the home office? What do their kids have in their room or their college dorm?

And let’s not forget those handheld sets by Sony Watchman and Casio. None of these are going to work anymore. You can fix all of that with a converter box. In fact, there is a government discount program to save you money. Check the Website at www.dtv.gov for more information. What it won’t tell you is who will wire the new box up for you. The answer is simple. Ask your kids. Ask your grandkids. Ask the kid down the block. You may not understand it all, but there is an entire new digital generation out there that gets it.

You might want a new antenna as well, since the new digital picture will be better but not perfect. Although the version that I have been playing with, EyeTV 3.5, is designed for the Mac, it does some wondrous things. You can share your recordings with others, even on your network. It can capture recordings for video iPods. And it provides even better editing and Wi-Fi access. You can even take a snapshot of one particular frame from a video.

Why, you might ask, do you want to convert your computer to a TV set? One answer is that college student I mentioned earlier. In a dorm you may have room for a computer or a TV, but not both. The same may be true of the home office. The same may be true where you work, if the boss doesn’t come around that often. Besides, you used to wonder why you needed Internet access on your computer—or MapQuest. Video editing equipment has been expensive, but it’s getting less so all the time, just like the flat screens and the DVD players. The EyeTV device is less complicated than a larger editor or graphics program. Truly, what used to take up a block of floor space in Hollywood can now exist on your computer desk. EyeTV may not be the answer you need for the digital change on Feb. 17, but now is as good a time as any to consider it.

For more info go to www.eyeTV.com.

The Arrival of D-day
By J. Allen Leinberger

A detailed report issued by the Congressional Budget Office comparing health care reform options found that a plan to allow Americans to buy into Medicare before turning 65 would lead to more people with health care coverage and lower costs than private insurance coverage.

Download the CBO report: http://www.cbo.gov/doc.cfm?index=2925

The CBO studied a limited Medicare buy-in option for those aged 62 and 64 years old. The CBO estimates that the annual premium for single coverage in 2011 would be about $7,600 including drug coverage. In comparison, a private insurance policy premium for a 64-year-old can easily cost $12,000-$16,000 a year not including co-pays and deductibles and after excluding coverage for those with even minor health problems. In 2006, Medicare coverage areas of the digital generation only covered about $10,200 on average per beneficiary, which currently includes an older and sicker population than that envisioned by the buy-in program.

"The report emphasizes an important point for policy makers to keep in mind as they grapple with fixing our nation’s health care care: Medicare provides more affordable coverage because it eliminates the waste and profiteering of the private market," said Jerry Flanagan of Consumer Watchdog. "Polls show that seniors are also happier with their coverage than those of us with private insurance policies because they have better access to health care."

The CBO report did find that the Medicare buy-in program would lead to higher than expected Social Security payments because, due to the program, more Americans over 62 would retire earlier than without the program. Consumer Watchdog said those expenditures, which the CBO found would be "minimal" over the long term, could be erased if the program were expanded to allow American to buy-in to Medicare regardless of age.

If Medicare also covered the young, the estimated cost per person would plummet. Children are already in federally subsidized plans cost about $2,300 a year (including dental), and younger adults fall in the middle.

It is estimated that 34.7% of Americans (89 million people) under the age of 65 did not have insurance for some part of the year during 2006. Ten to 14 million people currently purchase individual insurance policies. These 100 million Americans would benefit from a low-cost, public health insurance plan.
Build Team Performance Through Individual Meetings

By Joe Takash

While having dinner with my parents at a cozy Italian restaurant, my Dad excused himself to say hello to a former work colleague. As he left the table, I asked my Mom, “What’s the one thing you can tell me about Dad that I don’t know?”

She responded, “I learn something new about your father every single day.”

Then, towards the end of the evening on their 40th anniversary.

People are complex. If you don’t take a personal assessment test, you know we all have different propensities, values, drivers, and motivations.

As managers and leaders, how can you get the most out of your people in the workplace? What are ways you create cohesive-ness and trust? How can you adapt and adjust to different problems with dynamic solutions?

One highly controllable opportunity is to help your employees meet individually with you. They allow you to connect with your employees and build a stronger team, one person at a time.

If you justify not having these because of your hectic schedule or that you can’t take the time to nor- mally do a simple phone call or meeting, you’re not taking advantage of a simple, yet profound way to clarify what was discussed in your calendar regularly, you can learn, teach and mutually benefit in a non-structured way.

Step Two: Be mutually prepared

To save time and increase productive outcomes, be certain both parties have submitted their calendars to you. Be sure to identify and prioritize outcomes prior to individual meetings via an e-mail or quick conversation on the phone. This is more than just a agenda—itis includes objectives, updates, challenges, solutions, and walk-away duties. Having both parties submit prior to the meeting keeps everyone in the game and allows both leader and team member to be accountable.

As the meeting begins, be certain both parties have the agreed upon checklist to follow, so your schedule is tight and results-focused. It also makes everyone accountable to what was exchanged at the beginning of each meeting, so you are both aligned with this roadmap. This will also keep you on track.

Step Three: Make personal connections with everyone wins.

Step Four: Document and follow up.

As leaders, influencers and drivers. If you’re one of these, beware. You may be_charming, charmingly con¬ sensus building, but that can be lost if you don’t keep your word. When team members bring an issue or idea to you, they need a response and a right to be asked how they are doing. Otherwise, cru¬ cial conversations can be ignored or erode trust and team dynamics.

Unfortunately, many leaders do not intend to hurt or offend team members. Some simply don’t capture, confirm and clar¬ ify what was exchanged. (This is not to say team members are not responsible, but this is about what you can do to be better leaders for results).

It is important to review and clarify what was discussed at the end of each meeting to align across stakeholders. It is crucial that when team members report accountability for follow up so all parties know the timeline and deliverables due and have a sense of what is needed and in what order. Let’s say you’re going to do something, don’t simply say “I’ll get back to you.” And don’t ever say “I’ll get back to you on issues” or your team members will think you don’t care.

Let’s say you had individual staff meetings once a month, but once every three to four meet¬ ing, you asked some or all of the following questions and did any individual check points on their answers:

What are you motivated by?

What’s the biggest challenge you’re facing?

What can I do to help bring you to your performance goals to the highest level?

What are your aspirations or challenges over the next couple of years?

Many leaders don’t ask these types of questions because they lack awareness or view these as unnecessary, or they make incorrect assumptions that they know the answers. But the misalignment between what leaders believe employees want and what employees really want, actually do, is frighteningly perva¬ sive.

In group meetings, these questions can be too intimate and personal. One on one, these give a team member a chance to open up and think about things that may be killing him or her on how you can lead him or her to a performance where

January 2009

Economic Forca... continued from page 13

ing conditions. Since the financial crisis was generated by the housing downturn, and about 23 of bank loan portfolios are in real estate, a rapid response in lending conditions was expected. At the same time, a collapsed market for sub-prime mortgages diminished the demand for residential financial services.

Interestingly, consumer interest rates have recently fallen. Mortgage interest rates, home equity line of credit interest rates and auto loan interest rates have decreased. In fact, the recent purchase of Freddie Mac and Fannie Mae mortgage partners on the Federal Reserve Tuesday of Thanksgiving week has pushed these rates down further. As a result, consumers have been more willing to lend or to buy. Lenders are unwilling to make real estate loans to all but the best customers. So this aspect of the credit crisis, whether the crisis continues to worsen or abates, is likely to be in the eye of the beholder. But clearly there exists an open market in California.

The same is true for non-residential real estate. The December Allied-Signal/UCRA Anderson Forecast Office Market Survey clearly reflects this. Panels from the major markets in California reported that higher thresholds of return and lower equity participation levels are being required. For be sure, there are cases, particularly in some of the tighter markets, where the percep¬ tion of the risk of a project on the part of the investors is lower than that of the potential lenders, and this is clearly driving the credit markets are not open to them. However, diminish¬ ing prospects for nonresidential structures, in particular retail and industrial projects, has caused the demand to fall rapidly. But, com¬ mercial real estate in California, and beyond, is not to say team members are not responsible, but this is about what you can do to be better leaders for results.

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Give The Gift Of A Smile.

Today, millions of children in developing countries are suffering with cleft lip and palate. Condensed to a lifetime of malnourishment, shame and isolation. The good news is that virtually all of these children can be helped. This is the mission of The Smile Train. We operate on a simple principle: to provide free cleft surgery which takes as little as 45 minutes and costs as little as $250. It gives desperate children just not a new smile— but a new life.

100% of your donation goes toward programs—90% goes toward overhead.

Make check out to "The Smile Train."

"I want to give a child a second chance at life.

1. Reduce your Yellow Pages advertising. Far fewer people use the phone directories than just a few years ago. So, if you have a 2nd or 3rd ad, and refer people to view your Website for complete details. Don't eliminate your listing from multiple directories; just reduce the cost in each one.

2. Maintain the frequency of newspaper and magazine advertising, but cut the ads' sizes and direct readers to your Website. Most advertising is not large enough to sell your company. By sending potential clients to your Websites, you are allowing them to view your entire company. Send prospects directly to your company's Web page where the specific product is offered, and offer a coupon for those who call from the Website, or who e-mail you directly.

3. Shorten radio and TV spots to the same length. Always refer viewers to your Website, or give them keywords where your Website shines. Again, do not completely pull your ads from media that may be important.

4. Your Website is a strong marketing tool. By now, you can see that I highly recommend a Website. Put additional money into the site to make sure it is competitive with your competitors, and that it adequately tells your unique story— why people should buy from your company over that of your competitors.

5. Absolutely buy keyword and pay-per-click advertising. If you are not already doing that, you are missing the greatest land-rush since Oklahoma! This is a measurable media and you should be able to tell exactly how many people come to your site, and are interested in what you have to sell. Your Website is integral to the process. Select a marketing-experienced Web company, because building pages that lead to a goal (sale of inquiry) is not typical for most Websites, which frequently operate more like a billboard than a sales tool.

6. Understand your response ratio. If you execute direct mail correctly, you already know how many calls you receive from direct mail campaigns. The rule of thumb is from 1% to 1% response. Calculate your costs for direct mail and compare against your average sale. The cost for the entire mailing should be covered by one sale (due to the hope to acquire new customers and additional purchases).

If you have a one-time sale, the cost should be about 10% of an average sale. In all cases, be sure to push to your Website, as well. Try a Website-only offer (where a discount is offered) to lure them to the Website. You should get more Web visitors that you receive calls, because people do not continue on page 34

The California Chamber of Commerce is urging employers to contact Governor Arnold Schwarzenegger and state legislators to keep high-paying jobs in the state, as well as clarify meal and rest period rules to save businesses litigation costs.

The CalChamber believes more flexible work schedules would not only help companies deal with family matters and save on commute costs, but also reduce traffic and greenhouse gas emissions.

Under current Labor Code Section 511, and following the Industrial Welfare Commission wage orders, employers may institute alternative work schedules only if a super majority of affected employees agrees to the arrangement by secret ballot. Then, all employees in the work unit are subject to alternative scheduling.

Therefore, more than one schedule is prohibited without repeating the voting process, and an employee does not have the option to choose a tradition- al workweek schedule without the secret-ballot voting process taking place again.

"Any deviation from the rigidly controlled process voids the election and subjects the employer to potential lawsuits that can seek up to three years back of overtime pay for affected workers," CalChamber policy advocate Michael Fisher explained. "This effectively eliminates most
Economic Forces... Nevertheless, while credit has been allocated by financial institutions much more carefully, the credit crisis is up and including early September did not seem to result in California companies with decent credit being unable to obtain new loans. The same availability of credit appears in the data for state, municipal and governmental district bonds from California and for short term commercial paper. California's governments are active issuers of bonds to cover infrastructure, revenue shortfalls, and the timing of tax collections. Although yields rose, there is no evidence in the volume of bond sales by California's governments of credit markets being closed.

A similar story applies for California businesses issuing commercial paper as bridge loans. Companies with A ratings were able to obtain short term loans and loan rates for these short term loans fell with the falling Fed Funds rate. Financial institutions and non-financial companies with lesser credits did see a credit crunch in September. For these borrowers, the amount of commercial paper loan volume processed dropped and short term interest rates increased dramatically.

Critically important to California's growth future are the small firms which developed in California's entrepreneurial tradition. There are "no-credits" in the sense that they do not have an extensive track record and are selling the prospect that their innovations are going to be generating superior returns. Their financial market is the Venture Capital market, which draws its resources from some of the same wells as the melded down Wall Street firms. Fully half of the venture capital invested in the U.S. goes to innovative new California firms. As with commercial and industrial loans, there is no dramatic evidence of a credit crisis for these firms. The amount of venture capital invested in the 3rd quarter was down, but not by much. This contraction has been blamed as due more to the inability of venture capital firms to exit previous investments through IPOs rather than an unwillingness to lend or a slack demand for these funds. As a consequence of the problem of exiting previous investments, VC's are conserving cash through fewer deals and larger reserves. Thus the credit crisis has had an indirect moderate impact on VC investments in California, but the VC market has remained open.

What does all of this mean for the future? First, the road from Wall Street to El Camino Real is long. Events affecting national financial markets have affected California's non-real estate, non-financial lending markets, but today's California markets are as much in a dead zone as any other financial markets in the country. What that means for the future will depend on government actions on the timing of tax rebates and on the ability of venture capital firms to exit "no-credits" investments.

"SPOTLIGHT ON MEMBERS"

NETWORKING BREAKFAST

January 15 - 7:30 a.m.

Connect with lots of potential customers who support fellow Chamber members
Monthly updates from City of Montclair Department Heads
Updates on what's happening at Montclair Plaza from the General Manager
Networking Business Events
Headline Spotlights
Promotion Table for your business literature (please take with you when you leave)
Spotlight Volatility in the Stock Market

Jeff Fuller, Ameriprise Financial Services
Gary Charleston

SOME PEOPLE SAY THE NICEST THINGS...

HealthGrades, the nation's leading independent health care ratings company, analyzes more than 5,000 hospitals across the country. And these objective ratings have all kinds of great things to say about Pomona Valley Hospital Medical Center. Our people are always working to provide the best in health care and treatment for the community. And we're pleased that an independent source shows our results are among the best. Because, after all, modesty forbids saying so ourselves.

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Exit strategies urged for entrepreneurs
By Ryan Carter

Royle Stutzman knew several years ago that as baby boomers began retiring, they would need advice on how to unload their businesses. As an accountant, his clients kept asking about it. Stutzman is president and founder of Exit Transition Strategies LLC in Glendora.

The problem was, his clients were asking others, too, and getting different answers from accountants, lawyers and bankers. "They would end up sitting there and doing nothing," he said.

But the stakes of doing nothing are high, said Stutzman, an accountant who ultimately made business exiting strategy—the logistics of turning over a business—his business.

Business owners who don’t plan well for exiting their business could find themselves losing it and getting nothing for it.

Or, having a chance to save it, they lose the attraction from buyers because bad planning led the firm to near bankruptcy.

As the economy slogs through a deep recession, planning is vital, Stutzman said.

"It’s a tough market out there—buyers are more demanding than ever before," he said. He offered a few tips for business owners looking to exit their companies with something to show for years of hard work. His advice is designed to enable exiting owners "to build the story" of the business and ensure they can get maximum value for it.

Plan. Research shows that 25 percent of business owners have planned or researched how to unload their businesses—or whether the business is even viable in a new market.

Use this time. In the current economic climate, many business owners, uncertain about their futures, decide to wait before they unload the enterprise, Stutzman said. You may have to work a little longer, he added.

"But that’s the time when I think those owners who have not done anything have an excellent opportunity to get their shop in shape," he said.

Ask questions of yourself, to look good for a potential buyer. "Owners almost carry marginal employees too long," Stutzman said. "Do I really need to have this cadre of people? What’s the culture of the business?"

Plan for afterward.

"What are you going to do when you don’t have the business anymore?" Stutzman said. That’s the most difficult issue for entrepreneurs, he said. What to do with the business was something Bill Hughes, 80, and his wife, Lydia, grappled with before high rent forced them to either move their Morrisey’s Catholic Gifts business from Uptown Whittemore or close.

Faced with the prospect of
continued on page 28
tions spending.

**HOW IT WORKS:**

The first part of the plan is a quarterly sales tax hike that will bring in the state an estimated $1.8 billion in the next fiscal year. At first blush, that would seem to require a two-thirds vote. But Democrats insist that technically they won't be voting to raise the tax. Instead, they will be voting simply to stop paying that to local governments. If that money not flowing, local sales taxes have a trigger to automatically rise—of a percent. So the move is a de facto sales tax hike and the state saves money by not paying local governments.

In the second part of that bill, but the Democrats will go from a different piece of legislation to replace the old gas and excise taxes (which only went to transportation needs) with a gasoline "fee," to be set at 29 cents per gallon.

Because they are raising a "fee" and not a "tax," Democrats believe (and the law they have approved) they can do this with a majority vote. (ED NOTE: Would everyone who wants to pay an additional 39¢ per gallon of gas rather than the current 29¢ per gallon tax please raise their hand. If this fee had been in place in June or July 2008, we could have paid an average $4.74 per gallon rather than the $4.61 we did pay.)

In 1997 the California Supreme Court was asked to define the difference between "taxes" and "fees." While they had not faced the issue before, that number of California Appellate Court decisions were on point.

They wrote that it is revenue that is the primary purpose and regulation is merely incidental, the imposition of a fee is a tax, but if regulation is the primary purpose, the mere fact that revenue is also obtained does not make the imposition a fee. In addition to all that, Democrats also plan to implement a new 3 percent income tax withholding on business to ensure the "fee" per gallon of gas.

The economic downturn has also greatly affected employers' ability to fund pension plans. WRERA is facing a funding requirement of $1.5 billion. In addition to that, Democrats also plan to implement a new 3 percent income tax withholding on business to ensure the "fee" per gallon of gas.

**New Economic Relief Act benefit for Seniors and Employers**

The economic downturn and mounting stock market losses are shrinking retirement accounts and impeding employees ability to meet pension funding requirements. The Worker, Retiree, and Employer Recovery Act of 2008 (WREPA) is designed to help senior citizens recover some of the money that has been cut from their retirement accounts that could have forced businesses to make large pension fund contributions at a time when cash is in short supply. In addition, the act "comends" several technical provisions of the Pension Protection Act of 2006 (PPA).

Excise tax affecting seniors suspended

Due to the slow drop in the stock market during the past several months, you likely have found that the value of your pension plan has plummeted. Some seniors have been particularly hard hit because of rules stipulating that those age 70 1/2 or over generally must take required minimum distributions (RMDs) that many of the RMDs in any one year could result in a 50% excise tax on the short-term. The program amounts are based on the balance of Dec. 31 of the prior year divided by a factor based on age. Thus, if a senior had $1 million in their accounts on Dec. 31, 2007, values — which in many cases were considerably higher than current ones. This requirement has caused them to take larger RMDs than they would have based on current values. These relatively larger distributions, combined with the flat or declining market values in the assets remaining in their accounts, have left many seniors with significantly reduced retirement funds. WREPA temporarily suspends the RMD excise tax for 2008 for IRAs as well as 401(k)s and 403(b)s. This gives seniors the opportunity to keep remaining funds in their plans for another year without incurring a tax penalty — providing time for their investments to perhaps recoup recent losses. This provision applies to any year after 2007, regardless of their retirement plan's plan ceiling or balance or whether the plan has incurred any losses.

Senior employees and employers that have the option of withdrawing funds from their plans if they need the money. But even before the recent stock market volatility, many have preferred to withdraw only to the RMD to maximize continued tax-deferred growth. And now, thanks to WREPA, they can choose not to withdraw at all — at least in 2008. Employer pension funding requirements exempt

The economic downturn has also greatly affected employers' ability to fund pension plans. WRERA causes the pension funding requirements to achieve: a plan's "hard" or "soft" cap. Instead of the plan's "hard" or "soft" cap, new standards for funding levels.

Single-employer plans. EPA, employers were required to increase funding for single-employer pension plans to 100%, from 90%, over a seven-year period. The targeted funding level is 92% in 2009 and 96% in 2010. The penalty if employers didn't reach those benchmarks had been that they would have immediately fund the plan 100%. Under WRERA, employers who can't meet these requirements must make subsequent contributions only up to the target for that year, rather than the full amount. For example, the plan's "hard" or "soft" cap.

Multiemployer plans. WRERA offers relief for multiemployer pension plans that are "endangered" or "critical status," and new laws ease those restrictions. Moreover, the act also allows plan sponsors to elect to temporarily freeze the status of multiemployer plans if the funding status had been in the plan for plan status.

Lifetime of the plan years on or after Oct. 1, 2008, and before Oct. 1, 2009, this "endangered" or "critical" multiemployer plans. It isn't required to review the plan funding improvement plan or schedules until the following plan year. No new pension-nonsurplus requirements removed

WRERA makes it mandatory that, beginning after 2008, qualified retirement plans, 401(k) plans or 403(b) plans allow non-sponsors to receive certain distribution of a deceased participant's plan. Participants can roll over their balance directly to an "inherited IRA." PPA had made this a permissible option, but not a requirement. Know how WRERA affects you

Even though WRERA's main provisions are relatively simple, knowing how exactly they affect and what to do about it is a more complicated matter. To find out, please contact your tax advisor.
Customers have stopped buying, companies are closing, layoffs are common, banks have stopped lending, consumer confidence is falling, and the list goes on. Many business owners hope things get better before it’s too late and are struggling to stay afloat during these tough times.

As a business owner, manager or leader your choices are simple. Do what you know you need to do and do it fast, or die a slow death. Most people are afraid to make tough decisions, try new ideas, or do business differently. So continue to keep the same outdated business strategies will keep working as they tread water or sink slowly and wait for something good to happen. Even if survival is your goal, past methods won’t work.

Running your company the same way you always have will only result in failure. The successful will make tough decisions. When they eliminate, re-evaluate, re-focus, you need to right now to grow your business and make a profit?

You must do these 10 things right now:

1. Set goals to grow and make a profit now. Top businesses are lowering their prices and cutting costs. Start focusing on sales, customers, and making money. Write down your annual targets for sales, direct costs, overhead expenses, and net profit for the next three years. This will keep you on track in a positive direction so you decide what steps you’ll need to take to achieve your profit goals.

2. Cut your fixed cost of doing business now. Determine what your business can afford to cut without hurting the business in tougher times.

you can make a profit with reduced revenue. Eliminate any unnecessary expenditures or underutilized people. Hold a meeting, talk to your employees, and cut the most money from the budget. Sell or eliminate any underutilized equipment or asset that is not contributing to your bottom line. If you can’t sell it, rent it out.

3. Preserve cash now. In times like these, cash is king. Delay any major purchases, don’t try to fine your long-term lease on an “as needed” basis. Outsource or subcontract as many things as possible including engineering, manufacturing, design, drafting, accounting, human resources, payroll, maintenance, training, etc. Focus on the more services you outsource, the longer you hold on to your cash.

4. Cut your poor performers now. Eliminate your poor employees who have bad attitudes, contributing, don’t make their budgets, or are strug­gling to meet your goals. Eliminate them or stop paying them. Find new employees who will right now to grow your business and make a profit from the budget.

5. Sen or eliminate any underutilized equipment or assets. And if you can’t sell it, rent it out.

6. Seek new customers and markets now. Continue to sell your serv­ices or products to the same cus­tomers won’t give you better results. As sales opportunities or market sizes decrease, you must increase the number of sales proposals to land the same amount of busi­ness. Your selling price might be lower, so more revenue will be required to hit your profit goals. Start selling consumer markets, territories, and territories. Seek difficult, technical or compli­cated products. Even if you need to go outside your comfort zone, you can make a profit. If you can make a profit with reduced revenue, you can make a profit with reduced revenue.

7. Invest in emerging business now. Why do you continue to offer what you already have? Your customers will not be here for you. Your customers will change. They will change their habits. They will change their buying behavior. They will change their buying patterns.

8. Increase sales and mar­keting now. Now, more than ever, you must be marketing your sales and marketing. When you are marketing, you are selling. When you are selling, you are marketing. You must be marketing your sales. Your sales will increase.

9. Increase spending on technology now! Can you improve or become more efficient by implementing cutting-edge technology? Make it your goal to end paper, and never stop updating your technology.

10. Seek companies to buy now! Keep an eye on the lookout for struggling companies available to acquire at low prices. Weak competitors may need an infusion of cash and can consider merging with your business. Also look for distressed real estate to invest in. Get out of your comfort zone and look for new ways to make more profit.

You can continue to do business the same way and hope it gets better, or you can start looking for new ways to build your business. The only way to suc­ceed in tough times is to make tough decisions. Face reality, and don’t let your opponents change the way you do business. Unfortunately, it won’t take until it’s too late. Implement these 10 ideas now!

Visit George Reddick’s Website at www.hardhatspresentation.com, email: editor@hardhatspresentation.com, or call 800-851-8533.
Exit strategies... continued from page 23
Having to move the business, the couple, who bought it in 1989, could have retired. They could have sold it. Instead, they decided to move to another location on east Whittier Boulevard, which was easier to get to, Hughes said. Their idea was that they could get to the adjacent city, public schools, hospitals, and a runway easily. Not only that, but selling
immediately or just going out of business would not be fair to employees or to a community of loyal customers, he said. Hughes agreed with Stutzman that planning is vital. “It’s very important to plan ahead,” he said. “When opportunity strikes, you can take advantage of it.”
These days, many people are holding on and waiting for that better opportunity, Stutzman said. “We’re in an economy that’s on the skids...and (business owners) are looking asking ‘I’m not sure I can move out when I expected to,’ he said.
‘The key is to be ready. Make tough decisions now and be ready in a year or two,’ he said.

Eugene State... continued from page 19
employers and employees from choosing alternative options.”

Simplify Meal/Rest Period Rules The CalChamber is calling for a solution that will provide both employers and employees with the clarity and flexibility needed to comply with the meal period statute. As the press release describing the Governor’s economic stimulus plan pointed out, current law is confusing and has led to costly litigation against California businesses.

Historically, state enforcement officials have interpreted the statute and related regulations narrowly and unreasonably, wrongly increasing employer liability and increasing the cost of liability under these interpretations, employers have had to discipline or discharge employees for not taking meal periods as directed, and to police employers to make sure they are taking meal periods and not violating the rules according to the rules.

Several recent federal court decisions (Haylard vs. Southland Corporation, et al) have clarified the narrow and unreasonable interpretations. In addition, the California Supreme Court has agreed to hear a key case on the subject, but has not yet issued a ruling that resolves the issue. Both employers and employees seek clarity and flexibility now.

Action Needed The CalChamber is urging continued on page 29

Economic Forces... tion, finance, and building supplies
have been eclipsed by deterio-
Continued from page 20
market conditions in service
sectors. The bulk of the increase in unemployment... have been led by retail, secondaries, and finance job reductions have been leading the charge...

California’s economy was flat during the first quarter of the year. In the second quarter, it took a turn for the worse as jobs were shed in most sectors and the unemployment rate climbed to 6%. This downward trend continued through the summer. In the last two months total employment has stopped falling, unemployment has continued to rise, and non-farm employment has continued to fall. As a result, between the total employment loss and recovery in the forecast. Nevertheless, the macroeconomic forces driving California’s economy should produce a gradual recovery.

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CalChamber continues on page 28

MWA Experts... continued from page 2
associated with a known variable imported water supply, MWA created groundwater storage through underground water "banks" throughout its service area. Policy adopted by MWA several years ago has been successful in depositing in the banks high quality supplemental water from the State Water Project. The ability to withdraw in times of prolonged drought like the state is now experiencing, "This reasserts the management philosophy that regional cooperation, such as the Water Storage, is necessary to meet future water demands." - Moejave Water Agency

Residential Wells Affecting Seniors Housing Market

The seniors housing market will continue to transition during the coming months as state budgets tighten, forcing owners to become more creative when seeking to boost revenues. Areas where state spending increased due to the booming residential market, such as the retirement hotbeds of Florida and Arizona, will record the largest per capita drops in water use, the largest increase in reimbursement from state governments as a result of the economic and housing market downturn. In addition, homeowners are facing a transition into water management as they adjust to their new occupancy levels in the independent living segment. To support revenue growth, builders in the West are capitalizing on the aging baby boomer population, a large portion of which have home equity, and are finding new ways to attract buyers. By offering low interest rates, on-demand financing, and other creative financing methods, builders are able to get their fair share. But the last quarter has seen the economic situation for foreign tourists turn around. The Mexican peso, U.S. $1.61 on December 5, and U.S. $1.65 on December 16, increased to U.S. $1.69 on December 18, which makes many benefits available. The city has long recognized the importance of helping small businesses thrive, and is committed to continued funding for small business programs supported by the SBDC. The focus of this assistance is to encourage positive growth in the Victorville Valley, with the ultimate goal of creating new jobs for local citizens.

The programs offered by the SBDC will be free to those interested in receiving them. For more information about counseling, training workshops and seminars covering a wide range of topics, the topics to be discussed will include business planning, financial management, sources of capital assistance, record keeping, office automation, and human resources.

Small Business Owners will be able to access economic and statistical data, public/private financial opportunities, and SBDC referral lists from the SBDC as well.

The SBDC is open Monday through Friday, 8:30 a.m. to 4:30 p.m. Staffed by a business consultant at the Inland Empire Small Business Development Center.

Economic Forces... continued from page 28

The two problematic sectors are leisure and hospitality, and government. Leisure and hospitality has not yet shown job loss in the face of a weakening domestic economy. This may be explained in part by foreign tourism. Earlier in 2008 the U.S. Department of Labor reported that all the California economic forces were booming. Overall, foreign tourism was up in the U.S. West Coast in 2007. This ability to get its fair share but the last quarter has seen the economic situation for foreign tourists turn around. The Mexican peso, U.S. $1.61 on December 5, and U.S. $1.65 on December 16, increased to U.S. $1.69 on December 18, which makes many benefits available. The city has long recognized the importance of helping small businesses thrive, and is committed to continued funding for small business programs supported by the SBDC. The focus of this assistance is to encourage positive growth in the Victorville Valley, with the ultimate goal of creating new jobs for local citizens.

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For more detailed information on how your legislators voted on specific business legislation go to leginfo.org or cachemahvotes.com.
Trust is essential in today's business world. Every day, people talk about how important trust is, yet few know how to create it. Trust comes when people know they can count on you. Trust comes when people know you're there for them. When people protect each other, there is trust—it's that simple. When you're committed to others and the well-being, you can expect an extraordinary commitment in return.

In the NBA, basketball players follow the concept of "sticking together." They know by protecting each other, working collaboratively and standing united against the competition, their chances of winning greatly increase.

In business, the only way you can do your job effectively, be creative and be innovative, is when you know someone has your back. When you're confident someone is watching out for you, you're more willing to take risks to increase the bottom line. Unfortunately, in most companies, people are just there to collect their paycheck. There's no creativity, no innovation and no risk-taking, all because there's no trust among team members. After all, if no one is backing your ideas, why try to implement them? The chance of failure is too great.

The world of professional basketball offers the perfect learning example: In basketball, one person's job is to guard the basket. As long as that person is doing his job, his teammates up the court can take risks and try to steal the ball from the other team. If they're unsuccessful with the steal and the competition happens to get by them, they can count on the person guarding the basket to protect the team and keep the rival from scoring.

If the team members can't count on each other, they're not going to take risks. They're going to play it safe. They'll stay in front of their man, do their best to not let him score, and stay in a defensive mode rather than taking an offensive position and going for the score.

The same is true in business. People may have some good ideas, but they don't voice them because they don't feel protected. They don't feel that sense of trust or appreciation, so they stay under the radar and do just enough to not get fired. They become clock-watchers who only care about themselves and their own agenda. As a result, you have a company filled with people who know only how to complain and whine rather than take action and responsibility. Now you no longer have a team; you only have divisiveness.

If you want people in your company to not only think of new ideas but also execute them, then they need to feel supported. Protecting your teammates is a key ingredient in the NBA, because if you don't have that trust, then things quickly fall apart. For businesses to succeed, they need the same mentality. If you want your company to grow, to change, to innovate, to succeed, and to rise to the top of your industry, then you can't afford to have a bunch of people playing it safe. You need the creativity and entrepreneurial spirit that comes when trust abounds.

So if you're ready for your company to go from a "playing it safe" rookie to an innovative all-star champion, then consider the following suggestions.

1. If you're an employee, encourage fellow employees to step out and take risks.
   What would it be like if everyone on your team truly felt safe? If you want to be invaluable, be the person people can count on. If you want to have enduring relationships, look out for others. Put others first. When you protect others, they take risks. They know they won't be criticized should they fail. When you protect others, you create an environment of safety and freedom. When you're committed to innovation and the immediate response required in a world and marketplace filled by instant change. When you protect others, you sometimes give up an opportunity or put yourself in front of your man, do the right thing, then things quickly fall apart. For businesses to succeed, you need the same mentality. People know by protecting others, they take risks. They know they won't be criticized should they fail. When you protect others, you create an environment of safety and freedom.

2. If you're in management or a supervisory position, become a protector.
   Encourage your people to come to you with ideas. When you decide to implement one of the ideas, let your employees know you completely support them; Win or lose, you're there for them. If you must, think of your employees as your children. As a parent, your first priority is protecting your young. Just like children, adults do their best when they feel cared for and safe. So if you want peak performers, create an environment where everyone feels safe. The ideal manager is like the coach who stands up for his team. The ideal manager who creates an atmosphere of trust is really creating a space where people will excel and succeed.

3. Observe how behavior changes in the workplace with the implementation of this concept.
   When the world of work starts a wellspring of performance and confidence. Think about it... if you're fully committed to others and the well-being, you can expect an extraordinary commitment in return.

Trust sets people on fire. When you defend another, you find courage that you didn't know you had. Fighting for someone else and doing more for others than you do for yourself brings out the best in yourself. And that's where you find the win. It's called the magic of teamwork.

For more information, visit www.784.com or e-mail Mark Eaton at info@784.com.
Economic Force... level of 2.9% until 2011 at which time we expect it to be 0.5% faster than the previous year and to remain at that level the following year.

This slowing in the growth rate of personal income portends problems in state government finances until 2010/2011 fiscal year and the decline in purchasing power of personal income.

The potential for declining consumption adversely affecting state sales tax revenue could, if we were to occur, further exacerbate retail sales tax revenue. The combination of declining income at the upper-tier of the income distribution adversely affecting state tax revenue and consumption adversely affecting sales tax revenue implies declining government employment through the balance of the forecast.

Finally, unemployment is going to continue to be a worry. We expect it to grow to a high of 8.7% next year and to remain at that level the following year. The stalled California economy is simply not producing the jobs required for new entrants to the labor force over the next couple of years to prevent these elevated levels of unemployment to persist once the job layoffs cease.

The upside risk to the forecast is dependent upon the consumer. If the consumer in the U.S. in general and California in particular, takes a cue from Black Friday and decides to go on a spending spree for consumer durables in December. It is possible that our consumer confidence index may move higher and this in turn would push the unemployment rate to lower.

There are, finally, key political assumptions in our forecast. We have a new President-elect. He has moved rapidly to appoint a new economic team and promises to implement solid policies to turn the U.S. economy around. While these always take time to move into place, the reduction in uncertainty about the future course of the economy is a necessary condition for consumption to begin growing again. The perception that the "sky will not fall, Chicken Little," is enough for this to happen rapidly.

Our California forecast is predicated on consumer uncertainty being reduced by the 2nd quarter of 2009 through observation of the course of the economy and increased confidence in government policies. Second, there is a key assumption about the future course of the economy is a necessary condition for consumption to begin growing again. The perception that the "sky will not fall, Chicken Little," is enough for this to happen rapidly.

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Our California forecast is predicated on consumer uncertainty being reduced by the 2nd quarter of 2009 through observation of the course of the economy and increased confidence in government policies. Second, there is a key assumption about the future course of the economy is a necessary condition for consumption to begin growing again. The perception that the "sky will not fall, Chicken Little," is enough for this to happen rapidly.

About an hour south of San Diego, CA, along the Baja Coast, lies what was once a small fishing village called Puerto Nuevo. For many years tourists flocked to the local fisherman's houses to feast on local pacific lobsters. These lobsters split open and flash-fried, were presented on big platters and served with piping hot flour tortillas, delicious ranchero beans, rice, and enchiladas. Mexican rice and local red hot chili sauce. Guests would pack the meat from the shells, wrap it in the tortillas along with the beans, rice and a dressing of hot sauce! And of course, taxable sales of liquor and pitches of margaritas would be the bevy of choice!

In 1983, Rick DiRemi, the founder of Rock'n' Baja Lagoon, introduced these delicious seafood feasts to legions of fans in San Diego. He converted the historical Old Bonta, Store in Bonita, California to a Puerto Nuevo style lobster house. In 1992, he opened a second location on the harbor in Oceanside. It was here that he created his own famous Baja Bucket. Not satisfied with just lobster prepared Baja style, he experimented doing every type of seafood dish and doing them in the same way. The buckets now come with an assortment ranging from slipper lobster tail, shrimp, and snow crab to Alaskan.

GROWING IN CALIFORNIA... want to "be sold" unless they have already decided to buy.

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7. Be sure to be creative in constructing the offer, as well as to provide incentives to "act now." Most do-it-yourself ads and direct mail are passive and do not provide a strong enough incentive to act.

8. Do not forget to tune your people in to the need to collect information from customers. If you have e-mail addresses, use an opt-out program to send worthwhile communications about what interests your customers. Good Internet Web designers can help you with these tools, but you may need marketers to help craft the message.

9. Re-double efforts to target the right customers. Make your budget work hard by eliminating prospects who do not share the values of the customers your company has defined.

10. Understand every demographic reach of each media that you use. For instance, younger customers rarely read newspapers today, but mostly obtain their news from TV and the Internet. If your business is limited to a small area, use specific media in your market.

Ron Bargess is a marketing management consultant and principal of Bargess Management Consulting, located in Redlands, California.
Palm Desert Chamber of Commerce
Grand Opening Mixer

Meet and mingle with PDCC and the local business community. The Palm Desert Chamber of Commerce welcomes you to the Grand Opening Mixer Event on Wednesday, Jan. 21 from 5:00 to 7:30 p.m. in the New Chamber Offices, The Henderson Community Center, 1EID Registered: 75559 Highway 111. This mixer is only $5 for members and $15 for non-members. Bring enough business cards for another great turnout. Start 2009 off right, at the Palm Desert Chamber with great members and members of the community. Quite an event is in store, the Palm Desert Chamber Board Members are all bringing their favorite wines to share with you at the No Host Bar. For information call the Palm Desert Chamber of Commerce at 346-5111 or visit www.pdccc.org.

Generously sponsored in part by Classic Party Rentals.

Enjoy a "Taste of Palm Desert" with Champagne upon arrival courtesy of Corktree Restaurant and as we experience flavors from the following restaurants at this event: Pat & Oscars, Port of Subs, Cuisinart Restaurant, Ruth's Chris Steakhouse, Fantasy Springs Resort, Desert Willow Resort, Murphys Gaslight, Corktree Restaurant, Casuelas Cafe, Cucina Pasta, Tommy Bahamas, Papa Dino's Pizza and Pasta, and ZPizza, and more.

Rockin’ Baja...
continued from page 35

King Crab, all prepared Baja style. Buckets come with other taste-tempting ingredients such as grilled marinated carne asada and chicken to crispy tacos. The Original Baja Backyard comes overflowing to your table with Baja style slipper lobster tails and shrimp along with grilled carne asada and chicken. And all the buckets are available in sizes for 1, 2, 3 or 4 guests!

What truly adds to the sunny coastal paradise of these restaurants, besides the beach murals and funky artwork and signage, are two very important ingredients: the unlimited all-you-can-eat chip and salsa bar, warm flour tortillas and platters of Mexican rice and beans—and the endless smiles and hospitality of the staff. They pride themselves on offering their guests a fan, rockin' good time; truly delicious and unique food offerings; and icy cold beer with the bucket, if you wish, and a varied selection of the best tasting margaritas anywhere.

So come on in, sit down, get in the mood, lock your fingers after each bite and quench your thirst any way you please. It’s Rockin’ Baja!

Rockin’ Baja is located at 9355 Monte Vista Ave., in Montclair. For more information call 909-621-7788.

Taxes are...
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Transit: $312 million over two years. Cuts of $135.6 million in each of the next two years.

Judiciary: $35 million in cuts

Local public safety programs: $250 million in the current year and $500 million in 2009-10. The cuts come by eliminating funding for local law enforcement programs, some of the funding (roughly $500 million over the two years) would be restored through a new $12 fee on car registrations.

Williamson Act: $35 million cut. Would eliminate state funds that currently go to counties for this program to preserve agricultural lands.

The Republicans and the Howard Jarvis Taxpayers Association immediately called on the Governor to veto the bill while vowing to immediately challenge them in court as unconstitutional because they were passed without a two-thirds majority vote.

The bill also recommends $375 million in wage cuts, to be determined in negotiations between unions and management. Nothing mandates the unions accept any wage cuts, but they must go through the motions of negotiating.

GOVERNOR PROMISES VETO

Governor Schwarzenegger declared he would veto the budget bills sent to him by the legislature because they fail to provide real solutions for California’s budget crisis and also fail to provide economic stimulus and mortgage relief to the California. He argues that on Nov. 6, he presented a budget proposal to the legislature that would address all his issues. Democrats believe if they add his proposals to their budget proposal, he will still agree to these tax increases. They pragmatically believe the courts will not enjoinder them, and they can begin collecting immediately. They believe even if they lose the court case, a year or more in the future most people will not demand refunds or be able to prove they qualify for them.

The budget bill facing veto was passed three days after the Republicans on Dec. 15 finally put a no-new-taxes proposal on the table that called for cutting deeply into schools and social service programs. Neither Democrats nor Gov. Arnold Schwarzenegger embraced the $22 billion plan, which included $6 billion raised by raiding voter-approved preschool and mental health funds. In fact, Democratic legislative leaders made pretty clear the proposal was DOA.

On Tuesday, Dec. 16 Assembly Democrats and Republicans split along party lines in rejecting a Democratic plan to end the standoff. The roughly $10 billion package of companion bills included one for $11.3 billion in tax hikes, the other for $7 billion in spending cuts.

On Wednesday, Dec. 17 as expected, state officials cut off funds for thousands of public work projects statewide, including roads, levees, schools and prisons. State Treasurer Bill Lockyer called the action regrettable but necessary to preserve cash as the state general fund tumbles toward insolvency.

On Dec. 19, after the Democrats passed the budget bill facing veto they left for the rest of the year. Governor Arnold again called another special legislative session urging them to remain in Sacramento and negotiate. But he also left Sacramento, at first speaking at various events throughout the state. And finally on Dec. 22, he and his family left Sacramento for Idaho and a family holiday. He insisted he could continue negotiations by video conference.

On Friday, Dec. 26 the clock tracking the growing deficit was expected to pass $7 billion and the state is still expected to run out of money in late February or very early March.

Despite the title, there’s a lot of good information in the book that’s also appropriate to experienced people on the organization chart than recently arrived managers. As co-authors Don and Sheryl Grimm note, the book was designed to be "both a how-to and why-to" project. The authors express, for example, that manager time managers will be best served reading in a very linear fashion from cover to cover. It’s also their belief that more experienced managers will focus on areas of immediate concern, yet prioritize any remaining issues.

The 21 tools in the management-tech tools and techniques, to implement those techniques, skills for personal and interpersonal effectiveness, and effective workplace". These tools were derived from the training experiences of the authors for clients in government and business organizations.

The authors base their need for the book on the frequent disconnects between managers and employees. They note that for some 60 years, managers have always rated good wages and job security - the two things that employees want from their jobs. Oddly enough, most studies indicate that employees care the most about these below appreciation for work done, good working conditions, and interesting work.

That’s why they emphasize the difference between opinion and fact. That the tools, themselves, are divided among six categories: Leading People, Diversity-Leadership, Effectiveness, Optimizing Contributions, Personal and Interpersonal Effectiveness, and Eliminating Conflict.

Contained within each category are several tools. For example, within the category Leading People, are three tools: "Turn on Talent...and Turn off Turnover"; "Unleash Their Productivity...by Balancing Work and Life." Within each tool are suggestions or "tips" and a "secret." The tips elaborate on "secret," which is usually a simple, fairly obvious reminder of what makes people tick.

All of which is good advice for managers, or at least was prior to August 2008 and the financial crisis. It will probably take until 2010 for the well researched information that is the foundation for the secrets, and questions to be valid once again. For example, we have to go back to 1923 when so many businesses laid off large numbers of people and closed their doors to look at information that was then current. In this book, in the deflation, not inflation, had become a fact. People would do whatever the hell they wanted it meant a pull at the check at the end of the week. Employee turnover had ceased to be an issue until 1941. In fact, in many cases managers enforced employee policy and procedures handbooks could be written in two words: "My way or the highway."

Fortunately, there are too many federal and state equal employment laws on the books these days for us ever to sink back into the worst excesses of what was called the "good old days." The difference between opinion and fact. That’s especially the case where the enforcement of those laws are under the eyes of a new federal administrative body that is likely reinstate more than a few elements of the Roosevelt antidepression laws.

In fact, some of the Congressional Statutes might themselves be a cause for managers. Despite the fact that the 1930s, who were capable turning a private company around came to the attention of a nationwide reputation. This often meant senior positions in giant corporations after the Depression. If we re-run the experience of 1932, of one of the private sector’s greatest challenges in recent time, it means a darn good reason to get the book and see how it applies to your own situation, whether as a manager in the private sector or for a government agency.

--- Henry Holtzmann

Bestselling Business Books

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

1. "The Snowball: Warren Buffett and the Business of Life," by Alice Schroeder (Bantam Books...$35.00) (1)
2. "Why: How to Know Why Things Happen," by Daniel Goleman (Hill & Wang...$26.95) (1)
3. "Why the World Ended...and How It Will Begin Again," by Christopher Hitchens (McSweeney’s...$24.95) (1)
4. "And Then There Were None: A New World of Business, by John H. Finley (Wiley...$22.95) (1)
5. "The Global Impact of the World’s Top 100 Companies," by John H. Finley (Wiley...$22.95) (1)
6. "The Global Impact of the World’s Top 100 Companies," by John H. Finley (Wiley...$22.95) (1)
7. "The Global Impact of the World’s Top 100 Companies," by John H. Finley (Wiley...$22.95) (1)
8. "The Global Impact of the World’s Top 100 Companies," by John H. Finley (Wiley...$22.95) (1)
9. "The Global Impact of the World’s Top 100 Companies," by John H. Finley (Wiley...$22.95) (1)
10. "The Global Impact of the World’s Top 100 Companies," by John H. Finley (Wiley...$22.95) (1)

"Healdsburg...continued from page 44
Abound. Food is down-to-earth good and is brought as ordered at a fair price. In addition, they can order "surprise" foods. Bear Republic Brewing Company can be reached at 345 Healdsburg Ave. in Healdsburg. Visit www.bearrepublic.com for menus and prices.

Top off the evening with the most scrumptious pastries at Costeaux French Bakery. The bakery has a long history and goes back to 1923 when it was called the French American Bakery. It was then purchased and recently expanded and renovated and always produced top quality breads and pastries. This bakery still holds its supreme standard in the field and has branched out to include fondant wedding cakes and catering. They serve glorious, gourmet bakery, and delicious breakfasts. Try any of the areas mentioned "best of the day" host rehersal dinners and wedding brunches.

For more information or questions, call the French Bakery in Healdsburg at 417 Healdsburg Avenue.

Increase Your...continued from page 16
other subcontractors via hand­held devices in real time. That does not mean that all of American’s business processes and partners can be operational in real time, it means they picked a profitable way to start and will build on that success.

The Real-Time Advantage
There is a clear business advantage to having high value, market-based information available almost instantly to the right people, both inside and outside the company, and using that information to make quick, measurable improvements. Real-time business is about leveraging all of your relationships through optimized business processes that can take advantage of nearly instantaneously communications across the enterprise and the virtual core of a collaborative network.

Delivering up-to-the-minute data is a competitive drivers, they are au doing this because they are the one that can come out of this is that I don’t appreciate it. I’d really appreciate," your suggestions? Wouldn’t it be nice to have a companion to con be truly misleading. The great leaders check their ego and apply this practice a few times a day. They know that feedback is a gift.

Individual meetings are a phenomenal opportunity. Every time you have to occasionally be done by phone, make time for the one on one, which can build your team in expedition fashion. The outcomes can show up in some of the areas stronger man high enough to give them the feedback they need.

For additional information, visit www.costeaux.com.

"Build Team...continued from page 16
Public Buy-In...continued from page 15

Continued from page 6
nomic downturn. In the mid­

nights when California faced a budget deficit and a state financial crisis, state legislators raised taxes. Revenues consistently failed to meet the rosy projections. In hindsight, their actions potted the budget crisis and slowed out solving the fiscal problem of overspending. Based on that analysis, the worst time to consider burdening Californians with a new tax, would be the worst time to consider burdening Californians and burdening our economy with higher taxes. Sacramento should not repeat the failed policies of the past.

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566 Old Redding Rd.
Redding, CA 96003
925-438-3056
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www.bergmanwindowwashing.com

Business Buy-In...continued from page 15
high quality public option to the private market, no matter what the level of subsidy. Allowing employer groups to join the pub­lic purchase plan would both subsidize those plans and also maximize cost savings.

For more information, visit us on the web at www.costeaux.com.

Victorville...continued from page 2
Center location at 1549 Civic Drive, Suite 102, Victorville, CA 92392. There is also a location with business resources available www.iestbc.org.

If you are a small business owner, there would be the one of the individuals receiving an information boost.

Higher Taxes...continued from page 6

north and daily flights are avail­able.

if you enjoy train rides, you can also get there from Los Angeles by AMTRAK via Santa Rosa.

Camille Bontz is the Travel Editor for Western avocado. The January 2009 edition of Sunset Publications and The Inland Empire Business Journal.

"Cures 'They' Don't Want You to Know: How to identify and use your unique strengths at work. Achieve Outstanding Performance," by Neil Ferguson (Penguin Group...$27.95) (**)
7. "Outliers: The Story of Success," by Malcolm Gladwell (Little,Brown & Co...$27.99) (**)
8. "Why the World Ended...and How It Will Begin Again," by Christopher Hitchens (McSweeney’s...$24.95) (**)
10. "Go Put Your Strengths to Work: Six Powerful Steps to Achieve Outstanding Performance," by Marcus Buckingham (HarperBusiness...$20.00) (**)

How to identify and use your unique strengths at work.

A Great Combination
If one is going to motor or fly into San Francisco, here is a plan to hit the ground running.
The St. Elizabeth of Hungary Food Pantry received a $13,000 grant from Stater Bros. Charities. The grant will be used to purchase food and help feed the hungry in Desert Hot Springs.

The food pantry is located at 66-700 Pierson Boulevard.
Healdsburg
A Place to Relax - This Side of Eden
By Camille Bounds

Planning a getaway to Monterey or San Francisco? Think Sonoma Coast and the Russian River region for a serendipitous adventure into relaxation, beauty with great food and wine.

The Russian River Region includes the Russian River Valley, the Sonoma Coast, and the surrounding wine country. About an hour and 15 minutes driving time from the Golden Gate Bridge leads to a "quiet" place—a place to unwind, let go and just simply relax. The villages are inviting and they seem to "dare" you not to relax. Healdsburg is a perfect example of a small crossroad's community that has that quality.

Named for a Quaker
Healdsburg was named after Harmon Heald one of eight Quaker children who came overland with his family in 1849 from Jackson County, Missouri. They were in search of gold but, as the fates would have it, Harmon instead founded what is now known as Healdsburg. This place was once the best kept secret in the area, but the traveler that is looking for somewhere to simply relax and enjoy good wine and good food has more or less let the cat out of the bag. Healdsburg is attracting the vacationer while still maintaining its relaxing, laid back aura.

Everything Within Walking Distance
One of the most amazing things about Healdsburg is their restaurants. Most are excellent—from Italian, Thai, Chinese, American—and so good that you might need a reservation some evenings. Here is a city with over 11,000 inhabiting the city limits. Just about everything including shopping, bakeries, a brewpub, wineries and tasting rooms and spas are within walking distance from the delightful hotels or inns on or near the Historic Plaza.

Sample the area
The following is just a sample of the area and barely touches what is available:

Start out by booking a delightful room at the Healdsburg Inn on the Plaza. (A Four Sisters Inn.) The Inn overlooks the Historic Plaza where everything in town happens. Step out the front door and you are in the midst of the festivities of the moment. If you wish to avoid any activities or festivities, go around the corner and hop in your car and drive to any adventure you choose. Rooms are comfortable with gas fireplaces, private baths with jetted tubs, showers, plush terry cloth robes, balconies, TV, and, of course, breakfast (you can also order breakfast in bed), and afternoon wine and snacks. The staff is sincerely warm and friendly.

To book a room at the Healdsburg Inn on the Plaza call Jennifer at 1-800-752-3046—rates are seasonal and it is located at 12 Matheson Street in Healdsburg.

Round your trip out with a visit to The Spa at the Hotel Healdsburg. It is a full-service spa that offers complete and conscious care in a tranquil surrounding. Well-trained therapists and aestheticians are selected for their credentials and experience. Many treatments are available and includes choices from massage, facials, manicures, and pedicures. Go be pampered and enjoy.

For appointments call 707/433-4747.

The Spa is at 327 Healdsburg Avenue.

A variety of eateries to test your gourmet tastes
Great food abounds. Sake 'O is the ultimate in Japanese food. A comfortable spot offers the best sushi and sashimi on the planet; the Martini Prawns are what trying to steal a recipe is all about. The Spanish Fly is seared Ahi Tuna topped with avocado, tomato and red onion in olive oil and soy with jalapeno on top. One wonders how they can get all of this on one little piece of Ahi but they do and the combination is wonderful. The Utah Roll is a Tempura Prawn inside a snow crab with a spot of tuna and a special sauce. The delicate flavors in all of these blend into a satisfying gourmet's delight, and that is only a small sample of what is available in this delightful little bit of Japan.

Sake 'O is located at 505 Healdsburg Avenue in Healdsburg.

For hours and reservations call 707/433-2669.
For menus and prices go to www.garychus.com.

A Divine Affair is a charming tiny little spot that serves great Russian and Ukraine food. The borsht, to use a well used cliche, is to die for, and the Peorgies fall into the same category. This tiny place has a banquet-sized menu that is the ultimate in fine food.

Be sure and try A Divine Affair at 330 Healdsburg Avenue in Healdsburg.
For hours and reservations call 707/433-1035.
For menus and reservations go to www.divineaffair.net.

A really fun "wear your T-shirt and shorts" place to go to is the Bear Republic Brewing Company. You're greeted by a happy, amiable staff and food keeps on coming. Steaks, burgers, salads and, of course, beer

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