January 2011

Inland Empire Business Journal

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The Beacon Employment Report
December 2010

Seasonal Surprises:
Construction Industry Gains, Retail Loses
California Unemployment Rate Unchanged

• Unemployment Rate Remains Unchanged: California’s unemployment rate remained constant at a seasonally adjusted 12.4% between October and November of 2010, despite a small decrease in the number of employed (-1,800). According to the EDD’s Residential Survey, the number of unemployed Californians increased as many previously discouraged workers who had dropped out of the labor force—and were no longer being counted among the unemployed—returned, expanding the size of the labor force.

• Construction Industry Surprises: California’s industry employment (measured by the Industry Survey) showed gains between October and November with construction leading the pack. Construction, the sector that was hardest hit by the recession, posted a gain of 7,800 jobs. This is the second consecutive month of employment growth for the construction sector, but only the fourth month of gains in 2010. Also adding positions were information (5,200), professional and business services (3,000), government (3,000), and education and health services (2,900). Many of these gains were offset by losses in sectors such as retail and leisure and hospitality. Overall, California gained 3,500 jobs in farm employment and 1,600 jobs in nonfarm employment.

• Despite the Season Retail Employment Loses As Employers Remain Cautious: California’s retail industry suffered a significant employment opportunity loss despite the lead up to the holiday season. In non-seasonally adjusted terms, retail added 26,000 jobs between October and November—a much smaller increase than the average rise at this time of year (looking out over the past 20 years). When seasonally adjusting the data, the increase shrinks further, showing a clear loss of job opportunity. These results are surprising because taxable sales have increased considerably and most observers were predicting higher sales this past holiday season. Moreover, both wholesale trade and durable goods manufacturing added jobs, indicating an increased demand for goods. Retailers have likely increased their efficiency (doing more with less) as they continue to exercise caution in this questionable economy.

Inland Empire 2011 Forecast

Inland Empire Office Space

Anemic employment gains will fall short of heralding a recovery; active tenants will be able to choose from their fair share of trophy spaces offered at discounted rental rates.

More than any commercial property subtype, a direct correlation can be made between the labor market and the demand for professional office space. With minimal white collar job losses during 2010, save for a few industries, the local core demand driver remained stunted; frozen demand, compounded by the fact that the national average of office square feet per employee has decreased in recent years as corporate tenants focused on space-efficiency, translated to annual net absorption hovering close to zero. The vacancy rate concluded 2010 at 24 percent—virtually unchanged from 2009—while monthly Class A and B asking rental rates dropped 5 and 7 percent, respectively, over the same timeline.

Looking to 2011, the sector is braced to ‘bottom out’ due to stagnation of its vacancy rate and flat absorption figures; tenant downsizes and consolidations, once rampant in 2008, have progressively tapered off, putting the marketplace in a general lull. Also, tenant profiles on par with 2010s economy—namely, for-profit educators, federal government entities and medical-related firms—stepped in to better serve one of the region’s selling points: a 4.2-million population base. Such momentum will have a carryover effect into 2011 as companies favor Class A product—a subtype that was over-built in past years, which will remain available at highly competitive effective rental rates. Of this product, a significant portion will be available for sublease at discounted rents.

continued on page 21
Risky Business
David Shulman, Senior Economist
UCLA Anderson Forecast

With short-term interest rates already at zero, the measured inflation rate approaching zero and the unemployment rate stubbornly remaining near 10%, a deflation-haunted Fed decided to experiment with a policy characterized as quantitative easing. On Nov. 3rd, the Fed announced that it would expand its balance sheet by $600 billion dollars over the next eight months by buying intermediate-term Treasury bonds. Its purpose was not so much as to increase bank reserves, which it will do, but rather to lower long-term interest rates and as a consequence raise asset prices, thereby stimulating consumption and investment.

SolarReserve Receives Final Licensing Decision for 150-Megawatt Rice Solar Energy Project in California

Key state permit approved for construction of California's first commercial-scale molten salt solar power tower; thermal energy storage technology will provide firm, reliable power.

SolarReserve, a U.S. developer of utility-scale solar power projects, has received a final decision...
News and Features

We Are the Champions: Seven Tips for Turning Your Customers Into Fans for Life
There are tons of ways to win over your customers and create brand loyalists who keep coming back. Maribeth Kuzmeski gives us seven tips and easy-to-implement ideas that will help you turn any customer into a fan for life.

The 2010 Execution Round-Up: Companies That Couldn’t “Get It Done” This Year and Those That Did
Rick Lepsinger outlines several world-known companies that either could or could not “Get It Done” in 2010 and the lessons learned by their mistakes or accomplishments.

The Future of Business Is Social: Seven Principles That Lead to Social Success and the Companies Already Getting Them Right
Instead of a monolithic one-way interaction, business is now being conducted through constant and meaningful two-way conversations between organizations and constituents—at every stage of organizational development. Barry Liberts thinks it’s a good thing and tells you why.

Connecting With the “Overqualified” Job Candidate: Why the Highly Skilled Candidate May Be the Best One for the Job (and Five Ways to Connect With Her)
A recent Harvard Business Review article suggests that when you ignore “overqualified” candidates, you’re missing out on the opportunity to add highly qualified talent to your organization.

Columns

Real Estate Notes.

The Lists:
- Top Colleges and Universities.
- Hotel Suites in the Inland Empire.
- Financial Brokerage Firms Serving the Inland Empire.

Sales and Customer Relations.
Investments and Finance.
Successes and Failures in Business.
Business Growth.
Sales.
Computer Column.
Inland Empire People and Events.
Restaurant Review.
Manager’s Bookshelf.
New Business Lists:
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- County of Riverside.

Executive Time Out.

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February 2011
CVEP Appoints Thomas Flavin
New President and CEO

Following an exhaustive and careful six-month search, the Coachella Valley Economic Partnership (CVEP) has announced the appointment of Thomas Flavin to the position of president and chief executive officer. Most recently the president and CEO of enterpriseSeattle in Washington State, where he directed a business development program to strengthen industry cluster opportunities in clean technology, interactive media and life sciences for the Puget Sound region, Flavin began his new CVEP role last month.

“Tom’s breadth of experience in business and economic development, emerging technologies and public/private partnerships will further define CVEP and keep it focused on its goals,” said Clifford Daniels, CVEP board chair. “He has the entrepreneurial spirit, drive and know-how the organization needs to continue fulfilling the economic potential of the desert region, as we have outlined and are actively pursuing with the Coachella Valley Economic Blueprint.”

At enterpriseSeattle, Flavin, a Vietnam veteran, led the rejuvenation and recapitalization of the regional economic development organization for King County and its 39 cities, encompassing a population of 1.9 million. Previously, as president and CEO of the Denver-based public/private partnership organization Southeast Business Council, he directed the development and implementation of programs addressing key community issues in the south Denver metro region—including economic development, transportation, workforce growth and policy formulation, as well as administrative, financial and personnel management.

“With nearly 40 years of progressive work in civic management, public/private business initiatives and marketing, Tom’s executive qualifications are rare,” said Lee Morcus, CVEP board member and CEO search team chair, as well as chair of the Palm Springs Desert Resorts Convention and Visitors Authority (CVA) Hospitality Business Council. “His background covers all of CVEP’s key development areas, and his leadership should help strengthen the partnership of programs addressing key community issues in the south Denver metro region—including economic development, transportation, workforce growth and policy formulation, as well as administrative, financial and personnel management.

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Thomas Flavin additionally served eight years as mayor, councilman and planning commissioner for the City of Burbank. As president and CEO of Burbank-based Business Government Partnership, he spearheaded public and private community development projects for cities including Ventura, Camarillo and Alhambra.
On Behalf of LNR Property Corporation

The Geraci-Chenoweth-Gutierrez-Wood Team, or GCGW, of Voit Real Estate Services, has announced the completed $18.1 million sale of 45 acres of industrial land in Riverside on behalf of LNR Property Corporation of Newport Beach.

The GCGW Team was with CB Richard Ellis at the time the deal was closed. Recently, the entire team has joined Voit as the founding members of Voit’s newest and tenth office, which is located in the Inland Empire. The team is comprised of industrial brokers Frank Geraci, Walt Chenoweth, Patrick Wood and Juan Gutierrez, as well as Senior Marketing Assistant Aditi McCann.

The buyer, Sysco Corporation, is the global leader in selling, marketing and distributing food products to restaurants, healthcare and educational facilities, and lodging establishments.

“Our team assisted LNR Property Corporation, a financially strong and experienced master developer, by marketing the property as the ideal platform for expanding Sysco’s business. The property is located in the center of rapidly growing Riverside County in the heart of the Inland Empire, within a mile of the 215 Freeway near three interchanges within close proximity to the Ontario National Airport—all of which are attractive components for a distribution company,” said Chenoweth, executive vice president of Voit’s Inland Empire office. “This particular deal was challenging, as the property was in escrow for a total of 26 months.”

The property is located at Opportunity Way and Meridian Parkway within the Meridian Business Park in Riverside. The Meridian Business Park is a master-planned property designed for company growth. Meridian Business Park is home to several other food users, including Tesco, McLane Food Service and 2 Sisters Food Group.

Sysco Corporation was represented in the transaction by Tim O’Rourke and Mike Fowler of Jones Lang LaSalle.

LNR Property Corporation is headquartered in Newport Beach, and is supported by five regional offices across the United States.

McCarthy Building Companies Constructing a New High School in Rancho Mirage

McCarthy Building Companies, Inc., one of the premier school builders in the U.S., is constructing the $99.3 million high school in Rancho Mirage for Palm Springs Unified School District (PSUSD). The 332,000-square-foot high school is being constructed on 60 plus acres near DaVall Drive and Ramon Road in the city of Rancho Mirage.

“The new 2,200 student capacity high school will alleviate overcrowding from other high schools in the district,” said Mike Sattley, PSUSD project manager. “Plus, constructing in the current economic climate is cost effective,” he added. Funding for the school is provided by local Bond Measures E and T. The school was also provided with a $3 million grant from the California Career Technical Education Program for construction of the culinary kitchen, multimedia/video classroom and mechanic/transportation lab.

Sattley added, “The District and McCarthy have been working well together on the high school, and the project is moving forward as scheduled.”

Serving as general contractor for the buildings and site package as well as construction manager for continued on page 9

Risky...

The unstated goals of this exercise in money printing are to lower the exchange value of the dollar and to lower real wages by causing inflation to increase relative to money wages. The former set off a firestorm of criticism at the G-20 meeting in Seoul, Korea increasing the risk of growth-dampening trade policies and as for the latter, although a theoretically appealing way of lowering the unemployment rate, it’s hard to see how a lower real wage in the construction industry, for example, will stimulate housing construction. Nevertheless, from an aggregate perspective a path to a more fully-employed economy could very well be through the wage adjustment process. That process is well underway in many sectors of the economy with the growing use of two-tier wage contracts and mandatory furloughs.

The risks associated with the policy are that by monetizing the Federal deficit, it could lead to far more inflation than the Fed forecasts; it could engender a dollar crisis that would make it far more difficult to fund our fiscal deficit and it could negatively impact the dollar as the world’s reserve currency. Obviously, the additions to the Fed balance sheet will make it more difficult to unwind the extraordinarily easy monetary policy of the past few years.

To us, a real risk is that the policy doesn’t work in reducing unemployment thereby lowering the Fed’s credibility. Indeed, clear signs of the Fed losing some of its credibility where a sell-off in the bond market more than undid the interest rate declines that took place in September and October and a surge in the prices of globally traded commodities that took place in anticipation of the quantitative easing policy.

In essence, market fears of future inflation and/or dollar weakness have offset much of the positive effects that were to come from rising bond prices.

Although it wasn’t called quantitative easing at the time, the Fed followed a balance sheet expansion policy in the context of near zero short-term interest rates during the 1930s. Then Fed Chairman, Mariner Eccles characterized the effectiveness of monetary policy as “pushing on a string.” All it did was increase bank reserves without transmitting any stimulus to the real economy, much like today.

After all, from late 2007 to the present, bank reserves increased nearly 30-fold with minimal upside effects on the economy. That is why Chairman Bernanke is stressing the asset market channel rather than the banking channel to transmit monetary policy. Of course it certainly can be argued that reserve expansion put a floor underneath the economy preventing something far worse. But, we must keep in mind a Fed without credibility is a clear negative for the economy, think the 1970s. While a Fed with credibility certainly aided the 25 year 1982-2007 boom.

Our Forecast

Our view is that the new Fed policy will be modestly helpful and the most recent economic data have been encouraging. As a result, we have revised up both our real GDP and inflation forecasts from last quarter, but unfortunately even with jobs gains averaging 150,000 a month in 2011 and 200,000 a month in 2012, unemployment will remain above 9% through the third quarter of 2012. We expect that real GDP will grow at a continued on page 8
### Top Colleges and Universities in the Inland Empire

**Ranked by 2010 Enrollment**

<table>
<thead>
<tr>
<th>Institution</th>
<th>Students</th>
<th>Faculty: Full-Time</th>
<th>Type of Institution</th>
<th>Tuition &amp; Fees: Calif. Resident</th>
<th>On Campus: Room &amp; Board</th>
<th>Top Local Exec.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Enrollment</td>
<td>Part-Time</td>
<td>Year Founded</td>
<td>Non-Resident</td>
<td>(Avg. Yearly Cost)</td>
<td>Phone/Fax</td>
</tr>
<tr>
<td>California State Polytechnic Univ. Pomona</td>
<td>21,190</td>
<td>559</td>
<td>Public, 4-Year and Graduate</td>
<td>$3,564</td>
<td>$4,272</td>
<td>$9,120</td>
</tr>
<tr>
<td>University of California, Riverside</td>
<td>18,925</td>
<td>820</td>
<td>Public University</td>
<td>$2,839</td>
<td>$9,709</td>
<td>$13,280</td>
</tr>
<tr>
<td>California State University, San Bernardino</td>
<td>17,072</td>
<td>1,100</td>
<td>Public, 4-Year and Graduate</td>
<td>$1,350 Per Qtr., Undergrad.</td>
<td>$226 Per Unit/Fees, Non-Res.</td>
<td>$1,513 Per Qtr., Grad.</td>
</tr>
<tr>
<td>University of Phoenix</td>
<td>9,850</td>
<td>409</td>
<td>Private 1976</td>
<td>$475 Per Unit/Undergrad.</td>
<td>$625 Per Unit/Grad.</td>
<td>N/A</td>
</tr>
<tr>
<td>University of La Verne</td>
<td>8,328</td>
<td>194</td>
<td>Private 1989</td>
<td>$26,910 Undergrad.</td>
<td>$10,922</td>
<td>$12,902</td>
</tr>
<tr>
<td>California State University San Marcos</td>
<td>7,902</td>
<td>228</td>
<td>Public 1989</td>
<td>$1,825 Per Semester, Undergrad.</td>
<td>$2,171 Per Semester</td>
<td>$5,800 - $1,400 Per Year depending on 10-12 mos.</td>
</tr>
<tr>
<td>University of Redlands</td>
<td>4,317</td>
<td>214</td>
<td>Private 1907</td>
<td>Undergrad $31,994</td>
<td>Grad $30,326</td>
<td>$10,122</td>
</tr>
<tr>
<td>Loma Linda University</td>
<td>4,100</td>
<td>2,500</td>
<td>Private/Health Sci. 1905</td>
<td>$520 Per Unit</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>California Baptist University</td>
<td>3,909</td>
<td>128</td>
<td>Comprehensive Private 1950</td>
<td>$23,900 (Includes Tuition)</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Chapman University (Ontario Campus)</td>
<td>2,554</td>
<td>4</td>
<td>Private 1861 (Orange)</td>
<td>$345 Per Unit/Undergrad.</td>
<td>$415 Per Unit/Grad.</td>
<td>N/A</td>
</tr>
<tr>
<td>Western University of Health Sciences</td>
<td>2,399</td>
<td>164</td>
<td>Graduate University of Medical Sciences 1977</td>
<td>Varies by Program $17,500 - $28,010</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Claremont Graduate University</td>
<td>2,044</td>
<td>95</td>
<td>Private (Non-Profit) Graduate Research 1925</td>
<td>$16,849 Per Semester</td>
<td>$8,500 Per 10 Month Year</td>
<td>Debra Freund</td>
</tr>
<tr>
<td>Pomona College</td>
<td>1,522</td>
<td>128</td>
<td>Public 1887</td>
<td>$35,625</td>
<td>$12,220</td>
<td>David Ostisly</td>
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<tr>
<td>Claremont McKenna College</td>
<td>1,211</td>
<td>150</td>
<td>4-Year Undergraduate 1946</td>
<td>$37,060</td>
<td>N/A</td>
<td>Pamela B. Gann</td>
</tr>
<tr>
<td>La Sierra University</td>
<td>1,051</td>
<td>122</td>
<td>Private 1922</td>
<td>$620 Per Unit/Undergrad.</td>
<td>$570 Per Unit/Grad.</td>
<td>$2,236 Per Quarter</td>
</tr>
<tr>
<td>Pitzer College</td>
<td>1,000</td>
<td>N/A</td>
<td>4-Year Undergrad., Civil, Private, Liberal Arts 1963</td>
<td>$35,912</td>
<td>$29,852</td>
<td>$10,212</td>
</tr>
<tr>
<td>Scripps College</td>
<td>944</td>
<td>80</td>
<td>Private, Liberal Arts 1926</td>
<td>$37,736</td>
<td>$35,880</td>
<td>$11,500</td>
</tr>
</tbody>
</table>

**Note:** N/A = Not Applicable, WND = Would Not Disclose, na = not available. The information in the above list was obtained from the companies listed. To the best of our knowledge, the information supplied is accurate as of press time. While every effort is made to ensure the accuracy and thoroughness of the list, omissions and typographical errors sometimes occur. Please send corrections or additions on company letterhead to: The Inland Empire Business Journal, P.O. Box 1979, Rancho Cucamonga, CA 91729-1979. Copyright 2010 by IEBJ.
We Are the Champions: Seven Tips for Turning Your Customers Into Fans for Life
By Maribeth Kuzmeski

No matter what industry or profession you’re in, there are tons of ways to win over your customers and create brand loyalists who keep coming back. Below are a few easy-to-implement ideas that will help you turn any customer into a fan for life. And though these tips address specific professions and businesses, keep in mind that great customer service translates across industries. Carefully consider each of them and think about how you can modify them to improve the service you provide your customers:

Offer flexible office hours. If you’re an attorney, financial advisor, or other professional whose clients are small business owners or any other busy business-type, you might consider offering to meet with them on evenings or Saturdays rather than during regular business hours. In doing so, you show them that you understand the time they spend with their business is essential and make it easier for them to do business with you.

Handle problems quickly. This is especially important for hotels and other hospitality services. Understand that your guests don’t need you when everything is going as planned. It’s when something goes wrong that they need great customer service to right their proverbial ship. When you’re presented with a guest’s problem, provide solutions on the spot.

“For example, if a busy guest’s luggage zipper breaks, what can you do to help?” says Kuzmeski. “Well, you might offer a coupon for a new piece of luggage from the hotel’s store. Keep spare luggage on hand for guests with a problem. Or simply offer to tape the luggage shut to ensure it makes it home safely. Figure out what you can do to get it right when something is going wrong for your guests, and they will keep coming back.”

Show them what you’ve got...before the big day. If you are a caterer, baker, florist, wedding planner, or any other professional who helps plan the most important or special days of your clients’ lives, always give them an unexpected taste of what you have to offer before the big day.

For example, a wedding caterer might show up at the bride’s house a week before the wedding with a sampling of hors d’oeuvres. Or a florist might send the happy couple a bouquet of flowers two weeks in advance. By doing so, you show your clients that you care about them and also give them a preview of the great service you’ll provide on the big day.

Offer friendlier skies (and waiting rooms). Many people today view airports, and flying in general, as the places where all great customer service goes to die. In fact, often you can walk up to a ticket counter or onto a plane and never even have the airline employee make eye contact. If you work for an airline, know that many travelers today would just like to be acknowledged. Show your customers you’re happy they chose to fly with you.

The same holds true, of course, for any business in any industry. “Medical office reception areas can also sometimes be low on great customer service,” says Kuzmeski.

Risky...

2% plus annual rate through the third quarter of 2011 and then ramp up to a 3% or so growth rate. With respect to inflation, we are less fearful of deflation than Chairman Bernanke and we expect consumer price inflation to be at or above the Fed’s informal 2% target by late next year. The higher apartment rents, now being reported by the publicly traded apartment REITs, will soon find their way into the consumer price index.

Why with such high unemployment is economic growth so sluggish? Historically, steep downturns are followed by steep upturns, but not this time. As we argued last quarter and previously, the economy is suffering from a debt hangover that will require many years of deleveraging to recover from. Consumption growth, instead of running at an historical 3% rate is now slogging along at a 2% clip as consumers increase their savings rate to repair their tattered balance sheets. Furthermore, with real wages stagnant, debt constrained consumers do not have the wherewithal to go on a consumption binge.

In fact, the economy just might be suffering from a new version of Keynes’ paradox of thrift. In the 1930s, Keynes argued that whereas savings for an individual was a virtue, for an economy in recession it is a vice because if every household cuts back on consumption, the entire economy remains mired in a slump. Today, however, with very low interest rates, consumers and pension funds have to save more and/or increase their contributions to achieve their target stock of savings. Moreover, it goes without saying that those consumers who are already retired are being forced to cut back on consumption because of reduced interest income. Thus, one of the challenges facing the Fed’s quantitative easing policy is that lower interest rates could have the perverse effect of lowering consumption rather than increasing it.

Furthermore, much of the increase in consumption is going to imports. Where a year ago net exports were contributing to growth, it is now inhibiting growth. That is why a weaker dollar is necessary part of the adjustment process in that it would work to reduce imports and increase exports. Of course, the adjustment process would be made easier if China moved with greater alacrity with respect to the upward revaluation of its currency. Nevertheless, in order for net exports to structurally improve, the savings rate has to rise. Why? The U.S. now consumes more than it produces and borrows the difference from abroad. If consumption were reduced to equal production, the savings rate would rise and the trade deficit would disappear.

The Restructuring of State and Local Government

Although most business cycles have similar characteristics, each cycle is different in its own way. In the current one instead of the state and local sector gradually increasing throughout the business cycle, this time it is in decline. Simply put, the state and local government is now undergoing the same type of restructuring that the private sector has endured over the past two decades. As a result, we do not expect any meaningful growth in state and local spending over the next several years. That is to say, the tax base cannot keep up with the growth in public employee pension and Medicaid outlays, and as a consequence other sectors of state and local budgets will be squeezed. This phenomenon will be reinforced by the election of a flock of new budget cutting governors last November. Over the long run, the growth path of Medicaid and pension expenditures, of necessity, will be lowered.

Conclusion

Despite all of the issues outlined above, the economy will continue to muddle through with modest growth and distressingly high unemployment. The economy is healing, albeit at too slow of a pace, but we forecast there will be an

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January 2011
### The Gainers

<table>
<thead>
<tr>
<th>Company</th>
<th>Current Close</th>
<th>Reg. of Month</th>
<th>Point Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>American States Water Company</td>
<td>34.01</td>
<td>36.58</td>
<td>-2.57</td>
<td>-7.0%</td>
</tr>
<tr>
<td>Basin Water Inc.</td>
<td>0.003</td>
<td>0.003</td>
<td>0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>Channell Commercial Corp.</td>
<td>0.08</td>
<td>0.10</td>
<td>0.02</td>
<td>0.0%</td>
</tr>
<tr>
<td>CVB Financial Corp.</td>
<td>8.59</td>
<td>7.87</td>
<td>0.72</td>
<td>9.1%</td>
</tr>
<tr>
<td>Emrise Corp.</td>
<td>0.96</td>
<td>1.00</td>
<td>-0.04</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Hansen National Corporation (H)</td>
<td>53.84</td>
<td>53.22</td>
<td>0.62</td>
<td>1.2%</td>
</tr>
<tr>
<td>Hot Topic Inc.</td>
<td>6.57</td>
<td>6.13</td>
<td>0.44</td>
<td>7.2%</td>
</tr>
<tr>
<td>Watson Pharmaceuticals Inc.</td>
<td>51.41</td>
<td>48.74</td>
<td>2.67</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

### The Losers

<table>
<thead>
<tr>
<th>Company</th>
<th>Current Close</th>
<th>Reg. of Month</th>
<th>Point Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>American States Water Company</td>
<td>34.01</td>
<td>36.58</td>
<td>2.57</td>
<td>-7.0%</td>
</tr>
<tr>
<td>Provident Financial Holdings Inc.</td>
<td>6.76</td>
<td>6.70</td>
<td>0.06</td>
<td>0.9%</td>
</tr>
<tr>
<td>Hansen Natural Corporation (H)</td>
<td>53.84</td>
<td>53.22</td>
<td>0.62</td>
<td>1.2%</td>
</tr>
<tr>
<td>Physicians Formula Holdings Inc.</td>
<td>3.67</td>
<td>3.48</td>
<td>0.19</td>
<td>0.5%</td>
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<tr>
<td>Watson Pharmaceuticals Inc.</td>
<td>51.41</td>
<td>48.74</td>
<td>2.67</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

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

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### Real Estate...

The offsite package, McCarthy recently completed mass grading and is currently constructing the underground site utilities and the building foundations. Sattley said he expects the structural steel portion of the buildings to be topped-out by mid-2011.

With architectural design by HDA Group of Gilbert, Arizona, the two-level steel structure and plaster finish school consists of nine buildings— an administration building, library, math and science, performing arts center, athletic building, English and social studies, cafeteria and a central plant. Included on-site are a football stadium with concessions, basketball and tennis courts, baseball, soccer and softball fields, plus parking areas for students and staff. The offsite package includes permanent utilities and a new roadway.

“The extensive utility work on this previously undeveloped site offers some of the most challenging aspects of this high school project,” said Bonnie Martin, McCarthy’s project director for the high school. “McCarthy is working closely with the local utility agencies (water, sewer and power) to construct the project’s utilities. We are also in close contact with the Division of the State Architect to obtain timely approvals on deferred submittals such as steel joists and the fire sprinkler system.”

“The location of the project poses further construction challenges,” she added. “Site conditions such as extremely sandy soil, site access, maintaining compaction, dust control and erosion also add to the project’s complexity.”

Construction scheduling calls for the stadium and playgrounds to be built concurrently with the buildings. The performing arts center will feature a state-of-the-art sound sys-

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### Duff & Phelps, LLC

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### Five Most Active Stocks

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<tr>
<th>Ticker</th>
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<tr>
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<tr>
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<td>Watson Pharmaceuticals Inc.</td>
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<td>CHNL</td>
<td>CVB Financial Corp.</td>
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<td>Kaiser Federal Financial Group, Inc. (H)</td>
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### Monthly Summary 12/21/10

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*continued on page 18*
The 2010 Execution Round-Up: Companies That Couldn’t “Get It Done” This Year and Those That Did

It’s that time of year again: time for business owners and senior executives to take stock of the past 12 months. What did 2010 look like for you and your company? Did you struggle to regain your post-recession footing? Were employees engaged and focused? Are financials on track? The questions you could ask during your year-end assessment are endless. But according to Rick Lepsinger, there’s only one that really matters: Did your company effectively execute its plans and initiatives?

“If an organization can’t get things done, nothing else matters—not the smartest strategy, not the most innovative business model, not even game-changing technology,” observes Lepsinger, president of OnPoint Consulting and author of “Closing the Execution Gap: How Great Leaders and Their Companies Get Results.” “And for many companies, there is a clear gap between intent and execution—we’ve seen plenty of evidence this year.”

Lepsinger’s research uncovered five characteristics and competencies, which he calls “The Five Bridges,” that enable people to traverse this execution gap. It is these bridges that differentiate the companies that are consistently able to get things done from those that aren’t. (Lepsinger calls the former “Gap Closers’” and the latter “Gap Makers”—and he profiles some well-known examples of each in his book.)

Execution Gap Maker #1: BP (Need we say more?)

It’s obvious from recent events that BP experienced an enormous execution gap. (More like a chasm, really.) Had the company focused on recognizing and closing that gap, it would have prevented this year’s unprecedented disaster. Lepsinger says that while the oil spill is a complex and tragic event, the cause can be traced back to BP’s failure to build the critical bridges described in his book “Closing the Execution Gap.”

Lepsinger notes that leading up to and after the oil spill BP violated almost all the guidelines of effective execution, including lacking an effective structure and lacking clear accountability. These gaps created another problem for them: “In the critical stages following the spill, BP was unable to get input from those who had the knowledge and experience to make the best decisions about how to handle it.”

What’s more, BP failed to empower people to use their best judgment and take appropriate action. Consider that hours before the explosion the rig crew was arguing about the best way to finish the oil well and move the rig to the next site. A Transocean mechanic testified that he overheard a “company man” telling rig workers “how it’s going to be,” and that although the rig workers felt the plan was too risky, they reluctantly agreed. And just after the explosion, as workers were scrambling for safety, a worker was yelled at by the captain (who worked for the rig’s owner, Transocean) for pressing the distress button without authorization, and when another worker was asked if he had called to shore for help, he said he had not because he did not have permission to do so.

The “BRIDGE” that failed: Employee Involvement in Decision Making...among others.

THE LESSON: In order for any company to execute successfully, the right people have to be involved with the right decisions. BP provides a devastating example of what can happen when this isn’t the case.

“Obviously, this lesson is even more critical when there is as much at stake as there was in the BP disaster,” notes Lepsinger. “But really for any company trying to gain footing in a constantly changing business environment and tough economy, empowering the right people to make the right decisions can be the difference between landing that next great customer or account or not.”

Execution Gap Maker #2: Nokia

Nokia’s share of the world-wide market for mobile phones continued to slip in 2010. It may surprise you to learn that about five years before Apple introduced the iPhone and three years before it launched an online applications store, Nokia was ready to introduce its own Internet-ready touch screen handset with a large display and had an early design of an online applications store. So what happened? Why was this once-dominant player unable to execute and maintain its market position?

“It appears Nokia was not able to coordinate decisions and activities across departments or levels of management,” says Lepsinger. “Many innovative ideas became the victims of infighting among managers who had competing objectives. Plus, as a result of a lack of cross-organizational coordination and cooperation, Nokia wasn’t able to improve its proprietary operating system, Symbian, which would have allowed it to support a more sophisticated smartphone.”

It’s critical that organizations learn to coordinate and collaborate decisions across organizational boundaries. But doing so requires more than faith and words alone.

“Shared goals and clearly defined roles provide the foundation upon which cooperation and coordination can be built,” notes Lepsinger. “In addition, people must be held accountable for results. This requires a combination of direct leader behavior and systems that encourage and reinforce the appropriate behavior among employees.”

Execution Gap Maker #3: Johnson & Johnson

It’s been a bad year for J&J. Since 2009 McNeil Consumer Healthcare, the J&J division that makes over-the-counter drugs, has had eight recalls, including popular children’s versions of Tylenol, Motrin, Benadryl, and Zyrtec. Most disturbingly was what has been called the “phantom recall,” in which contractors hired by J&J carried out a scheme to buy every package of Motrin by going store to store without informing the FDA.

“Poor execution doesn’t happen overnight,” states Lepsinger. “It can often be traced back to a pattern of behavior that gradually erodes a company’s ability to deliver consistent high-quality results. At J&J it may go back to 2005 when employees reported a lack of alignment between manager behavior and company values and policies. When one million bottles of St. Joseph aspirin failed a quality test after a sample did not dissolve properly, quality workers who blocked the distribution of the bottles claimed their supervisor ordered them to retest the drugs and then average the scores to get a passing grade.

continued on page 26
The County of San Bernardino Workforce Investment Board and Workforce Development Department is ready to assist your business at no cost with the following services:

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- Labor market information
- Pre-screened qualified applicants
- Access to a large applicant pool
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**CVEP Appoints Thomas Flavin**

**New President and CEO**

**Extensive Economic Development, Community Leadership Highlight Experience**

Following an exhaustive and careful six-month search, the Coachella Valley Economic Partnership (CVEP) has announced the appointment of Thomas Flavin to the position of president and chief executive officer. Most recently the president and CEO of enterpriseSeattle in Washington State, where he directed a business development program to strengthen industry cluster opportunities in clean technology, interactive media and life sciences for the Puget Sound region, Flavin began his new CVEP role last month.

“Tom’s breadth of experience in business and economic development, emerging technologies and public/private partnerships will further define CVEP and keep it focused on its goals,” said Clifford Daniels, CVEP board chair. “He has the entrepreneurial spirit, drive and know-how the organization needs to continue fulfilling the economic potential of the desert region, as we have outlined and are actively pursuing with the Coachella Valley Economic Blueprint.”

At enterpriseSeattle, Flavin, a Vietnam veteran, led the rejuvenation and recapitalization of the regional economic development organization for King County and its 39 cities, encompassing a population of 1.9 million. Previously, as president and CEO of the Denver-based public/private partnership organization Southeast Business Partnership, he directed the development and implementation of programs addressing key community issues in the south Denver metro region—including economic development, transportation, workforce growth and policy formulation, as well as administrative, financial and personnel management.

“With nearly 40 years of progressive work in civic management, public/private business initiatives and marketing, Tom’s executive qualifications are rare,” said Lee Morcus, CVEP board member and CEO search team chair, as well as chair of the Palm Springs Desert Resorts Convention and Visitors Authority (CVA) Hospitality Business Council. “His background covers all of CVEP’s key development areas, and his leadership should help strengthen the working relationship between CVEP and CVA as the organizations foster sustainable and diversified year-round economic expansion—as measured by capital attraction/investment and job growth.”

Thomas Flavin additionally served eight years as mayor, councilman and planning commissioner for the City of Burbank. As president and CEO of Burbank-based Business Government Partnership, he spearheaded public and private community development projects for cities including Ventura, Camarillo and Alhambra.

**Public Private...**

continued from pg. 3

Public-private partnerships (PPPs), often used interchangeably with privatization, are not revolutionary; they have been used in the United States long before it declared independence. They have, however, revolutionized the provision of public infrastructure-based services since the 1980s. Today, the average American city works with private partners to perform 23 out of 65 basic municipal services.

Thanks to a multi-prong (PPP), the $17.5 million Magnolia at Highland project transforms a blighted automotive site into 80 units of high quality, affordable housing for seniors, retains a one-acre parcel of land for future sale or development opportunities, and creates a future stream of income that...
January 2011

FREEWAY LINCOLN MERCURY BUILDING GETS NEW OWNER

Activity continues at the San Bernardino Auto Center, as Toyota of San Bernardino’s President Cliff Cummings has just acquired the building that once housed the former Freeway-Lincoln Mercury car dealership, located at 1600 Camino Real.

Facing Interstate 215 at the entrance to the city, the former dealership consists of three buildings, which sit on a 3.31 acre parcel of land and employed approximately 45 people before ceasing its operations in the summer of 2008. In a current state of disrepair, the acquisition is yet another sign of the revitalization underway at the San Bernardino Auto Center.

“The location is in pretty bad shape and will take some time before we can actually make it functional,” said Cummings. “If you want to attract buyers, image is key and we want to do all we can to increase the visibility and awareness of the auto center.”

Stripped of everything imaginable, amid a sea of broken glass, restoration to the dealership will begin immediately. Cummings predicts the dealership will be operational by January 2011, utilizing the space for vehicle storage, display or perhaps another franchise, highlighting it as an entryway into the city.

With an increase of 17 percent in its workforce over last year, Toyota of San Bernardino is set to add even more members to its staff, due to the anticipated number of employees needed to make the location functional once again.

Cummings says that the signs of the economy rebounding from the recession are everywhere, and sees the auto center providing the Inland Empire as a source for a variety of well paying jobs, such as mechanics, landscapers, security, sales executives and other administration professionals.

“Our plans are to fuel growth and expand market share,” continued Cummings. “This is a prime location, which will go a long way in helping us to do just that.

SolarReserve... from the California Energy Commission (CEC) for construction and operation of the Rice Solar Energy Project. This approval, the key state-level permit for the 150-megawatt solar power tower project, was achieved in the record time of less than 13 months from the initial application, a testimony to the state’s commitment to solar energy and other renewable energy solutions in California.

Located on previously-disturbed, private land 30 miles northwest of Blythe in eastern Riverside County, SolarReserve’s Rice Solar Energy Project will supply approximately 450,000 megawatt hours annually of zero-emission electricity to Californians—enough to power up to 68,000 homes during peak electricity periods—utilizing its innovative energy storage capabilities. The project, which has a 25-year power purchase agreement with Pacific Gas & Electric (PG&E) for the sale of the electricity generated by the project, is expected to employ nearly 500 skilled workers during construction and generate an estimated 5,300 direct and induced jobs for the region. In addition, the project has an annual operating budget estimated at more than $5.0 million, much of it expected to be spent locally, and the project is forecasted to generate $48 million in tax revenues for the state over the first 10 years of operation.

“Today is a bright day for California,” said California Energy Commission Chairman Karen Douglas. “By approving the Rice Solar Energy Project, California continues to demonstrate its leadership and commitment to support clean, renewable energy. These solar projects will reinvigorate our economy and bring jobs to hard-hit communities. As we look to harness more renewable sources of energy by 2020, California leads the nation by embracing the power of the sun.”

Regarding today’s favorable announcement, SolarReserve CEO Kevin Smith said, “We are extremely pleased that the CEC has authorized us to move forward on our Rice Solar Energy Project, and recognize the commitment from the state to ensure reliable, clean energy for all Californians. SolarReserve is a California-based company with American technology that was developed here in the state, so it’s even more gratifying to be building this project in California, creating significant economic benefits and new jobs for the region.”

Utilizing an advanced molten salt system technology under exclusive worldwide license to SolarReserve from Pratt Whitney & Rocketdyne, a division of United Technologies Corporation, the Rice Solar Energy Project has the ability... continued on page 39
The Future of Business Is Social: Seven Principles That Lead to Social Success and the Companies Already Getting Them Right

More and more, companies are realizing the revenue-driving value of connecting socially and collaboratively with their customers.

Let’s face it: The business world is changing. Rapidly. While the object of the game is still to drive revenue, the methods have changed. Instead of a monolithic one-way interaction, business is now being conducted through constant and meaningful two-way conversations between organizations and constituents—at every stage of organizational development. And it’s a good thing, too.

Not so long ago, the object of the game was to be cutthroat and dictatorial about business, and it helped if you could check your emotions and personality at the door. Deep down, did most of us really buy the old “nothing personal—it’s just business” line? Of course not! After all, building a thriving business is all about making lasting, personal, reliable connections inside and outside of your company, points out Barry Libert.

Libert knows what he’s talking about. He is the chairman and CEO of Mzinga®, a company that provides social software to businesses. Quite literally, it’s his job to be social media savvy.

And it does not stop there. These and many other companies are all beginning to understand the power of creating friends, fans, and followers to build their businesses.

Building your Social Nation means changing what you think it means to build a company,” Libert explains. “This emerging social era is about engaging everyone around you to redefine what you do and how you do it—including sales, marketing, R&D, customer support, and product development.”

Still skeptical? Then take a look at the hard numbers. A 2009 study by the Nielsen Company revealed that employees, partners, and customers spent 17 percent of their online time social networking or blogging—and 83 percent more time in online social networks than the year prior. What’s more, these constituencies are driving advertisers to spend an expected $2.6 billion on these social sites by 2012.

Essentially, these statistics tell us that companies need to embrace and capture the voices of their employees and customers if they want to innovate and thrive. And at the same time, customers and employees want to impact all aspects of business by sharing their opinions, criticisms, and praise with companies—and with each other.

“It’s becoming increasingly clear that building communities for customers, employees, partners, and investors is critical to the future vitality of business,” confirms Libert. “In this new era, you can’t underestimate how important emotional and social connections are, and how crucial it is to fulfill the needs of others and the desires of customers. When you embrace the Social Nation revolution, you’ll create a better, more profitable, and more viable company or organization.”

Excited to learn more? Then read on to learn about Libert’s seven rules for implementing a successful social media strategy continued on page 28

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Laying the Groundwork for California
Jerry Nickelsburg, Senior Economist
UCLA Anderson Forecast

In this California report we bring some good news. But the good news is not about a prediction for a precipitous fall in the unemployment rate. That will have to wait for some time in the future. The good news is that the groundwork for solid growth is now being laid down and we can be more optimistic about the long run health of the California economy.

California’s recovery from the recession of 2008/2009 is going much as we had predicted, and that is unfortunate because it means that there has been very little growth in jobs and only slow growth in income. It is still the case that the factors restraining growth: U.S. consumers repairing their balance sheets; a slow recovery of California’s international trading partners; too much housing in the inland parts of the state; too few home buyers in the coastal regions; and unresolved state budget issues will remain with us over the next 12 months and will dampen any job growth until the latter part of 2011.

However, in two of California’s most problematic sectors, housing and government, the last few months have seen interesting developments. In housing, population pressures continue to build and it is evident that we are getting closer to a take-off point.

In government, a series of reforms has put the state on the path to providing more certainty and clarity with respect to government services and spending. In the very near term we do not expect these factors to have much impact. Developers of residential properties remain nervous about the state of the housing market, and in Sacramento the state legislature has another big shortfall to address.

But as we move towards the end of 2011 and into 2012 they bode well for the beginning of a more robust recovery. In this California Report we will examine these two sectors more closely for the impact these changes will have on the shape of the recovery.

In other important sectors progress has been tangible. In trade, exports grew strongly in the second quarter of 2011, while the deficit in trade in services narrowed. In fact, the service sector continued to grow at an annual rate of 5.0% in the third quarter of 2011. In manufacturing, there has been some increase in output, particularly for California’s largest export sector, computers and electronics. The composition of demand in the fall of 2009 and winter of 2010 was heavily weighted towards inventory rebuilding. This brought the California logistics industry back to pre-recession levels. Current indicators are for a good, though not great, December. If that is the case, then this may be the beginning of the recovery of the logistics industry in Los Angeles, Riverside and San Bernardino Counties.

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New Player Development Team on Board at Fantasy Springs

Fantasy Springs Resort Casino is pleased to announce the formation of its new Player Development department. In the past, the resort/casino had casino hosts on staff, however, the new Player Development team was established to expertly handle the needs and special requests of casino guests of all levels around the clock. The department now includes an inclusive set of team members to cater to the casino’s growing Asian clientele. Among all 12 Fantasy Springs Player Development team members, 10 languages are spoken. Each host and executive brings with him or her a unique background and extensive experience in the casino and hospitality industry.

Player Development team members at Fantasy Springs are always available to take care of the needs of their guests. E-mail any of them by visiting www.FantasySpringsResort.com and clicking on the “Casino” tab.

The vice president of Player Development, Dan London, came on board with Fantasy Springs in January of 2010. His mission was to build the Player Development team into a well-oiled service machine. His 20 years of casino industry experience helped him put the pieces in place.

Director of Asian Player Development, William Moy, joined Fantasy Springs in August 2010. Originally from Canton, China, he moved to Chicago, Illinois in 1970. While studying business administration at the University of Illinois, Chicago, he realized he had a passion for the restaurant and hospitality industry. He became a successful restaurateur for the next 20 years, until his entrepreneurial spirit led him into the casino business.

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Connecting With the “Overqualified” Job Candidate: Why the Highly Skilled Candidate May Be the Best One for the Job (And Five Ways to Connect With Her)

These days, any position that becomes available generates a deluge of résumés. If your policy is to automatically discard those belonging to candidates you deem as “overqualified,” it’s time to rethink your strategy. Maribeth Kuzmeski explains why.

When a job opens up in today’s economy, it receives a lot of attention. And no wonder: Over 15 million Americans need work. And if you’re a hiring manager, you may have found that the best way to shrink that pile of résumés on your desk is to weed out the seemingly “overqualified” workers first. After all, you reason, those candidates will want too much money and will jump ship the minute they find a better offer. Right?

Not necessarily, says Maribeth Kuzmeski. In fact, she adds, a recent Harvard Business Review article suggests that when you ignore these candidates, you’re missing out on the opportunity to add highly qualified talent to your organization.

“The article points out that ‘overqualified’ candidates tend to show a better work ethic, stay, on average, longer than less qualified candidates, and as long as they are empowered, are actually happy workers,” says Kuzmeski, author of “The Connectors: How the World’s Most Successful Businesspeople Build Relationships and Win Clients for Life” and the new book “And the Clients Went Wild! How Savvy Professionals Win All the Business They Want.”

To back up these assertions, the HBR article cites studies from folks at the University of Connecticut, the University of South Carolina, St. Ambrose University, and Portland State University, respectively, which show that overqualified workers are high performers, less likely to quit, and value autonomy.

“Saying someone is ‘overqualified’ is basically saying he or she is too skilled or too experienced,” says Kuzmeski. “The truth is, candidates with well-developed skills, a lot of working world experience, and the right attitude are exactly what you should want. When you ignore candidates based on your own assumptions or perceptions about what you see on their résumés, you run the risk of missing out on great employees.

“Instead, take the time to connect with these candidates,” she suggests. “Invite them in and learn what motivates them.” Kuzmeski is an expert at helping companies and individuals create strong business relationships that will help them get ahead regardless of their professions. She teaches her clients how to connect with their customers in order to win business and build loyalty. These same relationship-building skills can help hiring managers connect with the candidates who are the right fit for their companies.

Below Kuzmeski offers advice on how best to approach the highly qualified hire:

Be open and honest about your concerns. If you have concerns about certain elements of the candidate’s experience, ask about it. If you see that a candidate has an impressive list of achievements, acknowledge them.

“Don’t chuck someone in your ‘no’ pile simply because you might be a little intimidated by his achievements,” stresses Kuzmeski. “Ask the candidate how he plans to use the skills that led him to his past achievements in the position you’re offering, but don’t focus too much on the past. Instead, find out about his current motivations and the goals he has for the position.”

Connect with the candidate’s why. Your worries about a highly qualified candidate can be decreased when you connect with her why. Most candidates are not applying for jobs they seem more than qualified for because they are simply desperate for work—but many hiring managers never find out this out because they discard these candidates’ résumés rather than invite them to come for an interview.

“By connecting with the candidate’s why, you can learn her motivations for wanting a position,” notes Kuzmeski. “Even if a person was downsized, maybe she was burned out on what she was doing and wants to jump-start a new career. Or she may want to give up a higher level position in order to get back to something she enjoyed doing earlier in her career. You’ll be able to tell when she is explaining her reasoning and her motivations whether or not she truly has a passion for the job in question or whether she is simply willing to take the first job that is offered to her.”

Recognize that highly qualified people require less training. If a job candidate has been around the block a few times, his adaptability to new situations and responsibilities will be better. That’s good news, because you and your managers will spend less of your own valuable time training him.

“Plus, once you have him on board, it’s likely that you’ll find he is a great help to your other employees,” says Kuzmeski. “Highly qualified candidates bring with them more life experience to pull from when challenging situations arise with clients or other coworkers. You will probably also find that you have added peace of mind knowing that someone who is highly skilled and experienced is hard at work for you.”

Hire based on attitude. This might be the best piece of advice to heed with any hiring decision. As long as a candidate has the basic skills and knowledge required to get the job done, don’t spend time wringing your hands over whether or not she might be too qualified. If the person has a great attitude and is highly motivated, then you might want to give her a chance, especially if the other candidates are less qualified and don’t seem like they will fit in with the company culture.

“Hiring is a tricky business,” notes Kuzmeski. “Sometimes it’s okay to go with the person you like the most. If that person also happens to be highly qualified, then it will only benefit you and your company in the long run.”

Once you have them, empower them. As touched on above, the study from Portland State University found that overqualified employees who are given decision-making power tend to be more satisfied with their jobs. The study performed by assistant professors from the University of Connecticut, the University of South Carolina, and St. Ambrose University examined data on more than 5,000 Americans. Those examined, according to the Harvard Business Review article, were high-intelligence workers in continued on page 39
Live Life Enthusiastically
By Richard Bonar

Dale Carnegie often called this principle the little-known secret of success. It will make you happy. If someone is enthusiastic, it’s an energy builder. They can sell their ideas and ultimately accomplish more than they could with sheer intellect.

I know it is not always easy to be enthusiastic. Sometimes life becomes unbalanced and work or family literally drain your energy. There are many things we cannot control, such as the economy or other people, but we can control our thinking. It is possible for us to create enthusiasm. Try the following strategies:

1. Act Happy. Too many people condition themselves to be negative. They are afraid they will be seen as too gung-ho. Some negative people say they’re just being realistic by not getting their hopes up. Yet I find that if I simply act enthusiastic, it eventually becomes real. Others pick up on my enthusiasm, become excited themselves and then feed their enthusiasm back to me. It becomes a beautiful circle of energy.

2. Give people the opportunity to be enthusiastic. In a tough economy employers expect us to get more done, in less time, with fewer resources. It is one of the times in life when we must choose to see the glass of water half-full instead of half-empty. Let people know their ideas are important. For example, the facilities-maintenance manager at a hospital had only a sixth grade education yet he saved the hospital $15,000 by inventing a new way to open the operating-room doors. He never knew the hospital cared about his ideas until he was encouraged by his supervisor to contribute his ideas.

3. Don’t criticize, condemn or complain. Don’t put up with people who do. Just walk out of the room and refuse to let another’s negativity affect your enthusiasm. Consciously decide to generate positive enthusiasm. Be “enthusiastically present” and smile. You’ll be pleasantly surprised by the response you get from people.

4. Keep perspective. Life is too short to just put up with negativity. Have some fun with life. Grab the gusto. See the excitement in every situation. Be enthusiastic about the chance to make a difference with even your smallest actions. Smile, hold the door open for someone, let another driver into your lane of traffic, etc. Even these simple actions can make a difference in others’ lives. That’s something to be enthusiastic about.

When a positive person walks into a room full of people, the room seems to light up. Conversely, when a critical, negative person leaves a room...the room lights up.

If you act enthusiastic, you will be enthusiastic! Here’s to a positive 2011.
SALES

5 Myths Every Business Must Avoid to Survive the Recovery

By: Vivian Hairston Blade

Recession Plagued
At a recent stockholders meeting, the vice president of sales for a global manufacturer, reported: “The economy has been tough on our industry. Sales volumes significantly declined and have not nearly returned to pre-recession levels. The company has laid off employees, cut expenses, and, unfortunately, has had to cut prices to remain competitive. Competitors have cut prices as much as 40% on some products. We’re ‘under-water’ on critical components our customers need. But, we have no choice.”

Sound familiar? Could this be your company?
Like so many businesses during the recent recession, this company is having a tough time bouncing back. Consumers’ wallets and businesses’ checkbooks continue to be tight. In fact, the Price Index for person-al-consumption expenditures, excluding food and energy, had bottomed out in late 2009, but is showing signs of being unstable again.

While sales and profits con-tinue to struggle, employment will remain stagnant and the economy will be slow to recov-er. It’s a vicious cycle. Every company feels the trickle down effect. Customers have reset their expectations. And, companies attempt to cut prices to retain customers, grow share and increase top-line revenue.

But is this really a viable business strategy? Focus on short-term revenue hinders investment in substantially improving the quality of your business for the future. Though not sustainable, many compa-nies still operate on this short-term view.

5-Myths Every Business Must Avoid
It’s time for you to take a look at 5 Common Myths that keep companies ‘sprinting’ to the finish line. If you want to survive the recovery, avoid these failed strategies to stay ahead in the ‘marathon.’

• Myth 1: Customers demand lower prices during a recession.
When customers stop buy-ing, the first reaction is to drop prices to jump start spending. When price is the carrot, buying behavior changes and customers wait for even deeper cuts.

• Myth 2: You have to follow competitor price moves during a recession to stay competitive.
Competitors use price wars to protect share. You soon find that suffering profits can’t sus-tain the business for long. Rarely does volume make up for the loss in revenue!

• Myth 3: We’re good at what we do. Customers are privileged to do business with us.
Sorry to disappoint you. But, it’s not about you! Companies with this attitude find that customers don’t stick around long.

• Myth 4: Customer retention initiatives are a cost that won’t pay back.
Companies that treat cus-tomer retention as a cost will allocate only a few resources to protect their greatest asset. Their efforts fail to improve retention or increase sales and, therefore, support dwindles.

• Myth 5: Customer retention is the responsibility of the sales and customer serv-ice departments.
Service Recovery is not a customer retention program. Only 1 out of every 19 unhappy customers complains. That’s just 5%. And of the 95% of unhappy customers who don’t even complain, more than two-thirds decide to buy elsewhere. Recovery as a retention strategy just doesn’t work!

A Look in the Mirror
Do any of these myths plague your company? Where do you feel the effects?
• Does the number of cus-tomer defections surprise you? What are these defections worth in revenue? Margin?
• Are you spending more on new customer acquisition? How much more does it cost to win a new customer vs. retaining cur-rant ones?
• Are your customers really “price conscious” or are they really “value deprived?”

Studies show that when cus-tomers believe they get more “value” for their money, they are much more loyal and spend more with those brands.

Why Invest in “Value-Based” Customer Relationships?
Companies that take a long-term view of investing in “value-based” customer rela-tionships are rewarded with double-digit growth and prof-itability that compounds over time.

Does this mean higher costs? More often, investing in “value-based” customer rela-tionships means reducing your costs or being able to charge more for highly valued products services.

“We’re not fighting for the highest volume but for the best repuation, customer satisfac-tion, and the best profit,” says Dieter Zetsche, CEO, Diamler, on the prospects of surpassing Toyota’s Lexus as the No. 1 lux-ury U.S. brand, Business Week, Aug. 2, 2010.

“Most marketers and corpo-rations are now looking to reduce costs in order to improve the bottom line. While they do, it will be important to remember the favorable economics of keeping and growing customers vs. finding new ones.” Donovan Neal-May, executive director, CMO Council, Forbes.com.

VALUE is about how you make your customers successful. Don’t forget that customers define VALUE and expect you to deliver VALUE, at a mini-mum, to meet their fundamental expectations if the relationship is to continue.

Keep in mind that a change in the economic climate causes the needs of your customers to change, which requires a change in how you respond to their needs.

Your tools - 5-VALUE Creating Imperatives™
How do you effectively deliver greater VALUE in this tougher environment and remain profitable to survive the recovery? Integrate these 5-VALUE Creating Imperatives™ into your business operations.

Take a closer look at each imperative. As you review these brief descriptions, challenge your current thinking, culture and processes!

V - Voice - Give your cus-tomers one! Be disciplined about listening to their chal-lenges and needs.
A - Accountability - Hold leaders accountable for cus-tomer voice and for action that responds to customer voice.
L - Levers - What is most important to your customers in how you help them succeed? How do they depend on you?
U - Unbelievable Experiences - Create experiences that surprise and elate your cus-

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Real Estate...  
continued from pg. 9

tem, acoustical balance, orchestra pit and supporting cast areas. The classroom buildings and the library will incorporate audio-visual equipment such as projectors and electric motorized screens and high speed data. The math and science building will house labs to support current technology, built in coursework, chemical resistant countertops, sinks, gas and additional power.

The areas being built as part of the California Career Technical Education Program fund include a complete culinary kitchen with a dining/classroom area as well as a full commercial kitchen to practice real world application. The students will learn to prepare and plate food and then serve it to “customers” in the dining/classroom area. The mechanic/transportation lab includes two instructional classrooms adjacent to two full “garage labs” for hands-on training in auto body and auto repair. The video technology classroom will be arranged like a recording studio, and multimedia labs will be built for video editing.

McCarthy is using Building Information Modeling (BIM) technology for the coordination of the underground utilities and the building’s MEP (mechanical, electrical and plumbing) systems.

Design consultants involved with the Rancho Mirage High School project include: HDA Design Group, Inc., architect; Kathy Davis & Associates, interior designer; Paragon Structural Design, Inc., structural engineer; and Kraemer Engineering Inc., mechanical engineer.

Construction began June 2010 and the school is scheduled to open in Fall 2013. McCarthy is also building the new Painted Hills Middle School in nearby Desert Hot Springs, which is scheduled to open in Fall 2011.

CT Realty / Behringer Harvard Venture Acquires 800k Square Feet Inland Empire Portfolio

A joint venture of CT Realty Investors and Behringer Harvard has obtained financing of $21.5 million for the purchase and lease-up of an 802k-square-foot, four-building Inland Empire industrial portfolio that is currently just 29% leased. Located within the Interchange Business Center, adjacent to I-215 in San Bernardino, the Class A buildings are occupied by two tenants, both 3rd party logistics providers that have taken 234k square feet of the portfolio’s total space.

The buyer purchased the portfolio in an off-market transaction at a significant discount to replacement costs. Senior financing was provided by PCCP LLC.

The property was built in 2007 and consists of four, one-story, concrete tilt-up industrial buildings ranging in size from 94.1k square feet to 354.1k square feet. They are part of Interchange Business Center, an industrial park that has a total of six buildings.

The other two buildings in the industrial park that were not included in the buyer’s purchase are 100 percent occupied by Michelin Tires (801k square feet), and Dollar Tree (449k square feet).

The buildings offer direct access to the I-215 and newly complet ed I-210 freeways, which lead directly to the I-15, I-10 and State Route 60 freeways—all major transportation routes serving Southern California and the Western United States. The property is approximately six miles north of the BNSF Intermodal Facility that transports warehouse goods to and from the ports of Long Beach and Los Angeles.

Industrial Firms Acquire Riverside Manufacturing and Distribution Facilities

A.M.A. Plastics Inc purchased a 150.1k square foot warehouse/distribution property...
increases. There are two databases at a greater than average rate, and the average size of households grandpa move in at a greater than normal rate, or singles double up units we examined the change in household size over the last decade.

tions. So the increase in household size we see in a recession represents potential demand for housing units, a demand that becomes effective once economic conditions improve.

taneous downward pressure on real estate and apartment markets. The coastal housing markets remain sleepy and it appears that potential buyers are sitting on the sidelines.

The clue to what is happening with potential demand for homes lies in the behavior of households over the business cycle. When labor markets are not providing enough jobs, the young and the old are hardest hit. From both sides of the demographic spectrum comes a solution to the need to cut living expenses. Move in with the middle aged, employed parents or children. On move-in day the demand for housing units, rental and purchase, declines, and there is simultaneous downward pressure on real estate and apartment markets.

What is important about this phenomenon is that while Mom and Dad might want the kids, parents and grandkids around, these doubling up living arrangements are economic and not socially driven. That is to say, if the family wanted to be a large extended family, Dad might want the kids, parents and grandkids around, these doubling up living arrangements are economic and not socially driven.

In the coastal markets the situation is quite different. The mid-decade building exuberance was not acute in the coastal communities. Although the recession forced the price of homes down as the demand for existing homes dried up, there were not the wholesale foreclosures and extreme stressed housing markets seen inland. Today inventories are low, home prices are up on a year-over-year basis, and sales are marginally better than last year. Still the coastal housing markets remain sleepy and it appears that potential buyers are sitting on the sidelines.

The Planning Commission makes decisions on development, land use, long-range planning and other issues.

The Planning Commission in California remains in the doldrums. There are indications that some of the markets are ready to turn, but we have been saying that for six months. The real issues are too many homes inland, and too few buyers on the coast. The former has been well explored in previous California reports and we will not re-hash the issues. Suffice it to say that the rapidly rising home prices of the 2004-2007 bubble, induced developers to build housing in inland communities for a population which was not to materialize. “Build it and they will come,” was a mantra which did not play out very well.

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slow growth in the California economy in the near term means the unemployment rate will remain at the elevated rate of 11.4% next year. The latter part of our forecast calls for the health care, professional and business services, export, and technology related manufacturing sectors to generate a bit more robust growth in California. Job creation, though more rapid in late 2011 and in 2012, will not be fast enough to push the unemployment rate below double digits until the end of 2012.

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Land Use Expert Appointed to County Planning Commission

The San Bernardino County Board of Supervisors today confirmed First District Supervisor Brad Mitzelfelt’s appointment of Apple Valley resident Randy Coleman to the County Planning Commission.

“Randy Coleman is a long-time High Desert resident with a wealth of expertise in both development and environmental compliance,” said Supervisor Mitzelfelt. “That experience will enable him to analyze issues and make decisions and recommendations that will best serve the diverse interests of the entire County.”

Coleman, 51, replaces Russ Blewett, who stepped down from the Planning Commission after he was elected to the Hesperia City Council last month. Blewett was sworn in by Supervisor Mitzelfelt. Each of the five County Supervisors appoints one member of the commission.

“The High Desert has been the fastest growing region of the County and faces daunting challenges as we try to balance growth, transportation and infrastructure needs with environmental protection and quality of life,” Supervisor Mitzelfelt said.

“Mr. Coleman’s unique qualifications will allow him to ask the right questions and make sensible decisions as the High Desert, and the entire County, tackle these difficult issues.”

Coleman has a bachelor’s of science degree in civil and environmental engineering from the University of California, Irvine. He is also a certified planner, a certified wildlife biologist, a registered civil engineer and a licensed land surveyor and real estate broker, among numerous other professional designations.

The desert will also be significantly affected by strict new environmental regulations that relate to greenhouse gas emissions and land use requirements that could affect the rural lifestyle in the desert.

“If I would like to thank Supervisor Mitzelfelt for the opportunity to serve the citizens of the First District on the Planning Commission,” Commissioner Coleman said. “I know my diversified background in planning, engineering and other disciplines will be an asset for the decision-making process on the commission.”

The Planning Commission makes decisions on development, land use, long-range planning and other issues.

Laying the... continued from pg. 14 horizon.

As compared to our forecast of last June, the current forecast is slightly weaker in the near term and slightly stronger in the longer term. We remain concerned about the impact of uncertainty, particularly in the national and international arenas. International tensions over competitive currency depreciation and the possibility of retaliatory barriers to trade have increased since our last forecast, For the California economy this means that while the forecast is marginally stronger, the margin of error of the forecast is higher.

Slow growth in the California economy in the near term means the unemployment rate will remain at the elevated rate of 11.4% next year. The latter part of our forecast calls for the health care, professional and business services, export, and technology related manufacturing sectors to generate a bit more robust growth in California. Job creation, though more rapid in late 2011 and in 2012, will not be fast enough to push the unemployment rate below double digits until the end of 2012.

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The clue to what is happening with potential demand for homes lies in the behavior of households over the business cycle. When labor markets are not providing enough jobs, the young and the old are hardest hit. From both sides of the demographic spectrum comes a solution to the need to cut living expenses. Move in with the middle aged, employed parents or children. On move-in day the demand for housing units, rental and purchase, declines, and there is simultaneous downward pressure on real estate and apartment markets.

What is important about this phenomenon is that while Mom and Dad might want the kids, parents and grandkids around, these doubling up living arrangements are economic and not socially driven. That is to say, if the family wanted to be a large extended family, this would happen regardless of economic conditions. So the increase in household size we see in a recession represents potential demand for housing units, a demand that become effective demand once economic conditions improve.

To measure the magnitude of the potential demand for housing units we examined the change in household size over the last decade. When the kids don’t move out at a normal rate, or grandma and grandpa move in at a greater than normal rate, or singles double up at a greater than average rate, then the average size of households increases. There are two data bases continued on page 20
We Are... continued from pg. 8

“Our busy employees usually have to look at a computer most of the day, and they are trying to cycle patients through as quickly as possible. But by doing something as easy as making eye contact and smiling, you can begin to alleviate a sick patient’s stress—or in the case of the airline, a passenger’s travel worries.”

Fix it first. This one goes out to anyone who has ever gotten their freshly dry-cleaned clothes back only to find that a button has broken off of their favorite blouse or dress shirt. Or who has gotten their car back from the repair shop only to have another problem a week later. If you are a dry cleaner, fix the button—at no charge—before your customers pick up their clothing items. By doing so, you eliminate off of their favorite blouse or dress shirt. Or who has gotten their car back from the repair shop only to have another problem a week later. If you are a dry cleaner, fix the button—at no charge—before your customers pick up their clothing items. By doing so, you eliminate what could become a huge inconvenience for them and ensure they won’t have any qualms about bringing their next round of dry cleaning to your business.

For car repair shops, contact your clients if you see that there is something else wrong (or that could soon be wrong) with their car. Ask if they would like for you to go and think and fix it and offer a discount on your labor time. It is a great way to build goodwill in an industry where there is a lot of competition.

Provide worth-the-wait service, without the wait. For doctors, hospitals, veterinarians, or other medical service providers, a wonderful way to win the love of your patients is to ensure short wait times and flexible appointment times. For example, one hospital ER in Florida sponsors a billboard that shows its wait time in LCD real-time—as well as the ER wait times at other local hospitals. The sponsoring hospital has significantly lower times. By doing so, they show their patients that they understand wait time is a huge concern, and that most people fear they’ll end up spending hours and hours sitting in the waiting room if they ever have to go to the ER.

This tactic could easily be modified by other businesses where long waits are often a customer deterrent—for example, “big box” chains and popular grocery stores, phone companies like Verizon and AT&T (where the transactions take a long time), or at coffee shops that want to show they have short wait times during the morning rush. Or you can do this on a smaller scale in your own medical office or small business by having your staff let clients/patients know exactly how long it will be before they can be seen.

“Obviously, the shorter the wait time the better, but by providing patients or clients with the wait length, you can show that you haven’t simply accepted that long wait times come with the territory at hospitals, medical offices, and some businesses,” says Kuzmeski. “Show them that you don’t think it’s okay if they have to wait a while to be seen, and that you understand that people want and deserve better.”

Give it away for free. Vistaprint, a global printing company, made jaw-dropping value their hallmark. They did so by offering 250 business cards for free, with a nominal $5.67 shipping and processing charge, to appeal to their target market: cost-conscious small businesses. Today, 66 percent of Vistaprint’s business comes from returning customers. In the first quarter of 2010 alone, they acquired 1.4 million new customers—many who started with a free order.

“Offering freebies might also be a great way to get customers into a new restaurant or boutique,” suggests Kuzmeski. “Give first-time customers a free appetizer or special discount—along with great service, of course!—and they will be happy to recommend more first-timers and to come back for more themselves.”

Maribeth Kuzmeski, MBA, is the author of five books, including ……….”And the Clients Went continued on page 29

Laying the... continued from pg. 19 which measure household size. They are the U.S. Department of Census data which comes from the American Community Survey (ACS) and the California Department of Finance Demographic data which merges a variety of sources, including drivers license and school enrollment data in a demographic model.

While both data sets purport to measure population and households, they have very different characteristics. The overall population estimates differ by about 1 million between the two surveys. The ACS survey methodology tends to be more conservative in counting residents. On the other hand, as we shall see, the DoF estimates tend to be closer aligned to expected demographic changes while the ACS estimates tend to be somewhat volatile year to year. There are pros and cons to each data set and therefore they are both incorporated into the analysis presented herein.

The period 2001 to 2004 incorporated a recession and a “job-less” recovery. One would then expect to see an increase in household size over this period. The DoF data show household size increasing from 2.92 residents per household to a bit over 2.93 residents. The ACS data show a decline during this period. The difference between the two can be traced to estimates of a higher rate of migration out of California in the ACS data.

From 2004 to 2010 the patterns in both data series begin to look alike. As mortgages became as easy to obtain as bread, household formation as measured in the DoF data accelerated and household size declined. The ACS data, which did not pick up an increase in household size in the previous years, also did not pick up a decline in household size. However, in both data, a low in household size over the decade was achieved in 2007 immediately before the 2008/2009 recession. In subsequent years both data sets show a sharp rise in household size. From 2007 to 2009 the ACS data shows an increase in household size to 2.958 and from 2007 to 2010 the DoF data show an increase to 2.957.

How this plays out in the market depends on the supply of housing. Over the study period (2002 to 2010) there were new homes added to the stock of housing at the same time as the population and the number of households grew. To the extent that the newly built homes just satisfied the growing need, the market would be in equilibrium. But the housing bubble distorted these markets. The prevalence of “liar loans” brought buyers into the market who could not otherwise afford to own homes and the bubble gave the appearance of a market with excess demand. As the market crashed, the number of households fell faster than the supply of housing and we had another imbalance, one of seeming excess supply.

According to the Department of Finance data there is currently a deficit, not a surplus, of housing in California. This deficit of realized demand amounts to 2.5% of the number of households. Since this does not appear as realized demand in the market, the DoF data may be underestimating the current size of households.

The ACS data show a slightly different pattern with the number of houses built from 2002 to 2010 being slightly larger than the number of new households. So the market has an excess supply of 1%. Since both the -2.5% and the + 1% housing surplus figures are estimates, the truth is probably somewhere in between. That is, the aggregate market in California is more or less in balance today, with some markets being stronger and others being weaker.

However, for our purposes it ends up not being important, because housing markets are everywhere local and we have previously documented that there is an excess supply in the inland parts of the state. So the coastal region is either nearly in balance or in deficit.

In fact it is the potential demand continued on page 29

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In fact it is the potential demand continued on page 29
Expect the bulk of this user activity to be centered in the area’s core business districts of Ontario, Rancho Cucamonga and Riverside.

New leasing activity will remain generally anemic through 2011, and the occasional consolidation move will tug on absorption gains. Although local employment is estimated to grow by 1.2 percent this year, such encouraging news will not be enough to trigger a recovery. In the end, the new year will be a slight improvement over 2010 since many local businesses are currently operating at skeleton crew capacity — any sustained uptick in the local economy (i.e. housing sales) will have a trickle down effect, encouraging new payroll additions.

This year, asking rental rates for Class A and B spaces are expected to realize a 3 and 4 percent decline, respectively. Minimal job growth here and in Orange County (where, historically speaking, many corporate tenants expanded their presences inland before the housing market’s correction) will generate flat net absorption activity in 2011. During ‘the good years,’ annual net absorption for office space averaged 900,000 square feet; by this logic (and imagining for a moment the economy is at full-steam momentum), the Inland Empire has a 7-year supply of office space on-hand.

Inland Empire Industrial

Favorable market conditions for buyers and tenants will encourage new activity; leery retailers and additional consolidations to streamline costs will present challenges.

U.S. consumers remained fear-
Stater Bros. Promotes Mike Slaton to Vice President of Real Estate

Jack H. Brown, chairman of the board and chief executive officer of Stater Bros. Markets, has announced the promotion of Mike Slaton to the position of vice president of real estate of Stater Bros. Markets. Slaton’s present position of senior director of real estate will be eliminated.

Slaton has over 27 years of real estate experience. He first joined Stater Bros. in 1981 as a courtesy clerk at the company’s North Redlands supermarket. Later that year he was promoted to a clerk at the same store, and in 1984 he was promoted to the position of real estate analyst at the corporate offices.

In 1988, Slaton accepted a position with a major real estate developer. For the next 20 years, he held a variety of operational and managerial positions in the Western United States with increasing levels of responsibilities.

In 2008, Slaton returned to Stater Bros. as director of real estate, and in 2010 he was promoted to his most recent position as senior director of real estate. He reports to Jim Lee, president and chief operating officer.

Slaton has a bachelor of arts degree in marketing, with a minor in economics, from California State University, San Bernardino. He currently serves on the Southern California Program Committee of the International Council of Shopping Centers (ICSC).

“Mike has done an outstanding job of leading our real estate division,” stated Brown. “His management and real estate expertise will help Stater Bros. meet our present and future real estate needs.”
ful about their ability to find and hold a job, which was a clear threat to consumer spending in 2010. Weak expectations for personal incomes and low buying plans directly impacted Southern California’s industrial markets, with previous years being categorized by move-outs and tenant consolidations, as once robust international trade levels and retail sales dwindled. The focus for 2010s inland user was on streamlining operating costs, which prompted significant movement in the big-box arena: by mid-year, 46 transactions were signed for spaces in excess of 100,000 square feet. Twenty one such transactions occurred during the first half of 2009. One’s loss was another’s gain as industrial landlords endured declining sale prices and rental rates, allowing users to reap the benefits. By 2010s close, user sale and leasing activity surpassed 26 million square feet – a total that, historically speaking, hints at a strong-performing market. While true at first glance, there was a disconnect: net absorption (the change in physically occupied space) was half of sale and leasing momentum, suggesting a fair portion of activity within the marketplace was self-contained. Simply put, many companies with an existing presence in the Inland Empire consolidated their operations, in turn, leading to several distributors, previously based in cities west of I-15, relocating east to submarkets such as Redlands/San Bernardino to access first-generation buildings at competitive rental rates.

Net absorption gains came from two sources: user expansions within and distributor relocations from outside the region. On the former, Kohl’s, for instance, purchased a 970,000-square-foot warehouse in San Bernardino to support its growing e-commerce business – a site within walking distance of the company’s existing distribution center. On the latter, Summer Infant Inc., previously based in two Los Angeles County facilities, committed to a 459,000-square-foot distribution center in Riverside, tripling its space. Desired momentum of this variety brought the vacancy rate to 10 percent in 2010, a 240 basis point drop from one year prior. Monthly warehouse asking rents, challenged by intra-market consolidations, were $0.30 per square foot triple net, down $0.02 over the same timeline.

The market will be the perfect embodiment of the term ‘contrasts’ in the first half of 2011. Sale prices for top-tier distribution facilities will slowly increase, yet asking rental rates will stay flat; sale and leasing activity will remain strong, although net absorption may prove minimal; rents will be at record lows, though many prospective tenants will be reluctant to execute due to uncertainty with regards to the general economy. This uncertainty comes in the wake of mixed economic indicators – namely, consumer confidence, which ended 2010 at a low reminiscent of 2009, while
As We Enter 2011

By J. Allen Leinberger

There was a time when Apple and PC people were like the Hatfields and McCoys. Although the two companies had come up in the industry at about the same time in the late seventies, they acted as if an ancient tribal blood feud existed between them. (Think Yankees-Red Sox or Browns-Steelers.)

By the late nineties Bill Gates and Steve Jobs had smoked the peace pipe and Microsoft invested some much-needed money into Apple. Then, low and behold, a Macintosh version of Microsoft Office was released. At last, a Rosetta Stone for cross communications. A document, spreadsheet, slide show, etc. program that could be read by anyone.

Oddly enough, the Mac version appeared to work better—especially against the PC version of Word. Well, it kept the Seattle programmers on their toes. Now on alternate years, rather like the Summer and Winter Olympics, a new Office package comes out. One time for PC, and the next for Mac. This New Year, 2011, is the Mac year.

So, what does Office for Mac 2011 have that the 2008 version did not? For sure, the old standards are there. Word, Excel, PowerPoint, and the e-mail management tool, Outlook (which replaces Entourage).

Now Communicator allows audio and video calls that can link applications with other computers. Messenger, another communication’s program, acts as whatever you want it to be, from an interoffice web to an IM (Instant Message) system, have way too much time on your hands, emotions can be created in JPEG, BMP, PNG GIF and animated GIF. Communicator is a more businesslike program, allowing you not only audio and video connections, but also contact with your calendar, notes and other info in your computer without dropping out to look for it. It even lets you create conference calls. You can even use your computer as a telephone.

In general, for the Big Four, the news is better compatibility. I cannot tell you how many times the letters I write to others just won’t open, even though we are both using Office. There are few things more frustrating than being told that my letter won’t open and could I send it in Word, when that’s what I had just done. In fact, I can work on a document in Word or PowerPoint at the same time as others in different locations that are using Office 2011 on a Mac or on Office 2010.

One other big thing that Microsoft is proud of is The New Ribbon. That would mean the bar above your work that has buttons for any number of functions, including such basics as font and size. Now it also allows you to browse your iPhoto library and iTunes playlists directly from the Media Browser. You can even pull up your film projects from iMovies.

At this point I need to remind you of my First Law of Diminishing Technology, which states that the five move functions of any feature in Version 1.0 becomes a one move function by Version 5. Such is the case of the New Ribbon. At first glance it looks like a lot of techie stuff hanging over your document. It gradually becomes a convenient place to have the tools you need, right where you need them. True, there are usually some buttons over your work in just about any program. Here there are many more tool buttons that work quickly with just one click.

All of that being said, there are still a few bugs, or should I say, design flaws. No one program is ever perfect or there would never be a Version 2.0 of anything. You will still get a call from your insurance company that your e-mail to them didn’t open. You will still attend presentations where the speaker has to apologize for the wrong slide up on the screen. Nothing is perfect, but Office 2011 for MAC is good. Ironically it is better than Apple’s own iWorks, which has its own document, slide show and spreadsheet programs.

Microsoft continues to outdo Apple, at least in these most basic of computer functions.
## Hotel Suites in the Inland Empire

<table>
<thead>
<tr>
<th>Hotel Name Address</th>
<th>Number of Suites</th>
<th>Rate Range (Year Built)</th>
<th>Owner Headquarters</th>
<th>Number of Employees</th>
<th>Amenities</th>
<th>Top Local Executive Title</th>
<th>Phone/Fax</th>
<th>E-Mail Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ayres Inn 12300 Griffith Way Corona, CA 92880</td>
<td>101</td>
<td>$79-99 (2003)</td>
<td>Ayres Hotel Group Costa Mesa, CA</td>
<td>25</td>
<td>Full Buffet Breakfast, Evening Refreshments, Comp. Guest Laundry, Exercis Room</td>
<td>Garrett Kramer General Manager</td>
<td>(951) 734-2410/734-4016</td>
<td><a href="mailto:gkramer@ayreshotels.com">gkramer@ayreshotels.com</a></td>
</tr>
</tbody>
</table>

### Amenities
- **F** - Fitness Facility
- **E** - Executive Lounges
- **X** - Transfers to/from Airport
- **N** - Non Smoking Rooms
- **C** - Concierge
- **Go** - Golf Course
- **P** - Pool on Site
- **Co** - Complimentary Cont. Breakfast
- **St** - Gift Shop
- **R** - Restaurant
- **Cr** - Corporate Rates
- **F** - Fitness Facility
- **C** - Concierge
- **E** - Executive Lounges
- **X** - Transfers to/from Airport

### Addenda
- Date: January 2011
- Source: BUSINESS JOURNAL • PAGE 25
- Note: All information is subject to change without notice. Please contact the hotel directly for the most current information.

---

Ruben Carrusillo General Manager | (909) 598-7666/598-5654 | rubencarrusillo@shilohilltopinns.com

Pamela Riva General Manager | (909) 340-6000/340-1600 | pamelariva@countryins.com

Shannon Leibe Sales Manager | (909) 466-1006/1101 | cmrpdr89@cmrpdr89.com

Alex Unick General Manager | (909) 937-9700/973-2070 | alexunick@ayreshotels.com

Garrett Kramer General Manager | (951) 734-2410/734-4016 | gkramer@ayreshotels.com

John Dow General Manager | (760) 322-6000/614-2900 | www.renaisancepalmspringshotel.com

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“Fortunately, there was not a problem with the batch that was released, but it appears that the misalignment of leader behavior with company values in this situation laid the foundation for poor execution, and a potentially dangerous situation, in the future,” he adds.

The "BRIDGE" that failed: Alignment Between Leader Actions and Company Values and Priorities.

THE LESSON:
Leader behavior must be aligned with company objectives and values. While Lepsinger admits this phrase has been said so often that it’s become a cliché, he says companies can’t afford to ignore it.

“You don’t really understand how important value alignment is or the impact it has on effective execution until you see what happens when it’s not there,” says Lepsinger. “That’s why stories like the Johnson & Johnson one are so important. They remind us not to take it for granted or assume it’s a ‘no-brainer.’”

Execution Gap Maker #4: Toyota
During 2010 Toyota recalled millions of cars due to a variety of defects. This was an extraordinary number for a company once recognized for the quality of its vehicles. What went wrong? It appears Toyota’s decentralized structure, which served it well for many years, turned into a liability as the company continued to grow and dominate worldwide markets.

“For example, some of Toyota’s former U.S. senior executives believe that keeping the U.S. operations separated in a functional structure—rather than reporting to a single headquarters—forced each to report back to Japan,” says Lepsinger. “This required customer complaints to first make their way through the U.S. operation and then over to Japan where they were reviewed by a special committee—which would then have to communicate back to the U.S. All this had to happen before a recall could be issued.”

The "BRIDGE" that failed: A Structure That Supports Execution.

THE LESSON:
Make sure you have a structure that supports execution. Lepsinger notes that a good structure enhances accountability, coordination, and communication. Plus, it ensures that decisions are being made as close to the action as possible. Toyota’s structure slowed down decision making and the company’s ability to effectively respond to the recall crisis.

“Toyota’s breakdown also illustrates that the five execution bridges are not permanent,” notes Lepsinger. “In fact, they are quite fragile. Once you’ve built them, you must keep vigilant watch over them and work hard to maintain them over time. It’s quite possible for a company to have a bridge in place one year, only to discover that over time it has weakened or even crumbled and is no longer able to help your people traverse the gap.”

...And Its Execution Gap Closer Round-Up

Execution Gap Closer #1: Netflix
Netflix received considerable media attention this year as it demonstrated its ability to successfully execute its strategy to provide video over the Internet. The company began streaming movies to TV-connected devices such as the Nintendo Wii, Microsoft Xbox 360, and a new Blu-ray Disc player, and the strategy is already showing signs of paying off. Although the ability to deliver streaming video has just recently become a...
Helping People Hear Again

Buy some ice cream, help someone hear!
Helping People Hear Again, a nonprofit organization that provides refurbished hearing aids for free to low-income people, benefited from a fundraiser held by Ben and Jerry's ice cream at the River, 71-800 Highway 111, Rancho Mirage.
Twenty percent of all ice cream sales were donated to Helping People Hear Again.
For more information on Helping People Hear Again visit www.helpingpeoplehearagain.com.

$900 million toward a natural gas power plant gets green light—the estimated $900 million CPV Sentinel Power Plant, which is privately funded, will serve as a backup power source for wind and solar to ensure uninterrupted service. The natural gas power plant should be up and running by 2013.
The plant also is expected to create some 350 jobs, produce $2.6 million in new business taxes and $6.4 million in annual property taxes.
For more information on CPV Sentinel Power Plant visit www.energy.ca.gov.

Twelve students awarded College of the Desert scholarships

Twelve students received the Dumont Foundation Scholarship: Brenda Beets-Brown, Amanda Emmett, Betty Hill, Salle Kirby, Michael Navarro, Virginia Santillanes, Dominic Serna and Lynda White ($500 scholarship each); Josiah Bolth, Andrew Toscano and Lazaro Sanchez ($1,000 portfolio scholarship each) and Saoirse O'Sullivan ($1,000 merit and portfolio scholarship).

Students must attend COD full time and maintain a 3.5 GPA in their major and a 3.0 GPA overall to qualify.
For more information on College of the Desert scholarships visit www.colleg eofthedesert.edu.

Grand opening and chamber ribbon cutting

The Coachella Chamber of Commerce held a ribbon cutting for Liberty Tax and Farmers Insurance of Coachella Valley.
For more information on Liberty Tax and Farmers Insurance of Coachella Valley visit www.libertytax.com or call (760) 390-2832.
Rule 1: Develop Your Social Skills. Leaders in this new Social Nation are expected to follow as much as they lead, collaborating with their colleagues while still providing structure and support. In boardrooms and offices around the world, leaders are starting to become more interconnected, to put others’ needs first, and to find motivation in helping others succeed. They facilitate rather than control.

“You can’t expect your organization’s Social Nation to be successful if you as a leader don’t think about the needs and wants of your employees and customers,” Libert cautions. “I’m reminded of Andrea Jung, CEO of Avon. She strives to make Avon a ‘company for women,’ and feels that it’s very important to empower the company’s saleswomen by talking with them about what matters to them as well as to Avon. And guess what? Avon was one of the few companies to chart growth during the 2008-2009 recession.”

Rule 2: Let Culture Lead Your Way. When building your social organization, remember that the DNA of the company is very important, so let an open and honest culture be a guiding principle. After all, culture defines your company because it tells employees what to expect and lets customers know who you are and what you stand for. For a great example, look at Zappos—a company whose success is due largely to an emphasis on culture. Zappos is based around 10 core values, which all employees know and understand. Beyond that, working at Zappos is fun, personal, and social. For example, there’s a Dance Dance Revolution machine in the lobby! Most importantly, though, employees are encouraged to connect authentically with each other and with customers. They feel good about where they work—and that shows in their engagement and performances.

Rule 3: Mind Your Online and Offline Manners. How you say something—be it online or off—is as important as what you say, and can help make the difference in gaining fans, friends, and followers. And remember that technology connects people in faster and more transparent ways than ever!

“Social media can definitely propel your company forward, especially when employees are excited and involved,” Libert reiterates. “Australian telecom company Telstra gets this concept. In fact, at Telstra, social media participation is mandatory! However, the company trains each employee on how to appropriately participate, basing its guidelines on responsibility, respect, and representation. Very, very smart.”

Rule 4: Listen, Learn, Adapt. Social intelligence enables your company to benefit from all that is happening around you—including the conversations of your constituents—so you can adapt what you do and how you do it to better meet the needs of your customers, employees, and market demands. After all, it’s a good thing to understand what your customers need and want and how they interact with your products and services.

If you have a younger child, you’ve probably heard of Webkinz, which has turned out to be a brilliant concept by Ganz. Kids receive avatars of their stuffed animals in an online community, which allows them to interact with other children and to care for their “pets.” But more importantly, Ganz is able to keep tabs of how many customers it has, how long they spend online, and how they feel about the products they’ve bought. Using this information, Ganz is able to improve its product and its customer interac-

“The Future... continued from pg. 13

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continued on page 32

“Time Out” With Bill Anthony

Join Bill “The Ambassador of Good Taste” as he reviews gourmet food, travel and world famous restauranteurs—plus guest interviews with award-winning chefs and renowned wine connoisseurs each Saturday at 3:00 p.m. on “Hot Talk” 1510 AM KSPA Radio.
Laying the...
continued from pg. 20
which is of most interest. This is the
demand that will hit the market
when labor markets rebound, and
this is the demand which will generate new construction jobs. Taking the 2002 to 2007 period as normal on average, we compute
the number of new households that would have been created but for the
kids and parents moving home. Using either data set the number
is around 140,000 units. This is approximately the number of units
California needs to build each year to keep up with population
growth and replacement requirements.

Breaking down the potential demand by geography yields an
interesting picture. While the data at the county level are not incred-
ibly accurate due to sampling error, the overall pattern is clear.
Potential demand is most pronounced in the coastal cities. While this
might seem counter intuitive given that the unemployment rate
inland is much higher than the coast, it admits a simple explanation.
In land there is ample housing stock. The foreclosures simply
changed owners into renters and the excess housing drove down rents. So, two earner families who became one earner families may
have lost title to their house, but they can still afford to rent. In
Coastal cities rents are higher. Therefore when a two earner family
becomes a one earner family they are less able to rent a suitable
place. They can move further out, and some surely did, or they can
move in with friends and family. It is this latter phenomenon which
shows up in the data. Thus while coastal markets have very little
inventory and little new housing, they have the bulk of potential
demand.

The implications of this fact are profound. If this potential
demand becomes realized demand in a short period of time, the
annual demand for new housing units will be double what is experi-
enced in normal times. This will force more rapid home price appreci-
cation and a quick turn-around in real estate and residential con-
struction. If the conversion of potential into realized demand is driv-
en by employment, and our employment growth forecast is correct,
then there will be a smaller augmented demand for new construction
and a slower, but healthier recovery in residential housing. With 12.4% unemployment in California, and the demographics of this
potential demand heavily weighted towards the Echo-Boomers in
their early 20’s, the slow addition to demand seems more likely. But
it is intriguing that housing markets could take off once again.

Government
The election yielded a new administration in the State House in
Sacramento, but did not change the old story of budget shortfalls and
potential spending cuts. However, the severity of the current budget
crisis, due in no small part to the current legislative and executive
branches kicking the can down the road, is not indicative of the
future. Nevertheless, the cutting which will occur in the early part of
the 2011 fiscal year will be greater than it might have been if the cur-
rent legislature had not used one time transfers to fill the 2010 budg-
et shortfall. What that means is a loss of public sector jobs in the
third quarter of 2011 and a slower, albeit marginally so, growth of
the California economy in the coming year.

Now we turn to the good news. The changes in how the state
does business as a result of the recent election may have profound
and positive implications for California. The voters were very clear
in informing Sacramento that it would have to make do with the
resources that are available from current tax and fee sources. The
vehicle surcharge to fund parks was turned down, the state’s ability
to tap into particular funding of local governments was prohibited,
and the legislature’s ability to increase revenue through the enact-
ment of new or higher fees was severely curtailed. In other words,
until the state is able to demonstrate
BB&K Hires Four Associates for
Southern California Offices
Best Best & Krieger LLP recently hired four associates to join
the firm’s growing municipal and redevelopment law practice in its
Los Angeles, San Diego and Ontario offices.
The new attorneys include Robert M. Shaw and Hannah
Schartiger, as well as Rebecca Andrews and Curtis R. Wright, both of
whom were summer associates with BB&K in 2009.

“We welcome the new attorneys to a growing and thriving prac-
tice here at BB&K,” said attorney Dean Derleth, a BB&K partner
who oversees the firm’s municipal and redevelopment law practice
and serves as city attorney to Corona and Colton.

Attorneys in BB&K’s municipal law practice serve as city attor-
ney to more than 30 cities across California. The firm most recently
took over the legal practice of Mannsmith, who served as city attor-
ney to Sacramento in 2010.

Shaw, a recent addition to BB&K’s Los Angeles office, also
worked as a institutional litigator at Manning & Lebbin’s
Los Angeles and Los Angeles offices. He graduated from the
University of Southern California Law School in May 2006 and,
the same time, received a master’s degree in public administration
from the university’s Maxwell School of Citizenship and Public
Affairs. Previously, Shaw worked as the assistant to the director of
public works at the city of Long Beach where he researched environ-
mental impacts and land-use restrictions for proposed projects.

Wright, a former Army captain who fought in Iraq as part of
Operation Iraqi Freedom, is based in BB&K’s Ontario office. Wright
graduated from the University of La Verne College of Law in May
2010.

Schartiger, a civil engineer turned attorney, joined the firm’s San
Diego office. She graduated from the University of San Diego School
of Law in December 2009. Prior to BB&K, Schartiger worked for
the Naval Facilities Engineering Command in San Diego as a senior
construction claims engineer.

Andrews, who received a master’s degree in theology, joined
BB&K’s San Diego office. She graduated from the University of San
Diego School of Law in May 2010.

Wright, Schartiger and Andrews passed the California bar exam
that was given in July.

The 2010... reality, Netflix has been preparing
to replace its original business model of delivering DVDs through
the mail since the company was formed in 1997.

“The company’s readiness for change is incredible,” observes
Lepsinger. “A decade before the technology was even a commercial
reality, it recognized that the delivery of movies over the Internet
would eventually replace mail. Even the name they chose for the
company reflected this awareness. They named the company ‘Netfix’ and not ‘Mailflix’, which would have been an easier con-
cept to understand more than a decade ago.”

Execution Gap Closers continued on page 32
January 2011

**New Player...**

continued from pg. 14

Most recently before Fantasy Springs, he worked at the Ameristar Casino East Chicago as the Asian Player Development Manager. He speaks English, Mandarin, Cantonese, and Taishan.

Player Development manager, Keri Downs, came to Fantasy Springs from another Palm Springs area casino in 2009 and helped Dan London build the team. Originally from Pittsburgh, PA, Keri and her family moved to the Palm Springs area in 1987.

Rose Huang, Asian Player Development manager, was born in Shanghai, China and moved to the United States in 2000, making her way to the bright lights of Las Vegas, Nevada. She studied hotel management at University of Nevada, Las Vegas. Before Fantasy Springs, Rose was the Asian executive casino host at the Rio and Paris Las Vegas. Rose signed on at Fantasy Springs in October 2010. She speaks English, Mandarin, Cantonese, Shanghai, Hangzhou and Chengdu.

Southern California native Rae-Ann Terry was promoted from Player Development host to the position of special events assistant manager after demonstrating a high caliber of guest relations and a flair for details.

Kevin Kim joined Fantasy Springs in late 2010 as one of its Asian Player Development host. Prior to working for Fantasy Springs, Kevin spent six successful years in commercial real estate sales. He was born in Korea and moved to the United States with his family at the age of 19. Kevin speaks English and Korean.

Teresa Aquino has been providing above-and-beyond guest service since 1996 when she started as a cocktail server at a local casino. Originally from Taipei, Taiwan, she moved to the United State in 1998 and attended the University of Illinois, Chicago. Karen speaks English, Mandarin, Taiwanese and Cantonese.

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**Laying the...**

continued from pg. 29

that it can manage the funds it has, the voters are not in a mood to augment those funds with new revenue sources.

On the other hand, the voters gave the governor and the legislature the tools to allocate those resources and come up with a budget. No longer can the majority party point the finger at the minority veto that existed heretofore as the reason for gridlock in Sacramento.

If there is gridlock, they can only point the finger at themselves, and presumably the voters will feel the same way. The new redistricting commission is, at least in theory, a way in which to give the voters more voice in approving or disapproving of the manner in which the legislature conducts itself, and therefore provides an additional incentive for a timely resolution of budgets.

What does this mean for Californians? First, if you are one of those affected by the allocation of the general fund, it has a personal impact. You will know before the start of the fiscal year where you stand with respect to state government resources. But more broadly it means that California government will no longer be the source of uncertainty within the state and just as important, California government will no longer be held up as a government that doesn’t function. Both of these will be positive forces for California businesses thinking of possibly growing within the state and for business thinking of starting up or moving to the state. While it will take a while for a demonstrable effect to be seen, the tools are in place for that to happen and that is very good news for the long run.

**The California Forecast**

In the last California Report we characterized the recovery in the near term as “Stanford-Crocker” growth, indicating a period of almost imperceptible growth. The current forecast is for similar slow growth until the end of next year. With only the first indication of changes in consumer and business expectations revealing themselves in the contemporaneous data, and in the absence of an external driver to induce faster growth, this is the most likely scenario for this phase of the recovery. It will be a difficult period as not only does the state economy have to re-generate 1.3 million jobs to return to pre-recession levels of employment, but it must also generate additional jobs for all of the new entrants to the labor force over the past two and a half years.

The drivers of the recovery from this recession will be education, health care, exports and technology and to some extent by growth in residential construction. The first four are more heavily centered in coastal California and are currently generating some job growth for these sub-regions. The latter will begin to generate jobs along the coast in the near term, but there will be little new activity inland until housing markets turn. Thus, economic growth in California will be bifurcated with an early recovery along the coast coexisting with continued economic doldrums to the east.

Typically large structural adjustment such as that which occurred in aerospace in 1991 and in the internet and software sectors in 2001, require four to six years for recovery. With residential construction in the Inland Empire and Central Valley beginning its adjustment in 2006, we can expect no substantial growth in these regions over the forecast horizon. If other sectors do not pick up the slack, the bifurcated recovery will be with us for the next few years.

Our expectation for 2011 is a growth in employment of 1.6%. The bulk of this growth will be obtained in the latter part of the year. The end of year growth will be slightly faster than the U.S. as increases in U.S. consumption levels will be magnified in California’s logistics industry and increases in exports to the growing economies of Asia will disproportionately affect California. Employment growth is expected to
Financial Brokerage Firms Serving the Inland Empire

Ranked by Number of Offices in Inland Empire (Riverside and San Bernardino Counties)

<table>
<thead>
<tr>
<th>Company</th>
<th>Address</th>
<th># Offices</th>
<th>L.E. Registered Brokers</th>
<th>Services</th>
<th>Headquarters</th>
<th>Top Local Executive</th>
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<tbody>
<tr>
<td>Edward Jones</td>
<td>5420 Philadelphia St., 4D Class, CA 91730</td>
<td>1</td>
<td>15</td>
<td>Stocks, Bonds, Mutual Funds, Life Insurance, Estate Planning, 401k, and other Retirement Plans</td>
<td>St. Louis, MO</td>
<td>Jamie Harwood</td>
</tr>
<tr>
<td>Wells Fargo Advisors</td>
<td>3610 Van Bt., Ste. 100 Riverside, CA 92508</td>
<td>2</td>
<td>15</td>
<td>Retail Brokerage, Public Finance, Corporate Finance</td>
<td>St. Louis, MO</td>
<td>Brian Moore</td>
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<tr>
<td>UBS</td>
<td>3801 University Ave., Ste. 300 Riverside, CA 92503</td>
<td>3</td>
<td>40</td>
<td>Full Service Brokerage</td>
<td>Rochester, MN</td>
<td>Scott Morris</td>
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<td>Smith Barney Inc.</td>
<td>456 W. Foothill Blvd. Claremont, CA 91711</td>
<td>2</td>
<td>40</td>
<td>Investment Brokerage</td>
<td>New York, NY</td>
<td>Jack Johnson</td>
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<tr>
<td>Bishop, Fuller &amp; Associates ( Amerifirst)</td>
<td>818 N. Mountain Ave. Upland, CA 91786</td>
<td>1</td>
<td>2</td>
<td>Financial Planning, Full Brokerage Service, Insurance, Mutual Funds</td>
<td>Minneapolis, MN</td>
<td>Ian D. Bishop</td>
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<td>Gerian Investments</td>
<td>1290 California St., Ste. 220 Redlands, CA 92375</td>
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<td>6</td>
<td>Full Service Stock &amp; Bond Brokerage, Retirement Plans, Mutual Funds, Fully Managed Accounts</td>
<td>San Bernadino, CA</td>
<td>Charles Painter</td>
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<td>National Planning Corp.</td>
<td>222 E. Olive Ave., Ste. 2 Redlands, CA 92373</td>
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<td>1</td>
<td>Investment Advisory, Financial Retirement Planning, Full Service Brokerage</td>
<td>Santa Monica, CA</td>
<td>Eddie Ngo</td>
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<td>Pacific Premier Investment Services</td>
<td>1958 E. Highland Ave. San Bernardino, CA 92404</td>
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<td>Costa Mesa, CA</td>
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<td>RPM Insurance &amp; Financial Services</td>
<td>301 E. State St., Ste. 458 Redlands, CA 92373</td>
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<td>Investment Advisors Full Service Brokerage</td>
<td>Redlands, CA</td>
<td>William A. McCalmon</td>
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<td>Triton Asset Management</td>
<td>777 E. Tahquitz Canyon Way, Ste. 200 Palm Springs, CA 92262</td>
<td>1</td>
<td>3</td>
<td>Full Service Brokerage</td>
<td>San Diego, CA</td>
<td>Ken McDonald</td>
</tr>
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</table>

N/A = Not Applicable NDD - Would not Disclose  na = not available. The information in the above list was obtained from the companies listed. To the best of our knowledge the information supplied is accurate as of press time. While every effort is made to ensure the accuracy and thoroughness of the list, omissions and typographical errors sometimes occur. Please send corrections or additions on company letterhead to: The Inland Empire Business Journal, P.O. Box 1979, Rancho Cucamonga, CA 91729-1979. Copyright 2010 by IEBJ.

Real Estate... continued from pg. 18

within Hunter Park Business Center in Riverside for $7.1 mil ($47/sf). The facility, located at 1100 Citrus Avenue, south of Center Street and east of I-215, was built in 2007. A.M.A. is a plastic injection molding and tooling organization that plans to occupy the entire building as its corporate HQ location. The company is relocating from Corona.

Milo Lipson and Ryan Velasquez of Grubb & Ellis brokered the transaction for the seller, Oakmont Industrial Group. Walter Frome of Voit Commercial Brokerage L.P. represented the buyer in the deal. In another recent Riverside industrial sale, Crystal Windows paid $4.2 million for a 111.3k square foot ($38/sf) freestanding building on 10 acres at 1850 Atlanta Avenue, just east of the confluence of I-215 and the 60 and 91 freeways. The buyer, a window and door manufacturer, is looking to expand its manufacturing operations on the West Coast. continued on page 39
Rule 5: Include Others in Everything You Do. As an organization that is seeking to benefit from membership in the Social Nation, relying on others in every part of your company is the only way to alter what you do and how you do it to generate new revenues and increase profits.

“Ducati really personifies this strategy,” Libert asserts. “In 2003, the company did away with its traditional marketing in high-end magazines and the like, and re-centered itself around community members, their needs, feedback, and conversations. Ducati made sure that fans and owners could attend plenty of rallies, races, parties, and bike shows, as well as become involved in an online community. Now, Ducati has become even more popular due to fan enthusiasm—and its products and services have improved due to customer feedback and suggestions!”

Rule 6: Rely on Others for Growth and Innovation. Friends, fans, and followers are instrumental in achieving growth in today’s connected world. Instead of the “old” method of relying on focus groups that meet behind two-way mirrors, it’s time to engage customers in a two-way conversation to innovate new products and services that matter.

Take Mountain Dew, for example. Instead of traditional product development efforts, PepsiCo created a “DEWmocracy” campaign to decide what the next Mountain Dew flavor would be. Anyone could log on to Mountain Dew’s website and play an exciting multi-leveled game, through which they could rack up points toward their preferred soda being chosen. Essentially, the company’s next soft drink was in the hands of its Social Nation. Power to the people, indeed!

Rule 7: Reward Others and You Will Be Rewarded Too. As organizations focus more and more on connections and relationships, customers want to be rewarded emotionally as well as financially. Successful businesses have to meet both needs.

“Apple is the poster child for rewarding fans,” Libert contends. “Anyone can develop an app for the iPhone or iPad. Now, just three years after the release of the Iphone, the app craze has become a $2.5 billion yearly earnings extravaganza for the company—and that’s just Apple’s share of the rewards. In fact, individual developers are offered a 70/30 profit division—in their favor!—to create apps based on their individual views of the community’s wants and needs. You’d better believe that these folks are emotionally and financially connected to Apple, as well as socially connected to each other!”

“When you follow these Social Nation-building rules, you’ll achieve the results you desire based on customers who care and employees who enjoy what they do every day,” concludes Libert. “It’s true: With open communication and all-around engagement, your company’s social media and new technologies will realize new revenue sources and transform your business.”

Barry Libert is the author of “Social Nation: How to Harness the Power of Social Media to Attract Customers, Motivate Employees, and Grow Your Business.”

The Future... continued from pg. 28

THE INLAND EMPIRE BUSINESS JOURNAL

When Planning Your 2011 Advertising Budget, Consider...

The 2010... (Well...Maybe) #2: Barnes & Noble

Lepsinger would like to classify Barnes & Noble as a success, but it’s just not clear yet whether the company really fits in that category. The move to electronic books has caused booksellers to take a close look at how they do business, but the jury is still out on whether Barnes & Noble’s response to the dramatic changes in the publishing industry will be successful.

“Barnes & Noble appears to be doing a lot of the right things,” says Lepsinger. “It developed the NOOK and has devoted significant space in its retail stores to display and promote it, and it has a broad online library. The big question is whether the company is fully committed to this change. Will it turn out like Netflix and successfully make the transition to a new method of delivery? Or will it end up more like Blockbuster, which has struggled to adapt to new technology and shift from bricks-and-mortar stores to an online-based business model?”

The “BRIDGE” that held for Gap Closers #1 and 2: The Ability to Manage Change.

THE LESSON: The ability to manage change is critical. Yet, despite all the effort and resources that have been devoted to helping them achieve this, managers and organizations still often get poor marks in this area. That said, yet another change management process or program is not the solution, emphasizes Lepsinger.

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## 2011 Editorial Schedule

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<td>• Chambers of Commerce</td>
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<td>• Economic Development (San Bernardino County)</td>
<td>• What’s New in Hospital Care</td>
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<td>• Credit Unions</td>
<td>• Casual Dining</td>
<td>• Ad Agencies/Public Relations Firms</td>
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<td>• Event Planning</td>
<td>• Building Services Directory</td>
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<td>• High Desert Economic Development</td>
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<td>• SBA Lenders</td>
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<td>• SBA Lending</td>
<td>• Airports</td>
<td>• Largest Hotels</td>
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<td>• Independent Living Centers</td>
<td>• Who’s Who in Building Development</td>
<td>• Golf Courses</td>
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<td>• Office Technology/Computers</td>
<td>• Long Distance/Interconnect Firms</td>
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<td>• Economic Development Temecula Valley</td>
<td>• International Trade</td>
<td>• Copiers/Fax/Business Equipment</td>
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<td>• Holiday Party Planning</td>
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<td>November</td>
<td>• Retail Sales</td>
<td>• Human Resources Guide</td>
<td>• Commercial R.E. Development Projects</td>
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<td>• Industrial Real Estate</td>
<td>• Executive Gifts</td>
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<td>• Commercial R.E./Office Parks</td>
<td>• Building and Development</td>
<td>• Fastest Growing I.E. Companies</td>
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<td>• Educational Services Directory</td>
<td>• New Communities</td>
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<td>• Title Companies</td>
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<td>• Health Care</td>
<td>• 2012 “Book of Lists”</td>
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<td>• Top Ten Southern California Resorts</td>
<td>• Professional Services Directory</td>
<td>• Business Brokerage Firms</td>
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<td>• Temporary Placement Agencies</td>
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</table>
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national annual retail sales were up a modest 2 percent from 12 months prior. Retailers will closely monitor their inventories in 2011 as the anticipated majority delay increasing order purchases until mid-year or into 2012. This ‘wait-and-see’ strategy will have a direct impact on world cargo volume growth projections, which are anticipated to record a 6 percent annual gain in 2011 – a rate that falls short of 2010s 10 percent increase. Last year’s higher growth rate was due to retailers replenishing their inventories after operating with just enough to stay in business during 2009, while taking advantage of China’s devalued yuan, which equated to more U.S. dollar buying power.

Any growth in world trade volumes will have a positive impact on Southern California’s industrial markets, since 40 percent of the U.S.’s imported containers come through the ports of Los Angeles and Long Beach. Roughly 50 percent of these imports are bound for local markets to serve the basin’s 18 million residents, translating into an increased demand for industrial space to warehouse these goods. Since the Inland Empire is an extension of Los Angeles – where the vacancy rate is under 5 percent – many distributors will move inland to access a wide selection of first-generation, Class A warehouses available at highly competitive rental rates. Some may even tap into the region’s available land supply, opting for build-to-suit or owner-built projects. This year, for instance, SKECHERS will complete construction on a 1.8-million-square-foot facility in Moreno Valley, Castle & Cook will take occupancy of its new 520,000-square-foot center in Riverside and WinCo Foods has plans to eventually build a 2-million-square-foot facility in Beaumont.

Southern California’s ports might lose market share due to aggressive competition from Gulf and East Coast ports along with some from the Northwest (Seattle, Prince Rupert, British Columbia and Vancouver). The loss in market share can be attributed to increased shipper costs and potential issues at Los Angeles’ ports – chiefly, the Clean Truck programs; western railroads charging high intermodal rates; the International Longshore and Warehouse Union’s rising pension costs; and negotiations with the Maritime clerical workers, which continued on page 36

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<table>
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<tr>
<th>Institution</th>
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<th>Faculty: Full-Time</th>
<th>Type of Institution</th>
<th>Tuition &amp; Fees: Calif. Resident</th>
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<th>Top Local Exec.</th>
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<td>91</td>
<td>Private/4 year</td>
<td>$36,635</td>
<td>$36,315</td>
<td>Maria Klawe</td>
<td>(909) 621-8000/607-4005</td>
<td><a href="mailto:admission@hmc.com">admission@hmc.com</a></td>
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<td>Brandman University (Victor Valley Campus)</td>
<td>630</td>
<td>3</td>
<td>Private (Non-Profit)</td>
<td>$345 per Unit/Undergrad.</td>
<td>$415 per Unit/Grad.</td>
<td>Jan Hartz</td>
<td>(760) 955-7555/7444</td>
<td><a href="mailto:hartz@brandman.edu">hartz@brandman.edu</a></td>
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<tr>
<td>Western State Univ. College of Law</td>
<td>450</td>
<td>22</td>
<td>Approved Private Institution, 1966</td>
<td>$15,800 Full Time/</td>
<td>$10,400 (Per Semester)</td>
<td>Bill Adams</td>
<td>(714) 459-1100/441-1780</td>
<td><a href="mailto:admi@wsulaw.edu">admi@wsulaw.edu</a></td>
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<td>Chapman Univ. (Couachella Valley Campus)</td>
<td>350</td>
<td>13</td>
<td>Private</td>
<td>$345 per Unit/Undergrad.</td>
<td>$415 grad.</td>
<td>Cynthia Flores</td>
<td>(619) 341-0154/46-4628</td>
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</tr>
</tbody>
</table>

Top Colleges and Universities in the Inland Empire

Ranked by 2010 Enrollment

Launch Tuesday, January 25, 2011
Noon-9:00pm

Luncheon Fine Points:
45min/hr Network & Dine
10 min Empowering Presentation
30-60 second business spotlight

Open Networking at the end of Event

www.ranchocucamonga.com
Contact or email Chamber office at 909.987.1019

Rancho Cucamonga Chamber presents
EmpPOWER Hour
Lunch Time Networking Group
Where quality partnerships are developed

Hosted by
Fleming’s Prime Steakhouse
Roscoe’s Famous Deli

By Bill Anthony

Peanut shells on the floor...shells on the floor......drop your shells on the floor......hope you are catching on! Yep, this is a fun, fun place——a deli——a Roscoe’s Famous Deli——and great selections of old-fashioned East Coast sandwiches——thick and delicious. Don’t be tempted to eat the peanuts off the floor, they serve free peanuts when you are seated. The decor is also as outrageous as the big portion sizes of their menu. Look up and see a car hanging from the ceiling, look at the wall and see a motorcycle——better yet, look at all the giant-screen TVs for great sporting events and more.

The service is super friendly and fast with background music dating back to rock and roll of the ’50s, ’60s and ’70s.

A few not-to-miss menu items are Rod’s Stair Master Beef Brisket ($11.95)......Italian Beef ($11.95).........The “Capone” ($11.95)......and St. Louis-style Pork Ribs ($19.95).

Go on a Friday and Saturday night, after 9:00 p.m., and you can listen to live music (bands) along with having a great meal.

Go to their Web site at Roscoesfamousdeli.com then head over to the deli in Chino Hills——but, go “Hungry.”

Roscoe’s Famous Deli is located at 14700 Pipeline Avenue in Chino Hills and the phone number is (909) 597-3304.
Inland Empire...

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may cause a dispute and shut down much of the seaport complex. To date, West Coast ports have already lost market share to the Gulf and East Coast ports before the economic crisis, which may increase when the widening of the Panama Canal is complete in 2014 and Southeast Asian Cargo is routed via the Suez Canal. A dramatic impact to Southern California is questionable, however, since competing ports will have to expand their terminals to accommodate larger ships. When the economy recovers, cargo traffic increases are consistent and shippers expand their operations, this rerouting of traffic away from Southern California may decline – few North American ports have the facilities and deep water drafts required to accommodate supertankers, unlike the Port of Los Angeles. Additionally, many Southern California-based distributors use the region as an access point to funnel their goods locally and to the Midwest.

The new year will present mixed tones. On the one hand, most retailers are reluctant to increase inventory orders based on lackluster consumer confidence figures in 2010, which limits the demand for additional warehouse space. On the other hand, rents are at historical lows and sale and leasing activity was strong in 2010 (suggesting landlord and tenant expectations were in sync); the region is ranked 23rd among the nation’s top 100 metropolitan areas for exporting activities; and the Inland Empire is Southern California’s last stop for companies looking to establish massive distribution centers within reasonable proximity of one of the world’s busiest port systems. Although the first half of 2011 may prove tepid, activity is projected to improve in the second half as cost-effec-

tive distributors lease or purchase first-generation, Class A buildings to establish long-term footprints in the region. With an ongoing moratorium on new speculative development, this new activity will cause the vacancy rate to decrease to 7.3 percent by year-end, as net absorption gains parallel 2010s tally. For big-box tenants already in established Western submarkets, some may relocate east to access first-generation space offered at effective rents that averaged $0.06 to $0.08 per square foot below asking values in 2010; this spread averaged $0.02 to $0.05 per square foot in the west. Feeling the brunt of negative absorption, many Western landlords will drop their rents to become increasingly competitive and to maintain their cash flows. As a whole, warehouse rents are expected to stabilize later in the year as consolidations taper off and the supply of buildings in excess of 100,000 square feet decreases. Well past the ‘trough phase’ that is characteristic of a depressed market and given 2010s annual decline

continued on page 37
Inland Empire Retail

Enduring the fallout associated with a battered housing market and high unemployment in 2010, next year will be a slight improvement at best.

While the Inland Empire’s economy will begin to show signs of improvement in 2011, soft conditions for retailers will linger as high unemployment and a battered housing market restrain space demand. The unemployment rate in both Riverside and San Bernardino counties was 14.8 percent in September 2010, one of the highest rates in the country. Anticipated job growth in 2011 will serve as a crucial first step leading to an eventual recovery, though it will likely take a few years of more robust employment gains to fuel significant increases in retail spending. Taxable retail sales reached $32.4 billion by year-end, a 4 percent annual increase from 2009. Though an improvement, 2010s tally was 20 percent below peak levels recorded from 2005 to 2007.

Consumers focused on necessary rather than discretionary purchases last year, increasing profitability at major discount retailers, including Wal-Mart, Costco, Kohl’s and Forever 21. New jobs will be added in 2011, but hiring will be anemic with 12,800 new non-farm payrolls. This will under-cut consumer spending and moderate annual retail sales growth – especially in a region where some economists predict the unemployment rate will remain in the double-digits until late 2013. The area’s average personal income is also of concern. The poverty rate in the Inland Empire surged about 31 percent from 2007 to 2009, according to the Brookings Institution, validating what is common knowledge—the region was at the front lines of the Great Recession after its housing market collapsed.

Major retailers, such as Nordstrom, will tailor their stores’ inventory to appeal to regional consumer demand. A focus on streamlining inventory orders, sales and store-space-efficiency will also evolve into new formats. For instance, Toys R Us opened four local Toys R Us Express stores that were operational during the 2010 holiday season. The outlets, averaging 4,000 square feet, featured value-oriented products unique to their locations as well as an abridged selection of items available in the company’s traditional stores. Given the success of this demographic-flexible format, Toys R Us will expand the Express model, and some outlets will remain open year-round.

The National Retail Federation estimated a 2.3 percent annual increase in holiday retail sales during 2010, better than 2009’s 4 basis point rise and a drastic improvement from 2008’s 3.9 percent drop. Although the U.S. economic outlook was generally lackluster during the second half of 2010, consumer spending was up. For 2011, the Inland Empire is anticipated to post $34 billion in total taxable retail sales, up 5 percent from 2010; total personal income will grow by 4.5 percent over this timeline. Though an improvement, ‘necessary over discretionary’ will be a recurring theme in 2011. Most inland retail leasing activity in 2011 will continue to involve local businesses taking advantage of rare opportunities offered by high vacancy levels to either improve their location or right-size existing stores rather than to expand their business.
learn to the way all learning takes place, even within the evolving future of artificial intelligence. He is in effect saying that all intelligence, biological or artificial, essentially learns in very similar holistic developmental patterns. His point is that the next step for both people and their intelligent avatars, lies in the area he calls The Age of Explanation.

Many people will find this book to be a difficult reason. In some ways it pre-supposes an awareness of information technology people outside the fields of education, business management, and government policymaking that most people simply don’t have. It is, however, worth the effort to understand the importance of what Dr. Lewis is saying.

Understand fully or not, “The Explanation Age” points the way to the future, and that’s always an important thing to learn.

---Henry Holtzman

Best-selling Business Books

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

1. “All the Devils Are Here: The Hidden History of the Financial Crisis,” by Bethany McLean & Joe Nocera (Penguin Group…$32.95)**


A business book that’s so juicy Hollywood made it a movie.


What you thought you knew about motivation may be wrong.

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

** -- Indicates a book’s first appearance on the list.
SolarReserve... continued from pg. 12
to collect and store enough thermal energy each morning to operate at full power all afternoon and for up to eight hours after sunset. The game-changing technology featuring inherent energy storage affords utilities with a generator that performs with the reliability and dispatch-ability of a conventional power generator without harmful emissions that are associated with burning coal, natural gas and oil.

The final step in the approval process involves receiving a National Environmental Policy Act (NEPA) approval from the Bureau of Land Management (BLM) and Western Area Power Administration (WAPA), which SolarReserve hopes to receive by the end of the first quarter of 2011. SolarReserve has released the manufacturing of some long-lead equipment items already and anticipates concluding financing arrangements by mid-2011 in order to begin full on-site construction in the third quarter of 2011.

We Are... continued from pg. 20
Wild! How Savvy Professional Win All the Business They Want.


Public Private... continued from pg. 22
safe and affordable quality housing for people who need it most. Johnson identified a number of areas that could utilize PPS for long-term job growth. He says, “While the recession is diminishing the municipal pocketbook, it is also lowering building and equipment costs, making large-scale infrastructure projects more cost-effective.

Not only does investing in infrastructure provide for better bridges, buildings, subsidized housing and services, but it creates much-needed jobs. In fact, infrastructure expenditures have the highest rate of return on employment numbers: for every $1 billion in infrastructure spending, an estimated 18,000 jobs are created.”

Johnson cited the need for more enterprise zones and tax incentives to keep businesses from leaving California, and he stressed collaboration among government entities. He said local municipalities, particularly small cities, should not have to feel that they are competing against larger cities to attract businesses to generate jobs and tax revenue.

Risky... continued from pg. 8
acceleration of growth in late 2011 that will gradually work to lower the unemployment rate. Inflation will pick up quicker than the Fed now expects and as a consequence the extraordinary policy measures taken will gradually be reversed and a gradual tightening cycle might begin in early 2012.

Laying the... continued from pg. 30
speed up in 2012 as the recovery takes hold. Real personal income growth is forecast to be 1.6% in 2011 and 3.6% in 2012.

The unemployment rate has been stuck between 12% and 13% throughout this year. Employment growth in 2011 and 2012 will only push unemployment down marginally and we do not expect it to reach 9.9% until the 4th quarter of 2012.

Real Estate... continued from pg. 31
Bruce Springer and Vince Anthony of Lee & Associates represented the seller, Fleetwood Enterprises Inc. Formerly based in Riverside, Fleetwood Enterprises is a motor homes and manufactured housing producer. Brad Yates of Grubb & Ellis and Jeff White of Lee & Associates brokered the deal for Crystal Windows.

5 Myths... continued from pg. 17
Inflation will pick up quicker than we do not expect it to reach 9.9% until the 4th quarter of 2012.

How well do you execute in each of these areas? How much VALUE do your customers really feel?

Each of these VALUE Creating Imperatives requires a discipline to become part of your organization’s DNA. These are critical to your success for improving your customer retention and making your business more profitable, no matter what the economic environment.

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Connecting... continued from pg. 15
jobs such as washing cars and collecting garbage. With those studied, high performance was the norm.

“By giving these employees autonomy, you show them that you have confidence in their abilities and respect the skills and qualifications they bring to the table,” says Kazmeski. “As a result, they stay with the company and often outperform their fellow employees.”


New Player... continued from pg. 30
awards from Casino Player magazine. Offering 2,000 of the hottest slots, world-class table games, entertainment, hotel, dining and golf at Eagle Falls, Fantasy Springs Resort Casino stands to meet and exceed the needs of its guests and the community. Fantasy Springs is conveniently located right off Interstate 10, only minutes from Palm Springs and the Palm Springs International Airport. Fantasy Springs is a privately operated business of the Cabazon Band of Mission Indians.

The 2010... continued from pg. 32
“Change is made one person at a time,” he says. “And our research, as well as the research of others, indicates that successful change is connected more to the individual and collective mindsets of employees than any process. People change when they are ready—not just when they understand the need for change. The most successful companies facilitate change-readiness and don’t just rely on making the business case to drive people’s motivation to change.”

Yes, as these stories illustrate, execution is the real bottom line and Lepsinger’s constant battle cry. It’s what he pushes his clients to focus on as they seek to improve organizational performance—and it’s the lens he urges all leaders to look through as they review 2010 and make their “business resolutions” for 2011.

“Execution is not a single-point event,” says Lepsinger. “It’s an ongoing process. But since your ability to execute well and consistently is the very fabric of success, I can think of no better place to focus your time and energy.”

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ed. Those shows included “Sea Hunt,” “Daktari” and “Flipper,” among others. Peter met Nancy — where else— while on an African safari and, at the time, she was the curator of the San Francisco Zoo’s avian collection. And, if you’ll pardon just one more reference to Jurassic Park, Nancy happens to be a raptor specialist.

The Langs chose to locate Safari West near Santa Rosa because the weather is ideal and the combination of forest and grassland is quite similar to Africa. An added bonus for visitors is that the Santa Rosa area is well known for its high-quality wineries.

Guests who stay overnight at Safari West also have dinner and breakfast on the grounds, although we arrived too late for dinner. The continental breakfast is plenty to get you going and the park also serves up sandwiches and other lunch items you can order if you’re spending the day at Safari West.

In addition to the safari truck tour there are other things to do while you’re staying at the park. You can make arrangements to get private access to the animals or attend educational presentations. Swedish pressure-point massage is offered and you can even go hiking with Nancy Lang around Watusi Lake.

But most of all, an overnight trip to Safari West is about the overall experience of being in the wild, sleeping with the animals almost like you would if you were on an African safari. The difference is you’re never in any real danger — until, that is, Nancy figures out a way to study real, live raptors.

AT A GLANCE

WHERE: Santa Rosa is just 55 miles north of San Francisco on Highway 101 and is in the heart of Sonoma Wine Country. With its hills and fertile valleys, the region is one of the most beautiful in California and offers quick access to Sonoma, Napa and coastal areas.

WHAT: Safari West is an unusual opportunity to be able to visit and spend the night with wild animals and will appeal to visitors of all ages. The park’s size allows it to raise and nurture a wide variety of mammals native to Africa.

WHEN: Any time of year. Be prepared for much cooler weather in the winter and the rains can be intense at times. Tours still go out on rainy days, but dress accordingly.

WHY: This is a family attraction that is both educational and easy to reach, and staying overnight at Safari West will make you feel like you’re a million miles from civilization.

HOW: For more information on Safari West, visit www.safariwest.com or phone 707-579-2551.
A California Weekend Getaway

By Cary Ordway

There are sounds of the jungle just outside your tent’s thin canvas walls, the incessant birds, the occasional shriek by creature unknown, the rustling of trees. You’re frozen in place under your warm blankets not anxious to stick your head out of the tent door because you don’t know what might happen to lunge at you from the darkness. It sure would be good to have that bear gun cocked and loaded but, of course, you don’t.

One reason you don’t is that the owners of Safari West really frown on guests bringing guns along on their weekend getaways to this unique outpost just a few miles outside of Santa Rosa. The other reason is that none of the wildlife you hear during your overnight stay is going to get you. All the really dangerous animals are fenced off or caged. But that in no way diminishes the feeling that you are—well—on a safari.

By day, Safari West is a beehive of activity with numerous day visitors and tours, especially on weekends. By night, Safari West turns to black with absolutely no outside lighting to spoil the illusion you are in Africa. Guests are advised to bring flashlights if they plan to walk the grounds after dark. But the creature sounds make it clear you are not alone and we’re guessing most people just hunker down after dark and read a good book.

The accommodations do lend themselves to just that. They’re cozy and inviting and when we say tents, we really mean tent cabins that are tent walls erected over a solid foundation that comes complete with an indoor bathroom and shower. The big beds are warm and luxurious and the layout inside the cabins, while a bit Spartan, is really quite comfortable. No television or radio, but there are hardwood floors, a few shelves and benches and reading lights. What else do you need when you are on safari?

We arrived after dark which just added to the feeling we were some distance from civilization. We actually were only a few miles outside Santa Rosa, but the road to Safari West seems longer than it is with its twists and turns and with trees and hillsides shutting out even the stars and whatever moonlight there might have been. In darkness it’s easy to drive right on by the entrance to the park but our trusting GPS alerted us that we were close. We only went by it once.

Checking in at the main gate around 9 p.m., we were greeted by what seemed like the only living soul on the premises and he quickly and helpfully packed our belongings onto his jeep and drove us to our tent cabin, one of a few dozen spread throughout the property. He loaned us flashlights, which came in handy for the exceedingly brief walk around the grounds before settling in for a night in the wild. The sounds were constant and mainly, we’re told, coming from a particular type of bird. But it was not so noisy we couldn’t get a comfortable night’s sleep.

The next morning we awakened to a fuller sound — it was like the evening animals had been playing as a quartet but, by morning, had been joined by the full orchestra. We walked out our front door and the first thing we noticed was two giraffes, side by side, directly across the road from us, doing some sort of mating ritual or play thing with their necks. Giraffes, if you’ve spent any time with them, are incredibly tall animals and they seemed to tower over the fence that was separating them from us. But since we hadn’t heard too many stories about man-eating giraffes, this was not of major concern.

The sheer size of them, however, made this feel like a kind of—Giraffe Park—and our movie memories were brought to mind once again as we hopped on board one of the Safari West tour vehicles to be driven out into the furthest reaches of the park where we would observe wild animals in their own habitat doing their own thing, as it were. Maybe you remember what happened to those people in the movie who thought they could get up close and personal with dinosaurs.

Fortunately, no dinosaurs here — just creatures like the cape buffalo and the rhinos, who both seemed to be on their best behavior as our informa-

A double-decker safari vehicle is a thrill ride all its own.

Safari West tent cabins are warm and accommodating.

tive guide parked our two-level jeep-style safari vehicle where we could observe the goings-on. The park has 85 species of animals altogether, 700 individual animals, roaming on more than 400 acres of hills and forests. The mammals are all native to Africa, while the birds come from different places all over the globe. There are no lions, tigers and bears but there are cheetah, lemur, zebras and many other fascinating species. The two-hour tour goes by quickly and the safari vehicle takes you through some rugged back country where the animals you see can vary from tour to tour. It just depends on which ones are out in the more visible areas. For example, the zebras are often congregating well off the tour path but the day of our tour there were more than a dozen we spotted in different locations.

As you can imagine, it had to take some effort to put all of this together — to buy the land and animals, build the structures and hire knowledgeable staff. The owners are Nancy and Peter Lang and it’s interesting to note that Peter has a connection with animals dating back to the television shows his father, Otto Lang, once directed.