



Nevada News

Serving the Retail Community Since 1969

January 2005



Front Page

*What's Ahead – 2005 Legislature

Seen & Noted – 2

*LV Chamber Offers Online Learning
*Americans Trust Pharmacists

Government Affairs – 3

*Refunds from DMV?
*New Pharmacy Board
Appointments

News Briefs – 4 & 5

*New Regs for Medicare Part B
*Good News for December Retail
*Prescription Billing Class Offered
*Nevada Ranked #2 for Business
*Beat Signature-Based Debit Cards

Featured Member – 6 & 7

*John Jantos Menus

Seminars – 7

Tech News – 8 & 9

*Cells on Flights?
*Push for Driver's License Format
*Canadian Online Pharmacy
*Wal-Mart Loves RFID
*Online Christmas Sales Increase

Self Insured Page – 10

Larsen Column – 11

*Trust & Business Success

Capitol Watch – 12

Business Turns Its Eye on the 2005 Legislative Session

By Mary Lau
Executive Director, RAN

I can't honestly say that RAN's members are waiting with baited breath for the 2005 Legislative Session to begin; however, this office has already received several inquiries about committee appointments, committee changes and the various Bill Draft Requests that have been submitted.

It does not take a crystal ball to outline some of the more critical and global issues such as taxes, education, growth and infrastructure, water, health insurance, etc. Also, since both the Senate and the Assembly have a change of face and culture following the elections, many of you have called to discuss your concerns about the possible decline of the process as a whole.

Nevada has had back-to-back sessions where the business of the legislature has failed to be completed during the mandated 120 days. Our members, taxpayers all, have openly commented about their concerns for yet another required special session, or sessions. It has been publicly reported that the rancor of the 2003 Legislative Session has planted seeds of hate and discontent that threatens to poison the legislative process as a whole. Old timers in this industry, of which I'm one, still long for the "Jim Joyce days" where leadership, co-operation and compromise led the day, not the my-way-or-the-highway school of negotiation that we see today. Now the standard joke is that a compromise and deal is only the starting point.

I'm willing to go out on a limb and say that I think there is a chance that this kind of foolishness will decline as the days go on. The main reason that I will predict this is that ALL OF THE CONSTITUTIONAL OFFICES ARE UP FOR ELECTION. So, I don't think that petty blockage of minority bills, sharp denigrating comments about the backbone of our economy/business, and just plain rude behavior is the foundation of a campaign for higher office, nor is it fodder to move into the vacated positions in the legislature.

Another reason I feel that legislators are becoming aware that their behavior is on the record, not just the written history, is the fact that RAN members, along with the electorate as a whole, are listening into committee hearings on the Internet, and they are hearing comments and watching votes. It's not that I think it will be a bed of roses; there will be leftover good and bad feelings about the last election cycle. For example, there are going to be questions and concerns from elected officials that will wonder why RAN didn't support them as in the past. Legislators and all elected officials were very surprised that this organization, for one, was not going to conduct business as usual and was not going to reward what our board considered bad behavior; which means responsibility and accountability. What a concept. Every member of RAN knows

Seen & Noted

Las Vegas Chamber of Commerce Offers Online Learning

The Las Vegas Chamber of Commerce (LVCC) offers online learning to its members. LVCC has teamed with the Community College of Southern Nevada (CCSN) to create a package of training and instruction programs called an ACT Center. It is one of two ACT Centers in Nevada. (The other is located in Reno on Neil Road.)

The Nevada ACT Centers are part of a nationwide ACT Center network. All training and instruction offered through the ACT Center is online, offering the convenience of learning what you want, when you want.

Select courses from CCSN are available at special pricing for LVCC members. They include:

- Basic computer skills
- Information technology
- Safety training
- Management and leadership quality improvement
- Adult literacy, employability skills
- Customer service
- English as a second language (ESL)
- Personal development

There are more than 2000 ACT Center programs to choose from. It generally takes about one to two hours to complete a course, and the programs can serve as inexpensive training programs for your employees.

Special course packages and discounts are available to Chamber members for as low as \$99. Find out more about how online learning can fit into your schedule by calling the LVCC at 702-641-5822 or online at www.lvchamber.com.

Americans Trust Their Pharmacists

The public trusts pharmacists, says the latest Gallup poll annual survey. Those surveyed rated pharmacists more highly than at any time since Gallup included pharmacists in this poll in 1981.

When asked to rate how they felt about pharmacists' professional honesty and ethical standards, Gallup says 72 percent of Americans polled rated pharmacists as "very high" or "high," up from 59 percent in the 1981 poll of 57 professions.

Over the same period, pharmacists were ranked in the top five among all professions in terms of ethics and honesty, typically sharing the top ranks with nurses and teachers.

Craig L. Fuller, president and CEO of the National Association of Chain Drug Stores (NACDS), says, "These findings confirm the important relationship between pharmacists and the patients they serve—a relationship we at NACDS know to be based on trust and respect." He added, "While we are pleased that people so clearly value the honesty and ethics of pharmacists, we know that we in community pharmacy must continue to earn the trust and respect of our customers and the patients who use our services."

Source: *National Association of Chain Drug Stores, 12-20-04*

Business Eyes 2005

continued from page 1

about our matrix and the quantifiable approach to campaign support. It will take elected officials getting used to it but in the long run it removes the personal expectations and wasted money spent without consequences.

I have for many years touted the necessity to “become involved, watch the process, and contact your legislators on this or that bill,” and you have far exceeded my expectations. It no longer surprises me when a member calls and asks why a legislator made that comment in committee, or voted that way in committee. Years ago I sent information on final votes; now you want to know the outcome every step of the way.

RAN members will see changes for the 2005 Legislative Session in the way that we make information available to you. We are redesigning our website and will have hyperlinks to a bill's text on our tracking sheet. We will calendar important committees so that you will know when to tune in. All members of RAN are now linked to their Senate and Assembly district and representative so that you will know whom to contact. We will continue to ask you to write letters, emails or make phone calls, but we also intend to continue to build our network of constituent-to-legislator information.

You have voted for your legislators through your personal knowledge of them, relationship with them or after reading campaign literature you received, and you deserve to have your vote honored and your voice heard. Your legislators, in turn, need to hear from you. Sure, RAN will be there for you, but a one-on-one conversation from a constituent helps your elected official to know what his or her district really needs and thinks.

Senator Bob Beers DMV Refund Endorsed and Increased by Governor Guinn

By Paul Enos

Manager of Government Affairs, RAN

In December of 2004, Senator Beers announced a plan that would give Nevadans a DMV refund of up to \$100.00 on each vehicle that they owned and registered. Initially Governor Guinn seemed unenthusiastic about Beers' plan stating that he would rather ensure any surplus money go into the rainy day fund. Governor Guinn has since changed his mind and proposed a Beers-like tax refund to the tune of up \$300.00 per vehicle registered.

On Jan. 6, 2005, the Governor stated, “The State has a surplus of about \$300 million and I am proud to announce that in our plan, 80 percent of Nevadans who registered a vehicle in calendar year 2004 with the Department of Motor Vehicles will receive a full rebate. After working with my administration and cabinet members for the past six months, I have decided that the fairest way to rebate this money is based on a vehicle registration fee that our citizens pay.”

Guinn added that the rebate would not negatively impact funding for education and local governments, and that he would address issues such as replenishing the rainy day fund, school funding and rising property taxes during his State of State address on January 24.

After examining other options such as a sales-tax holiday, the Governor stated that the DMV refund was the most practical and fairest way to refund the surplus.

Congressman Jim Gibbons immediately endorsed Guinn's plan stating, “Now that our state government enjoys a large surplus, I am pleased that Nevada's working men and women will be able to keep more of their hard-earned tax dollars.”

The 2005 Nevada Legislature must approve the proposal before any refunds are given.

State Board of Pharmacy Appointments

By Elizabeth MacMenamin

Director of Government Affairs, RAN

We have had three new members join the State Board of Pharmacy since November of last year. I recently had the opportunity to meet all three and would like to welcome them at this time.

The Governor appointed Ann Peterson from the public sector. David Wuest was appointed, and he is a practicing pharmacist with Arlington Clinic, a Homecare Management service. Leo Basch from Walgreen's

was appointed in December to replace Marcie Ranick.

We welcome all the new members and thank them for their service to the people and businesses in the state of Nevada. This Board is entrusted with establishing regulations that govern the safety of pharmacy practices within this state. We look forward to working with all the new members and thank the outgoing members for their service on this board.



New Regs for Medicare Part B

The Centers for Medicare and Medicaid Services (CMS) is ready to release new Medicare Part B regulations. The National Association of Chain Drug Stores (NACDS) says there are a number of factors that pharmacy operators need to become aware of, including new rates, supplying fees, Medicare Part B form elimination and written order requirements.

ASP Payment Rates:

These rates are for oral Part B drugs, i.e. oral cancer, oral immunosuppressive and oral antiemetic drugs and nebulizer drugs. These rates for the first quarter of 2005 will be based on the third quarter 2004 manufacturer ASP data. You can

go to the NACDS website to find out more about these rates—www.nacds.org.

Supplying Fees:

Starting in 2005, Medicare will pay an initial supplying fee of \$50 for immunosuppressive drugs and \$24 for immunosuppressives for beneficiaries already on transplant therapy. For all new and refill oral cancer and oral antiemetic prescriptions, CMS will pay \$24 per prescription and for inhalation drugs, \$57 for a 30-day supply and \$80 for a 90-day supply.

Forms:

- Early in 2005, CMS will eliminate the information form (DIF) for Durable Medical Equipment

Carriers to receive payments for immunosuppressive drugs.

- The new Part B rule proposes to eliminate the Advance Beneficiary Notice (ABN) form for covered Part B drugs, which can only be paid for on an assigned basis. However, it indicates that it will not eliminate the ABN for diabetic supplies.

Written Orders:

No change here. Written orders still must be obtained from the physician (either by fax, e-prescribing, photocopy or original prescription) before a pharmacist can bill a Medicare Part B medication or DME claim.

Go to the NACDS website, www.nacds.org, for more information, or call or email John Coster, 703-549-3001, ext 126, or jcoster@nacds.org.

Holiday Shoppers Boost December Retail Sales

Bolstered by automobile sales, retail sales grew in December. The National Retail Federation says combined sales for the November-December 2004 shopping period rose 5.7 percent, the strongest growth since 1999.

Among specific retailers to post gains, Wal-Mart holiday sales showed a 3 percent gain. The big box marketer had predicted a 2 percent gain but quickly slashed prices on many of its popular goods after Thanksgiving weekend sales were unpromising. After-Christmas sales helped to grow their December sales as customers cashed in gift cards to buy food and electronics.

Department and specialty stores also slashed prices, especially on clothing, to move merchandise. Many thought that this might hurt overall growth of retail sales during the period, but the Commerce Department reported that total spending for the month was \$349.4 billion, a good increase over the 0.1 percent gain shown in November.

Other retail merchandise that posted gains included sporting goods, furniture, electronics and appliances. High-end department stores such as Neiman Marcus and Federated Department Stores, and marketers such as Target, Costco and ShopKo Stores, Inc., all posted gains. Although Kmart posted a decline of 2.6 percent in stores that have been open a year, it was better than their third-quarter decline of 12.8 percent.

Help with Prescription Insurance Billing

The National Association of Chain Drug Stores (NACDS) now offers a certificate training program for billing prescription insurance.

The program is offered online and is targeted to technicians and any staff person involved with processing prescription insurance claims.

The program consists of five modules, each worth three ACPE-approved continuing education credits. Topics include business aspects of pharmacy, appropriate use of DAW codes and claim reconciliation, which are reinforced with scenario-based interactive checkpoints. After successful completion of the program, candidates can take a final exam to earn the certificate.

For information, phone NACDS, 703-549-3001, ext 163 .

Two Polls Rank Nevada High for Business Climate

Two recent polls rank Nevada as the second best place in the U.S.A. to do business.

Nevada took the #2 spot in the Small Business & Entrepreneurship Council's (SBEC) *Small Business Survival Index 2004*, its annual ranking of the entrepreneurial climate in the U.S. The rankings are based on a state's public policy climate for small business and entrepreneurship. The goal of the indexing process is to expose whether a state's government is a "plus" or a "minus" when it comes to entrepreneurial decision-making, says Raymond J. Keating, chief economist of SBEC and the author of the project.

CEOs across the nation also gave

Nevada a second-place ranking in a December email poll conducted by the Chief Executive Group, publisher of *Chief Executive Magazine*. Growth is one of the factors that led to the ranking, according to William J. Holstein, editor-in-chief of the magazine. "People are attracted to growth and attracted to the fact that there is a relatively un-complex system controlling the business environment," says Holstein.

SBEC's 2004 Small Business Survival Index was revised and expanded to include S-Corporation tax treatment, a new workers' compensation cost measure and status regarding regulatory flexibility statutes. The index analyzes 23 major

government imposed or government-related costs affecting small businesses and entrepreneurs, including an assortment of taxes and measures that reflect various regulatory costs. Go to www.sbecouncil.org for a copy of the Index.

The poll was conducted among CEOs countrywide who generally run companies with less than \$4 billion in sales each year. They were asked what states are the best to do business in and what are the worst to do business in. States were ranked by taking the negative votes and subtracting them from the positive votes.

Source: *Reno Gazette Journal*, 1/4/05 & the *Las Vegas Chamber of Commerce The Business Voice*, Dec. 2004.

Transaction Fees Costly for Signature-Based Debit Card

By Michael Sansolo

Senior Vice President, Education and Research, Food Marketing Institute

The last thing any retailer needs these days is one more challenge, especially when this one includes taking on Donald Trump and New York Yankees' owner George Steinbrenner.

Then again, maybe you should take them on, as this is a battle that is costing your money. Plus, if you handle it correctly, you can change the situation and you can win.

For a host of competitive reasons, an ever-increasing number of operators are accepting credit and debit cards for purchase in supermarkets and every statistic shows that customers approve. The percentage of goods purchased with cards rises each year and only promises to grow thanks, in part, to advertisements featuring celebrities such as Trump and Steinbrenner.

For retailers, this shift to plastic is bringing a host of new costs in processing these transactions

Convenience is only part of the picture. For retailers, this shift to plastic is bringing a host of new costs in processing these transactions, plus all kinds of new complexity at the front end, where the last thing we need are new costs and new reasons for delays.

Simply put, pin-based is less costly, less time consuming and less complex for both the retailer and the customers. There are strong arguments as to why pin-based transactions are more secure for your shoppers. But pin-based transactions make less money for the card companies, so they run ads featuring all those celebrities telling your customers to do just the opposite.

These transaction fees are coming

right out of your bottom line and those higher costs lead to higher prices for shoppers. The Food Marketing Institute (FMI) has created a training video for cashiers on the basic differences involved in handling card transactions. The video clearly lays out the advantages and disadvantages of pin-based versus signature debit cards and presents easy answers to some of the key questions you will get from customers.

The video has language that can help you counteract the message from the ads, and it's a message you give shoppers as part of the settlement of the lawsuit FMI and key retailers filed against the card companies.

You can find the video, *Debit or Credit...It Does Make a Difference*, on FMI's website at www.fmi.org/elect/pay_sys/eps.htm.

Source: *FMI Independent's Edge*

Menus or Advertising Specialty Items – You Win with John Jantos Menus



Laurel Stadler, President of John Jantos Menus & Advertising Specialties, shows Willie Kerschner T-shirts available for imprinting.

John Jantos Menus & Advertising Specialists has been doing business for over 30 years. The company provides menu covers and advertising specialty items that help a business establish its reputation. To do that, says owner Laurel Stadler, you have to know your business and care about the customer.

Laurel says she learned all about how to treat customers from her dad, the man who started the business in 1962 in southern California. He named his business John Jantos Menus and created quality menus for restaurant businesses throughout the state. But when you put your name on the business, Laurel says, you're selling more than just a product. You're committing yourself, your own reputation. She says her father operated in a style "where your handshake and your word mean something. It's how the business was built and it's how we stay in business."

Laurel bought the business from

her father in 1990. Although she had returned to Los Angeles after moving to Nevada with her parents when they brought the business to Mound House in 1984, she had moved back to Nevada to implement NELIS, the Nevada Legislative Information System, for the state legislature. When her dad was ready to retire, she was ready to be in her own business.

Some things have changed over the years. Laurel says most restaurants only want menu covers these days, and with the advent of the personal computer, many restaurants do their own inserts, so what her company provides are covers in a number of styles. "The clear, old fashioned see through covers are popular again," she says. But there are plenty of variations on the clear styles, and many restaurants still opt for the hardback styles.

You don't really think about menu covers, as in the numbers of colors and configurations that are

available. But restaurateurs choose covers for many reasons, which include everything from cost to what impression the cover will make. John Jantos can help customers choose exactly what fits their needs, from simple clear covers to customized, embossed, silk screened or gold stamped covers in numerous colors that say, "This is who we are."

What size do you need? What color? How about presentation folders for the check? All of these come in a number of sizes and styles. What sets John Jantos apart from the competition is the care and help a customer receives from people with years of experience in the business.

When Laurel bought the business, she says she was truly lucky to get two great employees, Bob Williams, the production manager, who's been with the business since 1986, and Debbie Dillie, who puts together the menu covers. Laurel says that this contributes to the consistent quality in the product that the company produces.

In the late 1990s, Laurel had the opportunity to add advertising specialties to the business. Now the company not only produces quality menu covers, they provide businesses with quality advertising specialty items.

So, what is an advertising specialty item? The answer? Anything you want to put a name on. Laurel says their motto is, "You name it, we put your name on it!" She says they'll imprint anything from a pencil to Waterford crystal. And again, they don't just put your name on it. They can help you from the start of your move into this

John Jantos continued on page 7

John Jantos Employees Ready to Help

continued from page 6

very popular part of the marketing spectrum. "We want people to get what is going to be the most effective for them," Laurel says.

She says people need to think in terms of longevity, what will get the business the most bang for the buck. She says pens and pencils with the company name, phone number, web address, etc., are always good. They get used and they can move through many hands. Whereas pens and pencils get a lot of play, calendars only last a year. On the other hand, jar grippers get used all the time. Items that stay on a person's desk are good choices. She says other popular products these days are water bottles for community events, tool kits, letter openers, things that generally get used often.

She also says there is no order too small. Recently, they did a job for the Dayton rodeo club. They wanted two certificates to thank some faithful sponsors. John Jantos helped them create a professional look. Laurel says it was gratifying to help them create a more professional look.

Ever hear of a pickle picker? One customer remembered seeing such a thing years ago. He came to John Jantos and said he wanted his company information to be printed on that specialty item. Laurel says they researched and finally found the obscure item. The man's business was dry cleaning, but you can bet the pickle pickers he gave away served his



Bob Williams, production manager, and Debbie Dillie, production assistant, putting corners on menu covers with hydraulic press.

business well for many years.

Laurel invites customers to visit the company website, www.johnjantosmenus.com, to get an idea of the hundreds of specialty products available for imprinting. Looking for menu covers? Find the full line with descriptions at the website.

They're open for personal visits, too. You'll find them and their showroom at 44 Laxalt Dr. at Mound House outside of Carson City. They're also available by phone at 775-246-3687, or 800-372-6632.

The best thing about doing business with John Jantos is their attitude. Laurel says what's kept them in business is their "integrity, honesty and commitment to provide quality products." She adds, "We're kind of old fashioned—if we tell you something, you can trust us that it's the truth." That means when they say they'll provide you with the best product at the best price and timely service, that's what you'll get. After all, Laurel says, "That's my dad's name on the business. That meant something to him, and that means something to me. I'd never do anything to jeopardize that."

• Seminars •

March 2005

NACDS Medicare Prescription Drugs & Reform Conference – Part II

March 3 - 4, 2005
Baltimore, MD
Contact: www.nacdsfoundation.org

NACS Human Resources Forum

March 8 - 10, 2005
Atlanta, GA
Contact: 800-966-6227

IHA International Home & Housewares Show

March 20 - 22, 2005
Chicago, IL
Contact: <http://www.housewares.org/ihshow>

April 2005

NACS State of the Industry Summit

April 11 - 13, 2005
Chicago, IL
Contact: www.nacsonline.com

Grocery Supply Company Marketplace 2005

April 16 - 17, 2005
Arlington, TX
Contact: Lori Ray, 800-231-1938

May 2005

FMI Institute Supermarket Industry Convention & Ed. Expo

May 1 - 3, 2005
Chicago, IL
Contact: 202-220-0807

June 2005

Internet Retailer 2005 Conference & Exhibition

June 7 - 8, 2005
Chicago, IL
Contact: <http://www.internetretailer.com/IR2005/index.htm>

Abbreviations

FMI • Food Marketing Institute
IHA • International Housewares Assn.
NACDS • National Association of Chain Drug Stores
NACS • Nat'l Assn. of Convenience Stores

In-Flight Cell Use – Will it Fly?

If you can't stand hearing someone yakking away full speed in the grocery line, then the thought of cell phone use unleashed by the airlines may not be the best news you've received all week.

But don't panic yet. By all estimates, the gears of government will need at least two years before airline cell phone use is put into action. Even so, most say it's inevitable.

The Federal Communication Commission (FCC) started talks last month that would end the ban of cell phone use on airlines. FCC officials are saying that their investigation will take at least a year. Federal Aviation Commission officials say add another year to that before they'll make a decision.

The underlying question is safety. Although not officially acknowledged, it was widely reported the Crossair commuter plane crash in 2000 that killed all 10 passengers was due to a passenger taking a cell phone call at the same time the pilot engaged

the autopilot controls and the plane nosedived into the ground.

The industry is already testing the possibilities, though, and the FCC is initiating rules that would create competition for air-to-ground telephone and high-speed Internet services.

Obvious barriers exist. For one, cell phones generally don't work above 10,000 feet. Because cell phones use land-based towers to transmit, you couldn't make calls while flying over oceans. But it's only a matter of time before the technology is available.

American Airlines and Qualcomm ran a test in July using a miniature cell tower inside the jet and a transmitter on top of the plane. The test was a step in the right direction, says Scott Becker, senior vice president of Qualcomm's Wireless Systems Division. But there is a lot of work yet to be done. All involved will be waiting for the United States Radio Technical Commission for Aeronautics final assessment, not expected until 2007.

Still, there is hope for those who need to be connected. At least on international flights, airlines like Lufthansa offer a secure Wi-Fi Internet service for laptops and handheld computers.

Canadian Online Pharmacy Business Faces Trouble

Canadian Health Minister Ujjal Dosanjh wants to stop online Canadian prescription drug sales to U.S. patients and is considering one of three options:

- Amend Canada's Food and Drugs Act to forbid doctors from co-signing prescriptions. (Canadian law requires that a Canadian physician review the original doctor's diagnosis and then co-sign the patient's original prescription.)
- Prevent doctors from prescribing drugs for foreigners.
- Place certain drugs on a protected list.

Americans are able to buy their prescription drugs online for up to 80 percent less than in the U.S.

Springfield, MA, officials say their prescription program would be devastated if Canada cuts off the supply. The city has saved about \$4 million since July 2003 when it created a plan to use Canadian Internet pharmacies for its employee and retiree prescription drug programs. The city still has a \$24 million budget deficit and is unsure how it would handle increased costs for those it serves.

Manitoba Premier Gary Doer says his region would also be badly affected. Manitoba has 55 Internet pharmacies with 2,500 employees. Internet prescriptions bring in about \$1 billion to Canada.

Bill Pushes National Format for Driver's Licenses

Congress has included a provision in the intelligence reform bill that would require driver's licenses and identification cards be manufactured in a common machine-readable format. The National Association of Convenience Stores (NACS) supported the measure, saying that the move would "allow the convenience store industry to invest in new technology to help avoid sales of age-restricted products to minors."

The provision, if passed, would spur the creation of technology to create electronic age-verification equipment that could be used in all states. "This measure will also assist retailers with other identification needs, such as their obligation as employers to establish and document work eligibility in our industry," says Teri Richman, NACS senior vice president of research and public affairs.

Texas, Ohio and New York already have legislation that provides incentives for retailers to invest in and use common machine-readable format technology. *Source: NACS*

Wal**Mart Moves Slowly but Confidently Towards RFID*

Wal-Mart loves smart tags, or radio frequency identification (RFID), and had sent an edict in June 2003 to its top 100 suppliers—you will be RFID-ready by January 2005. Since then, there have been potholes in the road to implementation, and Wal-Mart has had to hand a reprieve to many of its suppliers. However, the company maintains faith in the benefits of the technology.

Although Wal-Mart sees its EPC (electronic product code) program as the future of supply chain efficiency, there are stumbling blocks, not the least of which is cost—the devices cost about 25 cents each, or 20 times as much as bar codes. (The technologies differ in a number of features and are not competing products.) Experts say to be viable, the cost will have to reach about 5 cents each. Other problems include how to position electronic readers so they don't miss important tag data and how to keep liquids and metals from blocking the transmission.

When Wal-Mart announced in June that it was expanding its EPC system to its top 300 suppliers, its stock fell 15 cents. The company is not deterred by the problems but plans to meet them head-on. Many suppliers seem eager to fulfill the request, though, and by October 30, had volunteered to meet the January deadline. One of those, Beaver Street Fisheries headquartered in Jacksonville, FL, is eager to meet the challenge. The company was already exploring how to implement RFID before Wal-Mart's announcement and sees the January 2005 deadline as a chance for them to

Online Christmas Sales Show Healthy Gains as Late Shoppers Go to the Net

Although the percentages are slightly different, it's still good news for online retailers.

Sales recorded from Nov. 1 to Dec. 26, 2004, showed online sales increased from a year ago by 29 percent (reported by ComScore Networks, an Internet research firm) and 25 percent (reported by Goldman Sachs & Co., Harris Interactive and Nielsen/NetRatings). The slight difference could be attributed to Goldman Sachs, etc. including eBay in their ratings.

No matter the difference, both spelled a good holiday run for online retailers. Online shoppers started setting records on Thanksgiving Day. That led to higher sales on the Friday after Thanksgiving, generally thought to be the biggest shopping day of the year. And online shoppers surged on as they created another notable shopping day, now called "Blue Monday."

As shoppers returned to work following the Thanksgiving holiday weekend, they hit the Internet again to order Christmas goodies from their fast connections on their work computers. In fact, online shopping continues to increase as shoppers get faster connections such as broadband and become more sophisticated in searching out just the right gifts.

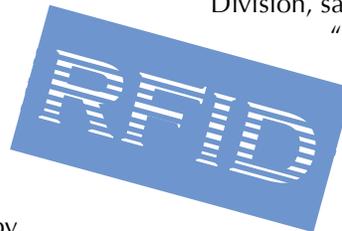
Online shoppers continued to flood the Internet with orders as late as the week of Dec. 20 to Dec. 26. Sales jumped 53 percent during that period and reached \$1.22 billion in spending. Web retailers' ability to get the gifts there on time helped create the last-minute rush. According to ComScore, other factors that helped drive late shopping included the ability to pick up items from a retailer's brick-and-mortar store, the ability to get gift cards instantly from websites, and the shortage of products available at brick-and-mortar stores such as Apple Computer's iPods. Items gaining the most from the procrastinating shoppers were flowers, gifts, and greetings, which include gift certificates.

test their own process.

Wal-Mart launched an EPC pilot program in April at its Sanger, TX, distribution center using 21 suppliers and seven stores. The company plans to have three EPC-equipped distribution centers on line in North Texas by January that will ship to over 130 of its stores, all in North Texas.

Wal-Mart doesn't care about the naysayers and is sticking to its plans to have 100 suppliers using the system

by this January and 300 by January 2006. Carolyn Walton, vice president for Wal-Mart's Information Systems Division, says they're breaking the "chicken or egg cycle that [the industry] has been stuck in. We sincerely believe there is ROI for any company willing to approach this technology as a way to improve their own business and not just as a way to meet our milestone."



Self Insured Group



Are processing fees cutting into your profits?

Cut your processing costs and boost your overall savings with our new, discounted payments program from our endorsed processor - Global Payments.

With Global Payments, you get the advantage of industry-leading hardware and software with market specific features designed for retail systems.

- End-to-End Payment Card Processing for Credit, Debit, Purchasing, Gift & Loyalty, Stored Value and EBT
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Important information for SIG members

The NRS governing self insured groups requires notifying members of all new members to the Group. New members for NRNSIG from December 9, 2004 to January 13, 2005, are listed below. For a complete member list, please call RAN at 775-882-1700.

NRNSIG

Alverson, Taylor, Mortensen & Sanders	John Jantos Menus
California Closets - LV	Juke Joint
Capital Christian Center	McDonalds
Carson Valley Veterinary Hospital, Inc.	Mesquite Lumber/Ace Hardware
COP Security, Inc.	Meyers Western Import Parts, Inc.
Dealer Services of America	Mr. Pool & Mrs. Patio
Digital Pro Graphics, Inc.	Nevada Business Services Inc.
Donna M. Miller, MD	Nevada Communication Services & The Continuum
Expo Services & Products, Inc.	Playhouse Kids, Inc.
Fast Eddie's Mini Mart	Ramada Inn & Copper Queen Casino
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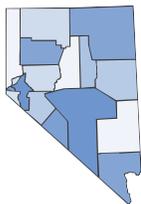
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Trust and Business Success

New Research Explores Factors Important for Business Success

Entrepreneurs are driven by passion—a dream that someday this new creation will blossom into a thriving business, with eager, hard-working employees and customers who are comfortable depending upon it. It will grow with new customers, rising sales, new products and services, more employees, a wider geographical area and increasing earnings. The hard work, tenacity, risk, and hardship that accompany new businesses are fueled by such dreams, but unfortunately, reality rudely stirs most new business creators from their dreams. Most new businesses disappear within five years leaving behind bewilderment and dismay.

New business owners want an explanation. Spouses are anxious about the fate of their life savings and the time taken away from their families. Bankers and landlords, suppliers, and even new employees have a stake in the outcome of new ventures. Researchers are challenged to discover the factors that lead to success.

J. Robert Baum, from the University of Maryland, has felt the frustration of testing promising factors for new business success only to find equivocal results when he analyzed the data. Recently, he completed a new study that retested many of the old factors, added a few more, and examined new ways that the old factors might influence new business growth. His results are promising.

Baum examined 442 new architectural woodwork firms over a six-year period. He asked questions of both the CEOs and subordinates picked by the CEOs. His questions measured motivational factors relating to the CEOs starting their new businesses. During the following six years, he monitored the growth and prosperity of the firms. At the end of the study, he compared his measurements of the CEOs' motivational factors to the growth of the firms they led.

Baum made seven important discoveries, but one stands out—self-efficacy.

Of all the motivational factors Baum examined, the strongest tie with long-term success was the CEO's attitude of self-efficacy. Subordinates noticed the attitude. Self-efficacy

is a belief about yourself that you can be effective in completing the task at hand. You can cope with problems that will arise. You have the resources to weather tough times. You know what to do and how to do it.

A clear attitude of self-efficacy turned out to be the strongest factor in leading to long-term growth of a firm, and the fact that this was true says much about the nature of new firms and the problems they face.

Businesses exist in a web of trust relationships. Customers give their money trusting that the goods and services they purchase are fairly and accurately represented. Suppliers ship necessary materials trusting that payment will be forthcoming. Banks loan money and employees give up other employment opportunities, all trusting the owner to provide payments at the expected time.

New business owners must establish and nurture all these trust relationships, and their own attitudes of self-efficacy are very influential in prompting this trust. Tenacity, hard work, deep pockets, and even honesty are less influential.

Self-efficacy does not come as an act of will. Baum says it comes from enactive mastery.

Enactive mastery means that a person has had enough study and practice in an area to demonstrate mastery of it. He demonstrates it for others, but most importantly, he demonstrates it to himself. This leads to an attitude of self-efficacy.

Understanding the links between enactive mastery, an attitude of self-efficacy, trust, and long-term business success provides an important lesson for managers at all levels and in all settings.

Know what you're talking about. Be the expert, the world authority in your area. Practice it and allow others to see your performance. Study it and keep up with new developments in your field. Know the market and the competition.

If you do all this, you will have enactive mastery and a genuine attitude of self-efficacy. Trust follows, and success trails along behind.

*Reference: Baum, J. Robert and Edwin Locke (2004) "The Relationship of Entrepreneurial Traits, Skill, and Motivation to Subsequent Venture Growth." **Journal of Applied Psychology**, 89 (4), 587-598.*

C 2005 Management Resources

Capitol Watch



New rule affects health insurance portability—U.S. workers who change or lose their jobs have been extended a safety net for health insurance.

The rule will become effective for health care plans starting July 1, and it will make it easier to obtain group health coverage for several reasons:

- 1) It limits when preexisting medical conditions can be excluded from coverage.
- 2) It requires group health plans and group health insurance issuers to offer special enrollment in certain cases.

The rule is part of the Health Insurance Portability and Accountability Act (HIPAA) passed in

1996. HIPAA was designed to help guarantee access to health insurance for small businesses with 50 or fewer employees and requires that insurers renew coverage for a person or group regardless of the health status of any member of the group.

This new rule is based on the 1996 law passed during the Clinton administration. The legislation has seen seven years of “crafting” before finally hitting the books.

At the time of passage, it was expected to affect one in 10 U.S. workers who have switched jobs, are self employed or have pre-existing medical conditions. The rule affects the worker and his or her family.

Retail Association of Nevada

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Nevada News is an official publication of the Retail Association of Nevada.

Retail Association of Nevada is a nonpartisan, nonprofit corporation founded in 1969 representing the Retail Community, the Chain Drug Council and the Grocery Industry Council.



Nevada News

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