

Nevada News

Serving the Retail Community Since 1969

September 2005

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Jump Start Your

Giving

The desk fit may be a little snug when you sit down beside that second-grader to coach him with his reading, but the satisfaction you have when he finally reads a full paragraph to you without hesitation will push all the discomfort aside. This act of giving is something that most classrooms in Nevada need, and in Washoe County, businesses big and small have a place to turn to for volunteering.

Mervyn's has been doing it for years—volunteering, that is, to help local schools. For at least 10 years now, Mervyn's has opened its doors to students

from Echo Loder Elementary in Reno for a back-to-school shopping spree. Seventy-five children were invited this year and were accompanied by members of the Active 20/30 Club. Carole Worthen, principal of Echo Loder, says not only does the club donate \$100 for each student, members of the club team up with a child, acting as a personal shopper/helper. "They help them make the purchases, and many times, the volunteers just pull money out of their own pockets to buy items for the children."

Between the volunteer help and Mervyn's huge discounts on the purchases, these kids get to go back to school wearing the pride of new clothes, shoes and school supplies. And all of this happens under the caring and careful direction of the Education Collaborative of Washoe County.

An Organization for Education

The Education Collaborative was born from a partnership of Partners in Education, Inc. and the Washoe K-16 Council: A School-to-Careers Partnership. What the Collaborative does is give businesses and individuals a wealth of choices of how they would like to help improve the community through school involvement. Mervyn's, and hundreds of other businesses and associations throughout the Truckee Meadows, participates in Partners in Education, one of the divisions of the Collaborative. Meridian Gold is one of those and is offering the entire community a way to support Washoe County Schools.

On Saturday, October 15, Meridian is sponsoring *Run for Education*, a morning with scheduled competitive and fun

Volunteering for Education continued on page 6

Seen & Noted

NBA All-Star Game Heads to Las Vegas

The National Basketball Association All-Star game heads to the Thomas & Mack Center in Las Vegas for its annual mid-season showcase in February 2007. The All-Star game is surrounded by a week of activities that could bring up to \$27 million in non-gaming revenue to the city, according to Rossi Ralenkotter, president and chief executive of the Las Vegas Convention and Visitors Authority (LVCVA).

Dubbed All-Star 2007, activities will be held in a number of Las Vegas venues. Besides hosting the game, the 18,500-seat Thomas & Mack Center will be the site of a three-point shootout and dunk contest. The Mandalay Bay Convention Center, with a 12,000-seat Events Center, will be the site of the Jam Session and an interactive fan festival.

This is the first time that the All-Star Game has been awarded to a city that doesn't have an NBA franchise. The LVCVA had submitted a \$4.5 million offer for the game, covering site fees, tickets and other expenses. In awarding the contract, NBA Commissioner David Stern said, "For the week of the All-Star events, this will be a merger between the basketball capital of the world and the event capital of the world."

The game is televised to more than 200 countries. In the United States, most of the event will be telecast on ESPN and TNT. Licensed sports books in Las Vegas will not be allowed to take bets on the game.

Advice for Selling on the Net

Retailing online may not be brand new, but getting there and doing it right can still be full of pitfalls. If you're new to the challenge or just would like some help keeping on top of the online retail scene, you might want to check out Shop.org, the National Retail Federation's (NRF) home for those who want to sell in cyberspace.

Shop.org is the place where leaders in over 200 retail brands come together to share and get objective information from their peers about using the Internet to sell their goods and services. It includes executives from nationally recognized retail brands that have been online 10 years as well as those in their first or second year. Shop.org provides a forum for retailing online executives to share information, lessons-learned, new perspectives, insights and intelligence about online and multi-channel retailing.

By joining Shop.org, members can participate in retailer-specific workshops, regularly scheduled teleconferences, the annual members' summit and local networking events. They also receive the *Annual eHoliday Mood Study*, the State of Retailing Online research study and a weekly email newsletter.

Shop.org is guided by a 15-member board, which just welcomed five new members: Seth Greenberg, CEO of eHobbies; Carrie Johnson, vice president and research director, Forrester Research; Frank Han, executive vice president and general manager, HSN.com; Scott A. Key, vice president, relationship marketing and business development, Gap, Inc.; and Kelly Mooney, president and chief experience officer of Resource Interactive.

For more information, go to Shop.org.



Gearing Up for Mid-Term Elections

Just when you thought you were safe from political signs and ads, it's time to start thinking about state elections. Next year the state will have a race for governor along with the following Senate and Assembly seats.

Assembly District

- Clark 01
- Clark 02
- Clark 03
- Clark 04
- Clark 05
- Clark 06
- Clark 07
- Clark 08
- Clark 09
- Clark 10
- Clark 11
- Clark 12
- Clark 13
- Clark 14
- Clark 15
- Clark 16
- Clark 17
- Clark 18
- Clark 19
- Clark 20
- Clark 21
- Clark 22
- Clark 23
- Clark 28
- Clark 29
- Clark 34
- Clark 37
- Clark 41
- Clark 42
- Multi-County 32
- Multi-County 33
- Multi-County 35
- Multi-County 36
- Multi-County 38
- Multi-County 39
- Multi County 40
- Washoe 24
- Washoe 25
- Washoe 26
- Washoe 27
- Washoe 30
- Washoe 31

Incumbent

- Marilyn Kirkpatrick, D
- Garn Mabey, R
- Peggy Pierce, D
- Francis Allen, R
- Valerie Weber, R
- Harvey Munford, D
- Morse Arberry, Jr., D
- Barbara Buckley, D
- Chris Giunchigliani, D
- Joe Hogan, D
- Bob McCleary, D
- Genie Ohrenschild, D
- Chad Christensen, R
- Ellen Koivisto, D
- Kathy McClain, D
- John Ocegueda, D
- Kelvin Atkinson, D
- Mark Manendo, D
- Jerry Claborn, D
- Joe Hardy, R
- Bob Seale, R
- Scott Sibley, R
- Richard Perkins, D
- Mo Denis, D
- Susan Gerhardt, D
- William Horne, D
- Marcus Conklin, D
- David Parks, D
- Harry Mortenson, D
- John Marvel, R
- John Carpenter, R
- Pete Goicoechea, R
- Rod Sherer, R
- Tom Grady, R
- Lynn Hettrick, R
- Bonnie Parnell, D
- Brooks Holcomb, R
- Heidi Gansert, R
- Sharron Angle, R
- Sheila Leslie, D
- Debbie Smith, D
- Bernie Anderson, D

Senate District

- Clark 02
- Clark 05
- Clark 07
- Clark 08
- Clark 09
- Clark 10
- Clark 12
- Washoe 01
- Washoe and parts of Lyon & Storey
- Washoe 04 and part of Carson City
- Capitol, and parts of Carson City, Lyon & Storey

Incumbent

- Maggie Carlton (D)
- Sandra Tiffany, R
- Terry Care (D)
- Barbara Cegavske, R
- Dennis Nolan, R
- Bob Coffin, D
- Warren Hardy, R
- Bernice Matthews, D
- Maurice Washington, R
- Randolph Townsend, R
- Mark Amodei, R

Moody's Upgrades Nevada's Financial Credit Rating

Moody's, a national credit rating organization, has upgraded Nevada's General Obligation bond rating.

A statement issued by the Governor's office said Moody's upgrade announcement pointed to the 2004-05 biennium as a major turning point in Nevada's economic outlook. The report also states that the enacted biennial budget for Fiscal Year 2006-07 has balanced efforts to broaden and enrich Nevada's tax base.

The upgraded rating allows the state to fund large public works projects at a lower interest rate than previously. The rating can also help attract more potential buyers because the state can issue bonds at an attractive price.



What's Your Tone of Voice Like? Basic, Basic Telephone Skills

By Nancy Friedman
President, Telephone Doctor™

Several times while I've been out shopping recently, I've been told things, that frankly, weren't that bad, but the tone of voice was so wrong, I walked away not wanting to do business with that company anymore. It reminded me of that game we played a long time ago.

When I was younger, my friends and I would take a sentence and emphasize a different word one at a time every time we would say the sentence. It went something like this:

1. I love my job.
2. I **LOVE** my job.
3. I love **MY** job.
4. I love my **JOB**.

You can take most sentences and do that. The point is, the way we emphasize and use our tone of voice means a whole lot in the customer service arena. Think of all the 'tones' and deliveries we can use. A few that come to mind are:

1. Bored
2. Happy
3. Sad
4. Angry
5. Terrified
6. Worried
7. Unconcerned
8. Hurt
9. Inconsiderate
10. Shocked

You can take your own sentence and use any one of these emotions listed and others you think up, and see what a difference tone can make. Some of them are obviously ones we don't want to use in certain situations. This may seem pretty basic, but your tone of voice is a key instrument in delivering service the way most companies want it to be delivered.

Let's go back to the opening paragraph—and my true story. I had

gone into a store and purchased an item. When the clerk told me the amount, I wrote out a check. He took it and looked up my account. Without even looking up at me he said, "If you're **gonna** write a check, I **have** to see a picture ID." The TONE he used was rather threatening in my perception. I'd been a customer there for a long time and this was the first time I'd been asked for ID. I immediately made a decision not to return there again.

There were several ways he could have told me he needed ID, especially since he had already seen from the database that I had been at that store many times before. He **could** have said, "Mrs. Friedman, I see you're on the database and shop here often. Most folks know you on sight. However, I've only been here three days and haven't met everyone yet. If I can get your drivers license this time, next time I'll recognize you."

That's just one alternative. Gosh, you even feel the difference just by reading the words. See the difference? More importantly, you could HEAR the difference, I bet.

There are thousands of little basic things we do during a workweek that can, and do, tick off customers. And NOT JUST ON THE PHONE.

On the other hand, I went into the jewelry store the other day to pick up an item. When I said to the owner, who does know me, that I was here to pick up my watch, I could sense he seemed to blank out on my name.

With a big smile he said, "Good, glad to get it. By the way, which name will that be under?" A class act.

So practice trying to find the most positive tone with which to talk to customers. Then, practice saying positive things. It works wonders.

Nancy Friedman is President of Telephone Doctor™, a customer service training company in St. Louis, MO. She is a featured speaker at association and corporate meetings. To receive her free monthly email article on customer service and a free subscription to the Telephone Doctor newsletter, The Friendly Voice, email Press@telephonedoctor.com or call 314-291-1012.

Don't Flinch from this Negotiating Advice

One of the best techniques you can teach your sales associates is the flinch. Most negotiations open with offers far removed from what both parties actually expect. If you don't exhibit a facial expression or statement of disbelief—"I don't think that's going to be possible"—the other person, who didn't anticipate that you'd seriously consider the opening offer, will suddenly wonder if he or she can get a better deal, and dig in more firmly. Remember to flinch. You may just be able to drive a better deal.

Source: Sales Management Report, 800-878-5331, www.ragan.com. Adapted from Secrets of Power Negotiating for Salespeople, by Roger Dawson (Career Press)



Do-It-Yourself Checkout Catching On

Shoppers are opting to do it themselves, evidenced by the growing popularity of the self-checkout. Once the cornerstone of the you-fill-it-yourself gas lines, grocery stores, supercenters and home improvement centers have installed self-checkout systems, and consumers are using them

rather than stand in line for the next available clerk.

As consumers become familiar with the technology, a growing number of shoppers choose self-checkout, according to a study conducted by IHL Consulting Group, a retail technology consulting firm based in Tennessee. The study predicts that self-checkout systems will generate transactions worth \$161 billion in 2005. That number may increase to

more than \$450 billion by 2008 as new systems are installed.

Of those surveyed, 94 percent said they had tried self-checkout. Sixty percent of men said they were more likely than women to use self-checkout nearly every time they went to the store. But there are problems. The number one complaint from those in the survey who use self-checkout is that they need assistance at least 1 out of every 3 times they use the system.

Consumers Love Distinctive Cell Ringtones

Everyone's crazy for distinctive cell phone ringtones, and more customers are downloading the expensive items. Up 5 percent from a year ago, 23 percent of U.S. consumers have opted for the chance to have that special ring sound on their personal phones for an average of \$1.99 per download. An

entire song can be downloaded to a computer for 99 cents.

Content-oriented cell phone owners are downloading more than just ringtones, according to a study conducted by Ipsos Insight, a company that tracks digital music behavior. Mobile phone owners are also downloading full songs (6 percent), short video clips (3 percent)

and music videos (2 percent). This "points to the potential for broader multi-media related services that could be offered from a variety of distribution points," says Matt Kleinschmit, vice president of Ipsos Insight.

The study conducted in April surveyed 1,000 U.S. consumers aged 12 and up.

Virus Attacks Not Reported

What's the latest computer virus making the rounds? How do you protect yourself? The public is bombarded daily with the latest news of cyber attacks and advice on how to protect private information, but all that news is just the tip of the iceberg. Fearing that bad cyber news makes for bad business, most businesses aren't even reporting cyber attacks.

Identity theft is one of the fastest growing schemes in the country, yet image is still the most important issue when it comes to doing business. A survey conducted annually by the FBI and the private Computer Security Institute disclosed that about 20 percent of businesses reported computer breaches last year. The rest remain silent because businesses fear losing customers to the competition and incurring damage to their reputation.

IPod. iTunes. IPhoto. **iPhone?**

Ready at the starting gate to take the lead, Apple Computer is ready to launch it's next expansion of its popular iPod, a mobile phone and music player.

Motorola has teamed with Apple and will provide the mobile phone, while Cingular Wireless will market the device, as yet unnamed.

Although none of the companies have confirmed the news, Apple has announced a major news conference to take place in San Francisco on September 7, and tech watchers expect to be presented with the latest technological innovation.

Mobile phones have become more than a handy device to pack along anywhere so the user is never out of touch. Want to talk and take photos, then email those photos to your friends? It's all there in one little phone. And if your car radio, iPod and other mobile tunes carriers aren't enough or simply aren't convenient, then this latest release from Apple might just be your next tech buy. You might even figure out how to have a conversation and listen to your favorite tunes without interruption.

Apple's iPod took the market by storm, and the product has seen steady enhancements. You can download music directly and legally from Apple's online store for 99 cents a tune. You can also store your photos along with your tunes on the iPod/Photo. What's next? Might you use your phone to create your next award winning video?



Volunteering for Education

Volunteering continued from page 1

runs and a day filled with family activities. Starting at 8:30 a.m., serious competitors can join the 10k run, followed by a 5k run/walk, and two children's runs, 1/2 mile for K through 3rd grade and a 1 mile run for 4th through 6th grade. Daylong events include activities like the Kiwanis Bike Challenge Rodeo, jump rope contest, free massages for the adults, raffles and a chance to see professional BMX riders Gabe Weed and Dave Voelker. Register for the runs online at www.meridianrunforeducation.com or contact Meridian Gold in Reno at 775-850-3708.

When Darren Rohr, the Run director of *Run for Education* and vice president of Human Resources and chief people officer of Meridian Gold, decides to get involved, he does so in a big way. In 2004, the company donated \$15,000 to local schools. This year, the company is sponsoring the *Run for Education*, covering 100 percent of the cost of the event, and wants to raise \$75,000. All fees and sponsorship donations will go directly to the Education Collaborative to be dispersed to needy schools.

You don't have to sponsor an event to become a partner. Debbie DeLauer, partnership coordinator, can help businesses design their own programs. Sponsors can donate materials, money or time, or all three.

Another division of the

Collaborative is From Crayons to Computers, a 6,000 square foot warehouse that accepts donations and opens its door weekly to teachers so they can stock up on needed supplies.

Throwing out that old letterhead? Buy too many Christmas cards? Are you changing company uniforms? Are you moving and getting rid of desks, chairs, file cabinets? Would you like to donate a pack of pencils, paper, binders, crayons, picture frames, printer ink refills, hole punches, carpet samples? It's possible that if you have something to get rid of, a Washoe County teacher can make good use of it.

The Cost of Teaching

Teachers nationwide spend upwards of \$1,000 buying supplies for their classrooms and students. On average, teachers spend about \$660 a year. A federal law allows teachers a \$250 deduction on their tax returns for qualified expenses, but the need is greater than the supply. The Collaborative is taking up some of the slack, and other programs are popping up around the nation to help children get the best public education possible.

I Love Schools, Inc., a national web-based non-profit, matches teachers with donations of school supplies, materials and equipment. Jerry Hall, owner of eWebLab, a web design firm in San Diego,

wanted to give back, so he created the organization as a way to reach a nation of teachers. There are 49 schools and 20 teachers registered in Nevada with the 501(c)(3) nonprofit organization.

I Love Schools, Inc. offers a simple solution to the supplies problem. Teachers register their needs on the site; donors search the list for a teacher/donation match; the donor and teacher communicate to transact the donation. One hundred percent of the donations goes to the teachers. The administrative costs of the nonprofit are paid through direct donations for that purpose and from eWebLab profits. Find out more at www.iloveschools.com or call 858-274-2121.

Another popular program in schools is Box Tops for Education, operated by General Mills. It's simple. Buy products with the designated Box Tops Education logo, cut off the box top, and send it to school with your student in kindergarten through 8th grade. Schools often run classroom contests to see which class can gather the most box tops. Schools redeem the box tops twice a year and can earn up to \$20,000 a year. General Mills also runs the Shop program and the Charge program that allows schools to earn up to \$40,000 more a year.





Volunteerism

It's back-to-school time, and there are a number of ways to help our communities provide the best education possible for our children. Would you like your business to be involved in the classroom or with school activities? If so, in the Truckee Meadows the Education Collaborative has innumerable opportunities available. "Our community creates a good climate for education. The Collaborative encourages student achievement. Together we raise expectations," says Denise Hedrick, executive director of the Education Collaborative.

At printing time, there were still two schools in Washoe County without partners. On Wed., Oct. 5, the Collaborative will hold a Partnership workshop. To find out about the workshop, about partnering or about the two schools without partners, contact Debbie DeLauer in Washoe County at 353-5533.

**Distribution Excellence –
Learn How at the Productivity Convention**

The Food Marketing Institute and the International Foodservice Distributors Association want to help you get it right and will show you the way to excellence in your food distribution service in October.

More than 200 products and service providers will be featured at the Expo. There are businesses and products that support your operations in the food distribution industry. At this event, you'll be able to connect with material handling equipment vendors, facility design companies, pallet and container vendors, transportation and equipment manufacturers, technology providers, consulting services and more. It's the place to see the latest in products, technologies and resources.

The Productivity Convention and Exposition attracts a worldwide audience of professionals with an interest in food distribution. It includes company chief executives, vice presidents, directors, and managers of operation, distribution, transportation, technology/IT, human resources and finance. Do you need to be there?

For information about exhibiting, contact Lucie Crosby, 202-220-0811. Planning on attending? Contact Suzanne George, 202-220-0820. For sponsorship opportunities, contact Lisa Gallagher, 202-220-0812.

Truck Driving Championship –

The Productivity Convention & Exposition is also the site of the Truck Driving Championship, a safety program highlighting standards of excellence and recognizing personal-professional achievement within the truck driving ranks of foodservice distributors, wholesale grocers and self-distributing retailers.

The competition is in its 19th year. Is it time to send your best people to compete again? Find out more by calling Donna Rood 703-532-9400, ext. 233.

• Seminars •

October 2005

RILA' ALEx 2005

October 9 - 12, 2005
Chicago, IL
Contact: 703-841-2300 or
www.retail-leaders.org

Productivity Convention & Expo

Oct. 23 - 25, 2005
Orlando, FL
Contact: 202-220-0820 or
www.productivityconvention.com

Western Food Industry Exposition

October 23 - 25, 2005
Las Vegas, NV
Contact: 916-448-3545 or
www.cagrocers.com

November 2005

PLMA Store Brands 2005

November 13 - 15, 2005
Chicago, IL
Contact: 212-972-3131 or
www.plma.com

January 2006

NRF Annual Convention & Expo

January 15 - 18, 2006
New York
Contact: 202-783-7971 or
www.nrf.com

FMI Midwinter Executive Conference

January 23 - 24, 2006
Scottsdale, AZ
Contact: 202-452-8444 or
www.fmi.org

Abbreviations

- FMI • Food Marketing Institute
- NACS • National Assn. of Convenience Stores
- NRF • National Retail Federation
- PLMA • Private Label Manufacturers Assn.
- RILA • Retail Industry Leaders Association



Full-Service Restaurants Competing With Curbside Service

Are you eating here or taking out? is a common refrain in fast food restaurants, but takeout is a growing market for full-service restaurants. According to a study conducted by Technomic, a Chicago-based research company, the numbers of diners who want to order ahead and take

meals home from restaurants such as Outback Steakhouse are steadily increasing.

That's no surprise for the grocery industry. They're busy dealing with the fact that consumers are buying nearly half of their food at restaurants and takeout establishments. In the last 15 years, that number has gone up 25 percent. Families might be eating at home, but more of them are picking the food up from a restaurant, including the growing market of takeout from full-service restaurants.

Technomic's study shows that, "Roughly 75 percent of all consumers currently make use of takeout or delivery from full-service restaurants at least once a month." The report goes on to say that nearly 30 percent of takeout customers would rather take their meal elsewhere instead of dining in, unless the meal is considered part of a special occasion.

In 2004, takeout sales from full-service restaurants reached about \$14 billion and accounted for about 10 percent of the total yearly sales. Over the past three years, takeout sales grew approximately 8 percent per year. Technomic Principal Michael Allenson notes that this trend could be the single best growth opportunity for casual dining chains.

The study, "Tapping the Market Potential for Casual Dining Takeout," also asked diners to rate casual dining chains. Ruby Tuesday took the top spot, with Red Lobster and Outback Steakhouse coming in second and third, respectively.

But...

Supermarkets still account for about \$600 billion of the \$950 billion market, but the increased competition, not only from takeout restaurants but big box stores and warehouse clubs, is causing supermarkets to find new ways to lure shoppers. Those include whole new divisions dedicated to the carryout customers. Delis offer everything from freshly made sandwiches and salads, to fruit plates, varieties of fully cooked meals ready for the dinner table, and fresh, uncooked meals ready for the family to grill or throw into the oven. Racks of bakery-fresh cookies, cakes, donuts and pies are ready for the eating.

A walk through a supermarket today will find a host of conveniences to draw in busy customers. Need office supplies, prescription drugs, school or camping supplies? How about trays of cold cuts or boxes of chicken with all the trimmings and desserts with a special cake for that birthday party?

Need to mail a package or just buy some stamps? How about bedding plants, soil amendments and fertilizer? The traditional grocery store has taken on a whole new look.

More...

Supermarkets have also taken on the responsibility of helping consumers keep their food safe at home. Take September, for instance. It's National Food Safety Education Month, and food retailers across the country will have available printed material handouts to help consumers.

The Project Chill campaign has been around for a few years, but consumers always need reminding of the importance of keeping their refrigerators at 40°F or less to keep food safe. Retailers can go to the Food Marketing Institute (FMI) website, www.fmi.org, for information and can even link to a site that has the fully reproducible consumer education brochure ready for the printing. FMI also suggests grocers stock certified refrigerator thermometers and display them along with the brochures to drive sales. Go to FMI's website for more information about September activities.

Supermarkets that combine convenience, service and all the right products will hold their own in the retail food industry.

Fast Service and Convenience, Too

One of the first things to change in grocery stores offering ready-to-eat food is where you can find the items. Shoppers want it now and want it fast, so grocery store delis offering fast food along with already packaged foods from salads to sandwiches to roasted chickens in cold cases are also moving those selections to the front of the stores.

Ready to eat, but need something to drink? You can usually find a variety of drinks conveniently placed close to the deli cases and a serving of bakery items also nearby.

So how do you make this all the more handy? You put in tables and chairs so the on-the-run customer can sit down, find napkins and utensils and enjoy a quick lunch. The tables might even be surrounded by the latest magazines and newspapers ready for skimming.



Back-to-School Should Boost August Retail Sales

It's healthy, say retail analysts, and back-to-school shopping should keep August sales data on the plus side. And, apparently, the cloth of choice for young shoppers is denim. Whether they're buying jeans, jackets or skirts, the young crowd is going for denim in its many looks.

Back-to-school sales are considered good indications of the health of the retail industry, with spending for school clothing and supplies generally second to money spent in the holiday season. Clothing drives the spending sprees, but college students are buying their share of computers, MP3 players, televisions, furniture, linens and decorative items that helps drive the seasonal sales. Most agree that after the figures are tallied, August 2005 spending will top last year's numbers.

A recent survey by the National Retail Federation (NRF) says the retail picture looks strong. NRF reports in its Executive Opinion Survey that the Retail Sector Performance Index (RSPI) remained above normal at 54.9, an increase of 2.4 points from June's reading of 52.5 percent. Although, traffic remained below normal at 46.9, sales increased 6.4 points from June to 53.1.

The RSPI measures retail executives' evaluations of monthly sales, customer traffic, the average transaction per customer, employment, inventories and a six-month-ahead sales outlook expectation. The RSPI is based on a scale of 0.0-100.0 with 50.0 equaling normal.

Shoppers went to the stores early for their back-to-school shopping, which helped boost the July sales numbers. Fall apparel sales will be used to project sales for the holiday season.

The Operation Index, which measure employment and inventories, rose to above normal in July with a reading of 53.1, up from June's 50.9. According to the NRF Executive Opinion Survey, retailers remain confident for the next six-month sales outlook, with its rating increasing for the fourth consecutive month to 59.4, up from June's reading of 58.3.

FDA Warns About Salmonella Outbreak

Don't mix ingredients that are supposed to be cooked into a ready-to-eat food that will not be cooked, warns the U.S. Food and Drug Administration (FDA). After an outbreak of *Salmonella* Typhimurium in six states, the FDA issued the warning referencing a product called Cake Batter Ice Cream™, sold by Cold Stone Creamery stores. The company has recalled the product.

In the reported cases of *Salmonella* Typhimurium, dry cake mix that was labeled "bake before use" by the manufacturer was mixed with a pasteurized sweet cream ice cream base and then frozen without any further processing.

Because *Salmonella* can be present in flour and other non-animal foods such as barley, cereal powder and yeast, the FDA is warning the food service industry about mixing ingredients, such as dry cake mix that is designed to be rehydrated and then cooked, with a ready-to-eat food.

The FDA is asking food service operations to review their menus for these types of products and to either work with their suppliers to ensure all ingredients are intended to be ready-to-eat or to process their final products to eliminate microorganisms of public health concern. Routine precautionary measures should also be taken to prevent cross-contamination from raw products and surfaces that have not been adequately cleaned and sanitized.

For more information on the FDA Bulletin, contact the Retail Food Protection Program Center for Food Safety and Applied Nutrition, U.S. Food and Drug Administration, at 301-436-2440 or 301-436-2438.

IRS Changes Rules for Private Label Merchandise

The Internal Revenue Service (IRS) may target private label merchandise for a change in inventory tax rules.

Retailers have reported that during IRS audits, agents have told them they cannot use the traditional "simplified resale method" of capitalization rules. Instead, they must use rules that apply to manufacturers. The rules affect the point at which inventory costs can be deducted, resulting in significantly higher tax obligations.

If this is a new policy, no announcement accompanied the change in the rules. However, the IRS has told affected retailers that it plans to apply the new policy retroactively to the year when the retailer first used the simplified resale method. It could mean huge retroactive bills for those companies who date back to 1987.



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- Comprehensive, state-of-the-art Web-based transaction reporting
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Important information for SIG members

The NRS governing self insured groups requires notifying members of all new members to the Nevada Retail Network Self Insured Group. New members for NRNSIG from August 4, 2005 to August 31, 2005 are listed below. For a complete member list, please call RAN at 775-882-1700.

- | | |
|---|------------------------------------|
| At Home Health Service | Lakeridge Cleaners |
| Barney's Fly Fishing Ranch, Inc. | Laser & Skin Care Center of Nevada |
| Branch, Hernandez & Associates, Inc. | Meadows Pet Center |
| Cabletec Manufacturing Corp. | Mobile Medical Services, Inc. |
| City Auto Pick A Part, Inc. | Pac Machine Company, Inc. |
| Classic Endeavors, Inc. | R Cree Hamilton, DDS MS PC |
| Dudley's Transmission, Inc. | RTN'T Pallets & Skids, LLC |
| Heavenly Times Arctic Spas & Billiards | Sequoia Health Services, Inc. |
| Hungry Horse Bar & Grill Restaurant, Inc. | Stor-All, LLC |
| | The Four Kegs West |
| | VIP Home Health, Inc. |

NRNSIG members who wish to register a negative vote on a new group member, please write NRNSIG at 810 E. Fifth Street, Suite A, Carson City, NV 89701, indicating which member and the reason(s) for the negative vote.

Membership Information

Find out more about RAN's self insured group.
 Call Willie Kerschner, 775-720-8125,
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Cooperation or Competition?

New Research Reveals a Natural Process That We Can Encourage That Will Help People Work Together

Which is more common with your employees? Do they tell you confidentially that certain people make errors on the job, or do they step in and correct those errors before anyone can notice that they have occurred? Do they pass on tricks they learn to avoid mistakes, or do they withhold that information so that only their work is error free? Do they step in and help co-workers who are struggling with a task, or do they busy themselves with other duties and allow these co-workers to get by as best they can?

As you think about how your employees work together, fundamentally you should ask this: Do my employees cooperate or compete with each other on the job? Cooperation is what we want. Unfortunately, it's not always what we get.

For years, researchers have examined work settings to discover how cooperation naturally occurs. They've reasoned that since cooperation often does occur without anyone intending it or managing it, then there must be conditions that are causing it. If we could learn what these are, then we could facilitate these conditions and improve cooperation.

Now, Laurie Milton, from the University of Calgary, has discovered a psychological factor that influences cooperation. She's named it *reciprocated identity confirmation*. It's a simple process, but it will take some explaining.

People have identities. At the simplest level, they have names that identify them, but beyond that, they also have identifying qualities. A young man may see himself as physically imposing because of his size or strength. A young woman may see herself as pretty and attractive to men.

Just as people have identities, they also manage them. The young man may swagger a bit as he walks. The young woman may wear makeup and carefully arrange her hair before going out. They do these things for a reason.

People want to be recognized and have their identities confirmed by others. The young man

wants to be recognized as strong and tough. The young woman wants to be noticed as pretty, and wants young men to signal their attraction to her with special attention.

It feels good to have your identity recognized and confirmed. People are attracted to those who confirm their identities and usually respond in two ways. First, they reciprocate; that is, they return the favor and confirm the identities of these others. Second, they cooperate with them in joint tasks like sports, fixing cars, or shopping for swimsuits. Finally, if others actively thwart your efforts to confirm your identity, then people experience it as competition, and a vicious cycle begins.

Professor Milton recognized that people also have job-related identities. They're smart, funny, creative, good with people, get things done, motivate others, make decisions easily, and/or handle pressure well. Then she conducted a test to see if the same rules about identity confirmation applied in work settings. They do. She found that the higher the level of reciprocated identity confirmation, the greater the cooperation. She also found that the greater the level of frustrated identity confirmation, the greater the competition between people. So, do you want cooperation or competition?

If it's cooperation you want, the research suggests encouraging identity confirmation among work group members to cause them to reciprocate and cooperate.

Ms. Milton feels it is important to give employees the opportunity to reveal their identities, a necessary first step in encouraging others to signal their recognition and confirmation of each other's identities. She feels that rules we enforce that prevent displays of individual identity are wrong, and she feels we should create opportunities that allow people to display their identities and have co-workers notice when they do. For example, meetings of work groups in which people are encouraged to speak about the things they do well are excellent opportunities for identity confirmation to occur and actively encourage cooperation.

Reference: Milton, Laurie, and James Westphal (2005) Identity Confirmation Networks and Cooperation in Work Groups. *Academy of Management Journal*, 48 (2), 191-212.

C 2005 Management Resources

Capitol Watch



Property Tax Appeal—Think your property tax bill is too high? If so, there is a process for appealing the charge. Chuck Chinnock, director of the Nevada Department of Taxation, makes these suggestions for appealing.

First, contact your county assessor. Chinnock says they will take another look, or at least explain to the property owner how the final sum was determined.

The next step would be to take your appeal to the Board of Equalization. Be sure you have evidence, such as incorrect measurement of your property.

There are primarily two areas for appeal, according to Chinnock: Is the property valued in accordance with statute and regulations, and does that taxable value for the property exceed market value? Remember, you're appealing the valuation of the property, not the government set rate of taxation.

Reasons for increased assessment include increased market value in your area and substantial improvement made to the property.

An invalid reason for appeal is if you just think the property taxes you're paying are just too high. Take that up at the next legislative session.

Retail Association of Nevada

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