

January 2004

Serving the Retail Community Since 1969

This Issue

Front Page – 1, 6-7

*Nevada Newsmakers important to Nevada retailers

Seen & Noted – 2

*Pharmacist shortage
*Retailers & tobacco
*Key election dates in Nevada

News Briefs – 3

*Spending bills extended
*ID Theft
*WWTC & WOTC need action

Working Smarter – 4-5

*Business Casual Dress
*SBA answers
*Create a learning culture

Seminars – 7

Guest Article – 8-9

*The gathering economic Tsunami

Tech News – 9

*Canning spam

Self Insured Groups – 10

Larsen Column – 11

*Explaining disappointment

Washington Watch – 12

*FBI goes after a new trend in the family business



Nevada Newsmakers – The News Retailers Need to Know

Are the same old news programs getting you down? Would you like to know what's really going on in your community but haven't found a good resource? Then it's time you tuned in to *Nevada Newsmakers*. It's here to save your day. And it's hosted by long-time resident and familiar face to most northern Nevadans, Sam Shad.

Sam has been a personality in the Truckee Meadows since the olden days, the 70s when the name Truckee Meadows hadn't been invented yet and the common terminology for these sites in the shadow of the Eastern Sierra were called Reno, Sparks, Carson City and some ranch land in the surrounding desert reached by two-lane roads. Because of his enthusiasm for the United States, radio, entertainment and opportunity, he left Britain to settle in the U.S. in 1974. In 1978, he moved to Reno, the place he calls home. His many years in front of the camera and on radio finally led to his creating *Nevada Newsmakers*.

"I just really enjoyed politics, and I'm a big fan of Larry King and Barbara Walters and loved their style of journalism where you can ask people any question you want to ask them." Sam says. "I found in some ways, there was a void in regular journalism where you didn't get that kind of to-and-fro."



Sam set out to fill the void and created a show, first in radio and then on television. He's been doing *Nevada Newsmakers* since 1993, first appearing on television once a month on KOLO-TV-Channel 8. It now airs four days a week, Monday through Thursday at 12:30 pm on KCRL-TV-Channel 4, 9:30 pm on Charter Cable Channel 12, and KKOH radio on Sunday mornings.

The idea of this show is to give Nevadans the news that impacts them from the horse's mouth, so to speak. The politicians, state and U.S., the lobbyists, the pundits, business owners and others are there to answer hard-hitting questions posed by Sam and partner Ande Engleman, former executive director of the

[Nevada Newsmakers continued on page 6](#)

Seen & Noted

Retailers Keep Earning Good Grades on Tobacco Law Enforcement

Nevada retailers continue to do a good job in preventing sales of cigarettes and other tobacco products to youth under 18-years-old.

The Nevada Attorney General conducted 367 tobacco compliance checks during the period of November 1, 2003, to December 14, 2003. There were 46 buys, which is a 12.5 percent youth buy rate.

"This is great, and please keep up your work in this area," said John Albrecht, chief tobacco counsel for

the Nevada Attorney General's office.

Albrecht says that about 1/3 of all outlets receive the compliance check results by FAX rather than mail. That means those stores receive notice of the check much more quickly than those who are still getting notified by mail. If any store would like to sign up to receive the notice by FAX, give his assistant, Sharon, a call at 775-688-1818, and she'll sign up your store.

Key Election Dates Coming Up in Nevada's Election Year

February 7 – 12:

Various GOP Lincoln Day events around the state.

February 14:

Democrats hold precinct caucuses around the state.

April 16-18:

State Democratic convention in Las Vegas.

April 29- May 1:

State Republican convention in Reno.

May 3 – 14:

Candidate filing period.

May 18:

Deadline for local filing of referenda to change state law.

June 15:

Deadline for local filing of proposed constitutional changes.

August 17:

Close of voter registration for primary.

August 21 – Sept. 3:

Early voting in primary election.

August 31:

Contribution spending reports due.

September 7:

Nevada's primary election.

October 12:

Close of voter registration for General Election.

October 16 – 29:

Early voting in General Election.

October 26: Contribution spending reports due.

November 2:

Nevada General Election.

Pharmacist Shortage Could Get Help from Congress

The pharmacist shortage isn't getting any better. The Senate acted last year to try to alleviate some of the problem. Now the House needs to act on a companion bill to help get some relief.

The Senate's bill, the Pharmacy Education Aid Act, SB 648, provides favorable loans and scholarships for pharmacy students. It also establishes a loan repayment program to address the shortage of faculty at colleges of pharmacy.

The National Association of Chain Drug Stores (NACDS) has been working on the bill. The organization is searching for more cosponsors for the House bill. NACDS representatives also have plans to meet with staff of the Energy & Commerce Committee to urge them to move forward with the legislation.

Some Spending Bills Extended

In its final days in session last year, Congress agreed on future action on a number of money bills.

It extended the WIC program until March 31, 2004, which allows the body to come back early in 2004 to complete a five-year reauthorization of the program.

Members of the Senate also agreed to act early in 2004 on the House-passed pension legislation, H.R. 3108. Senators authorized Majority Leader Bill Frist (R-TN) and Minority Leader Tom Daschle (D-SD) to each offer three amendments, limited to pension rate, deficit-reduction contribution and multiemployer relief options. Defined benefit plans need a new rate to replace the defunct 30-year Treasury rate, and Multiemployer Pension Plans are seeking short-term relief.

The Senate also agreed to retroactively extend other business tax provisions that expired at the end of 2003, which include a deduction for clean-fuel vehicles and refueling property, and an enhanced deduction

for corporate contributions of computer equipment for educational purposes.

The tax cut passed in 2003 contains a provision that is retroactive to January 1, 2003, that accelerated all marginal income tax rate reduction, including reducing the top rate that many family businesses pay to 35 percent. It added incentives for capital equipment purchases, including a first-year bonus depreciation increase from 30 to 50 percent, with the added benefit of allowing businesses to expense up to half of the cost of the year equipment is purchased. The law also increased to \$100,000 the amount a small business can expense directly. The tax cut also reduced the tax rates on capital gains and dividends to 15 percent.

Congress still hasn't agreed on a permanent repeal of the federal death tax. The 2001 law was only a temporary act and expires after 2010.

Source: Food Marketing Institute

Congress Needs to Act to Keep WOTC & WWTC Programs Afloat

The Work Opportunity Tax Credit (WOTC) and Welfare to Work Tax Credit (WWTC) temporarily expired on December 31, 2003, when Congress failed to pass the Tax Relief Extension Act of 2003.

Retailers use the programs to help individuals move from the welfare rolls to the workplace.

The "extenders" bill would have extended many expiring tax laws but got bogged down before Congress went to winter break.

The argument centered on whether or not to extend the temporary federal unemployment benefits that were set to expire. Congress won't consider the bill again until reconvening in January.

WOTC and WWTC provide tax credits to retailers and other businesses to offset the training cost of disadvantaged new employees. Seven out of 10 welfare recipients who obtain private sector jobs do so through the programs.

The programs were established in 1996, but they have never been given a permanent status. Instead, each time the expiration date approaches, Congress temporarily re-authorizes them for one or two years. That creates a problem for retailers because it makes hiring plans difficult.

Last year's authorization lapse caused some employers to stop using the program because they were unable to certify thousands of workers.

More Protection from ID Thieves

Under legislation signed into law at year's end, credit bureaus will be required to share consumer information reporting identity theft. This one-call protection is one of the safeguards of the law designed to help combat identity theft. The Federal Trade Commission estimated that 9.9 million Americans were victims of ID theft last year.

The legislation renews the Fair Credit Reporting Act, which sets a national credit reporting standard. Under the new components of the Act, once a year, consumers will be able to email, call or write the three major credit bureaus for a free copy of their credit report and their credit score to help them understand why their credit was denied or approved. It also requires businesses to black out Social Security numbers, credit card numbers and debit card numbers on receipts, and require coding of medical information on credit reports.

Opponents of the legislation say it pre-empts tougher state privacy laws that prevent businesses from sharing their customers' financial information with other companies.

Business Casual Dress

By Peggy Morrow

Does your company have a casual dress code? Maybe every Friday is casual day, or you can dress casually all the time. Business casual dress has now become the norm in many major firms including American Express, Citibank, General Electric and IBM. More than half of white-collar workers now wear casual dress to work every day, and 90 percent are permitted to wear casual attire at least occasionally.

Whatever the case, I have observed that some organizations could use a little help in defining what the word “casual” dress means. Here are some ideas.

There is business casual and then there is careless casual. Some companies allow employees to dress any way they want, wearing cut-off jeans and T-shirts without collars, sometimes the rattier the better. Companies like that don't need any kind of a dress code because anything goes.

But if your organization has a “business casual” dress code, it often needs some interpreting. Some employees are unable to distinguish between casual and sloppy, careless dress.

There is more to business casual attire than comfort. Stay away from denim in general unless it is a logo denim shirt given to you by the company. Many people equate denim with very casual events, and therefore, it does not fit the definition of business casual. Also, avoid sweat suits, sleeveless or collarless T-shirts, military fatigues, capris and any garment with a message in questionable taste like liquor ads.

Instead of jeans, wear casual slacks like Dockers for men or a comparable

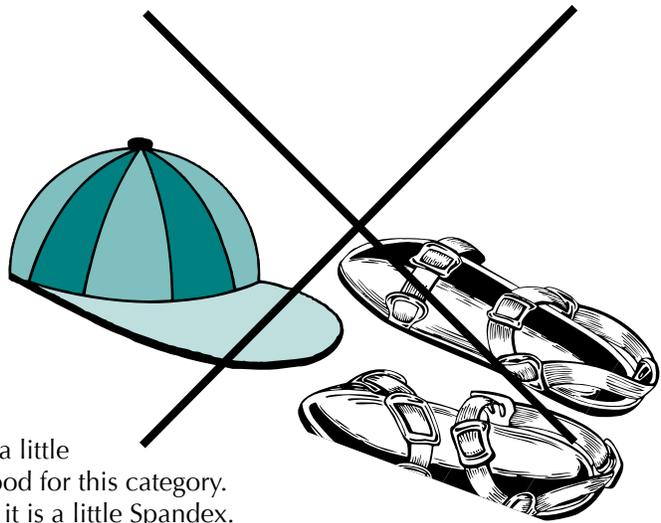
look for women. Be sure your clothes are always pressed and in good condition. Fabrics like cotton blends or with a little Spandex are good for this category. (But make sure it is a little Spandex. Anything too tight is a no-no.) Stay away from linen as it wrinkles too much.

Tops can include both short and long-sleeved versions, but avoid anything sleeveless, as it is too casual for a business atmosphere. A jacket or vest over your shirt and slacks will give you added authority when you need it. Women can wear the popular sweater sets, but make sure they don't fit too tightly.

Watch your accessories and grooming. Baseball caps are totally inappropriate worn indoors. Women should avoid too many hair accessories or very casual hairstyles that look as if you haven't combed it for two weeks.

Shoes are always an important part of your wardrobe, but a category that is often overlooked. Tennis shoes or sneakers are not considered appropriate for business casual. They belong in the careless or sloppy category. Are sandal-like shoes that expose the toes appropriate for your work place? Some people think so.

All shoes should be polished and in good repair. Take a minute right now and look at the back of your right shoe, the one you drive with. What does it look like? Scuffed and



worn? A person's eye is drawn to the one thing that is wrong with an outfit. They will definitely notice those scuffed, worn-down shoes or the belt that is a little frayed.

Color also has a lot to do with the perceived professionalism of your outfit. In general, darker colors convey a more professional appearance. Prints and lighter colors project a more friendly and relaxed image. Choose the message that you want to convey.

A good general rule to remember is to emulate your boss's casual dress. You will then be considered to be wearing the “team uniform” and should fit right in. Always remember that you don't want your attire to be the first thing that people notice about you. Rather, you want to create an overall impression of professionalism.

Peggy Morrow is a professional speaker, facilitator and consultant. To have her work with your group, contact her via her web page at www.peggymorrow.com.

SBA Answers to Employer Questions

The following is information offered by the U.S. Small Business Administration on employer/employee relations.

Question:

How can I motivate my workers/employees?

Answer:

Although everyone is motivated by different needs, most people will tell you that two of the most important things they look for in an employer are mutual respect and personal involvement. When workers feel good about themselves, the work they do and the company they work for, it is much easier to gain their cooperation. Below is a list of ways in which you can pull the very best out of your employees, benefiting not only yourself, but also those working for you.

- **Involve employees in the decision-making process.**
Give employees a share in decision-making. Even if you don't use them to help decide what is to be done, you can ask for their input on how or when it is to be done, in what way or by whom. Let their "share" increase over time. Keep employees informed. Keep employees informed about changes that can directly affect them such as policy changes, procedure or rule changes, product information changes and performance changes.
- **Be aware of the morale level of your employees.**
Be sensitive to changes in morale. Know when and why it goes up or down.
- **Maintain an open-door policy.**
Be approachable, available and interested, not distant.
- **Be sure to listen.**
Always listen to and try to understand what employees are communicating.
- **Always treat your employees with respect.**
Be thoughtful and considerate of the person you are dealing with.
- **Ask for suggestions.**
Be sure to invite suggestions and new ideas from employees concerning work. Be willing to put good ideas into action by making changes.
- **Give constructive criticism.**
An effective manager gives constructive criticism and never makes personal attacks.
- **Recognize your employees.**
Give appropriate praise and recognition for a job well done.
- **Outline job responsibilities.**
Make certain employees know exactly what is expected of them and how their performance will be evaluated.

How to Create a Learning Culture for Your Sales Team

The most successful sales professionals are those who never stop learning. As a sales manager, you can encourage constant learning by turning your department or organization into a knowledge-friendly environment. Try out these ideas:

• **Set the Example Yourself**

Make a commitment to learning more and more about your company, industry and the world around you. Don't limit yourself to the business universe. Share what you learn, and ask for suggestions about new areas to explore.

• **Provide Technical Help**

Work with your company's IT department—or just the members of your sales team who know most about computers—to create systems and structures that let people find and share information easily. If an intranet is beyond your budget, encourage traditional information sharing through meetings and bulletin boards.

• **Cut Down on Bureaucracy**

As much as it's within your power, eliminate unnecessary steps and barriers to information sharing. For example, when Jack in customer service can talk to Sara in accounting directly, instead of sending an email to his boss to forward to her boss, information and knowledge will move much more efficiently.

• **Reward Knowledge**

Recognize people who share information to solve problems. Encourage your sales team to come to you with ideas for doing things better throughout the organization.

Adapted from "How is your company know-how?" by Kris Cole, on the Corporate Trends website. Source: Sales Management Report, 800-878-5331, www.ragan.com.

Nevada Newsmakers

continued from page 1

Nevada State Press Association and long-time member of the Capital Press Corp. Sam says a guest can answer the question, or not, and the viewers can form their own opinion rather than rely on that of a third party analyst.

Has Sam ever been stumped by a recalcitrant guest? Not really, he says. The whole idea is to let the guest create his or her own image. Not answering a question can sometimes speak much louder than words.

Ah, you think the political scene is boring and why should you watch. Well, Sam says that's exactly the

attitude the show combats. "Politics has all the ingredients of a great soap opera—sex, drugs and rock 'n roll," he says. It also affects your life everyday in every way. That's why he created the fast paced and visually exciting show—so you can get your news and like it too.

A regular newscast has little time to do more than give a brief overview, maybe 30 seconds, of a vital issue such as last year's legislative battle over the gross receipts tax (GRT). *Nevada Newsmakers*, however, brings in the combatants, asks a question, and lets the answers fly.

Sam says one of the most dramatic shows on television this year was during the legislative session when the show brought together Harvey Whittemore and Sam McMullen, two of the most influential lobbyists in the state who represented opposite sides of the GRT. It was as fascinating to watch as it was educational.

Surprises can happen on any given day, Sam says, like the time that very conservative Barbara Vucanovich, former Nevada Republican member of the House of Representatives, didn't exactly endorse Senator Harry Reid (D-NV) but said that he should be sent back to Washington. Then there was the time that Senator Reid commented about the race between Ed Bernstein, Democrat, and Senator John Ensign, Republican, saying that it didn't matter who was elected because both were good guys.

It's said that politics makes strange bedfellows, but politics in Nevada can be as mysterious as sand shifting in the desert. If you think it's a sure bet, you're in the wrong game. What politics is, according to Sam, is the ultimate form of power. "Politicians are more powerful than the biggest movie star or rock star," he says. Their phone calls are always answered. They can get any seat in a restaurant or even have the place cleared out. He adds, "They have incredible power and all that goes along with that—all the things that make a good story." Sam's job is to let you in on the story and present the package so that you want the commercial to end and don't want the show to stop at the end of the half hour. The show leaves you hanging for the rest of the story—it's a page-turner on screen.

Sam says, "I tell the public not

Nevada Newsmakers Needs Sponsors & Advertisers

Sam says that the show, which he independently produces, is an expensive proposition. The sets, air time and shooting time, all designed to draw the viewer (and are proving to do so in the ratings) needs support to continue. **RAN is a huge sponsor and supporter.** Everyone who thinks this kind of forum is necessary in the community needs to give support.

Advertising is one of the best deals in town. The cost is \$200 per day—the show airs Monday through Thursday. That \$200 gets a commercial on both the 12:30 p.m. show that follows the noon news on KRNV-Channel 4, and on the Prime Time edition at 9:30 p.m. on Charter Channel 12. The Charter version airs in Reno, Sparks, Carson City, Carson Valley and Dayton.

All four of the shows air on KKO radio on Sundays from 9 a.m. to 11 a.m.

One spot each day would cost \$800 per week or \$3,200 per four-week month. Become a major sponsor by purchasing two commercials per show. For \$6,400 a month, you get an open and closing billboard in the program, i.e. "brought to you by...."

*** These are net rates. If purchased through an agency, the cost is 15% higher.**

Sam Shad Productions can assist you in the entire process of the ad. You need not hire any other service. The audience continues to grow. Sam gets requests for tapes every day, so any particular show will get repeated viewings.

Call Sam Shad Productions in Reno, 775-857-2244, for information.

Nevada Newsmakers continued on page 7

Nevada Newsmakers is an independent production of Sam Shad Productions, and not affiliated with any television or radio station.

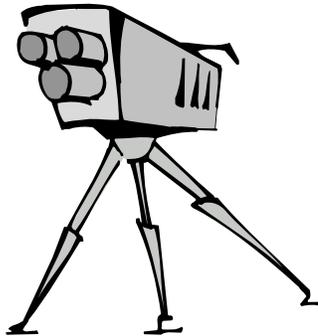
to rely on any single source." So he gives you lots of sources, and because he knows a plain talk show can be boring, he offers an exciting format that viewers will watch, giving them the chance to hear all the sides so they have the information to make up their own minds about an issue. And he knows it's working.

The latest ratings show *Nevada Newsmakers* with a 1.3 rating for adults 25+, a 2.8 rating for adults 35+, and 2.8 for adults 50+. Compare that to *All My Children* with a 2 rating, the popular *Regis & Kelly* with a 2.4 rating, KRNV 6 a.m. news with a 2.3 rating, and KTVN 6 a.m. news at a .8 rating. Not only that, the show has become a source for other news shows. "We know the media is watching because we see verbatim stories on the wire or on air. Senator Reid's comment about the Senate race made the national wire within 10 minutes of being aired on *Nevada Newsmakers*," Sam says.

Before *Nevada Newsmakers*, business really didn't have a place to tell its story. Now, the Retail Association of Nevada (RAN) is a big supporter of the show because it's the one forum where business gets airtime.

Sam says business news is generally ignored by newscasts, but it's the lifeblood of a community and needs to have a place in the news. "Our idea is simply to further the story," he says. In his effort to bring all the players to the table, members of the business community regularly appear on the show, characterized by fast dialogue, not monologues.

Sam thinks all these stories, political, business, education, etc., how they interact and how they affect the public, are so important that he's sunk his life's cache into the show.



And business has really stepped up to the plate, he says. He's proud to say that, though they use the forum and advertise on the show, they never pressure him to hold a topic or present a particular topic or angle. All guests understand that even if they advertise on the show, they get the same treatment as anyone else. "We announce up front when a guest is also a sponsor," Sam says. "We've never had anyone not agree to that."

Sam Shad Productions will soon take the show statewide. Being a political year, viewers statewide will want to tune in to see what the candidates have to say about the issues. Every candidate will be a guest on the show. Do they really know how to deal with the state's budget woes, education, border problems, Internet taxes, etc.? Let their own words speak for them. Tune in. if you don't have time in the middle of the afternoon to watch *Nevada Newsmakers*, tape it, or catch it at 9:30 pm on Cable 12.

Sam Shad Productions also produces the *Best of Reno Dining Show*, with co-hosts Sam Shad and Lise Mousel. It's a fun, mouth-watering show. You can watch it on Cable Channel 12 between 5 p.m. and 7 p.m., where it airs 13 times a week, and on Fridays at 12:30 p.m. on Channel 4. Plans are to offer a Las Vegas version soon.

• Seminars •

February – 2004

NRF Retail Advertising Conference

February 11 - 13, 2004

Chicago, IL

Contact: 800-MRF-HOW2

IMRA/FMI Marketechics 2004

February 28 - March 2, 2004

San Francisco, CA

Contact: media@fmi.org

March – 2004

NACS Leadership Assembly

March 14 - 17, 2004

Laguna Niguel, CA

Contact: 703-684-3600

IMRA Marketing Conference

March 24 - 26, 2004

Orlando, FL

Contact: rasher@imra.org

April – 2004

IMRA Loss Prevention, Auditing & Safety Conference

April 13 - 16, 2004

Dallas, TX

Contact: rasher@imra.org

NACS Category Management

April 28 - 29, 2004

Chicago, IL

Contact: 703-684-3600

May – 2004

NRF CRMretail: Customer Relationship Management Conference

May 11 - 12, 2004

Orlando, FL

Contact: 800-MRF-HOW2

FMI Financial Executive Conference

May 23 - 26, 2004

Orlando, FL

Contact: pshinko@fmi.org or call 202-220-0705

Abbreviations

FMI • Food Marketing Institute

IMRA • International Mass Retail Assn.

NACS • Nat'l Assn. of Convenience Stores

NRF • National Retail Federation

The Gathering Economic Tsunami

By Sanford Kahn

*Part I of two. Please see the second article of this series, "The New Feudal Society," in the February edition of **RAN Nevada News**. The opinion expressed in the following guest article is solely that of the author and not that of the Retail Association of Nevada.*

We think of a tsunami as a great wave thundering ashore causing massive death and destruction. For this article, though, the gathering economic tsunami will cause immense changes in American society, but not the negative ones implied by the word. These changes will start slowly and will compound over time. Viewed from the perspective of 50 years hence, American society in the last few decades of the 20th century and the first decade of the 21st century will have seemed a strange and alien place.

To understand the business and social ramifications of this gathering economic tsunami, it is best to start with a simple example and then progress from there.

Let's say you own a widget factory. For simplicity, let us call it the Acme Widget Company. Funny thing about your company—you have absolutely no competition.

How do you run your company in this envious business environment? I would guess rather loosely and inefficiently. Why not? You have no competition. Your salespeople are acting more as order takers than salespeople. I would also venture to speculate that your widget prices are rather extravagant. Your high widget prices are needed to pay for the gross inefficiencies of your business.

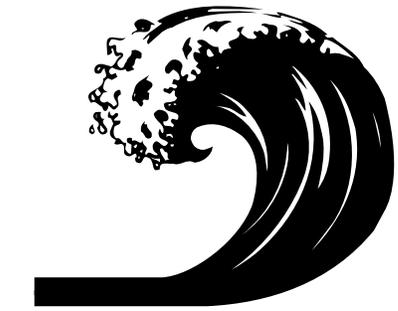
Good times do not last forever. A competitor moves in. This competitor is the Zenith Widget Company and makes the exact same product you do.

Do you think for a moment that you will be able to run your business in the same inefficient manner as before? No way! Competition changes the business landscape. Now, you must shed the excess pounds and become a more lean and mean company to survive.

Let's elevate this example format. There is a country that is considered the dominant economic and military power in the world; its currency is used as the world's only reserve currency. For argument sake, let's call this country the USA and its currency, the dollar. Since the USA's dollar is the world's only reserve currency (no competition), the citizens of this country can lead a rather lavish lifestyle of high consumption and very low savings. They don't have to worry about savings because foreigners will willingly supply the funds necessary for the USAers to continue their lavish lifestyle. They will accomplish this via the massive dollar trade deficits the USA has incurred with the rest of the world.

About 13 years ago, the USA almost had a reserve currency competitor. Unfortunately, this competitor (Japan) came upon hard times and has since faded away. Today, though, things are changing for the USA.

The USA now has a viable competitor that rivals its dollar as a reserve currency. This strong competitor is the European Union, and its currency is the Euro. No longer will foreigners have to lend their funds to the extravagant USAers.



They now have an alternate to dollar-based investments. They can place their excess funds in Euro assets (stocks and bonds, for example).

Just like the example with the Acme Widget Company, do you think that the USAers can indefinitely continue their high consumption/low saving lifestyle now that they have a reserve currency competitor?

The answer is a definite NO. Change in behavior will come. It will be slow at first, but will compound over time. If the citizens of the USA do not change their behavior and start to save more and consume a little less, foreigners will not lend them the funds at relatively low interest rates. In other words, foreigners will not continuously subsidize the excessive consumption habits of the US citizens. They can't, because they can only absorb so many dollars before they demand a higher price for the funds they lend.

The financial markets will pressure the US Congress to change the tax laws to treat saving and consumption equally, or to have a slight bent favoring savings. Compounded over time, this marginal change in behavior will be immense. Look at a dollar. There are only two things you can do with it. You can spend it, or you can save it. As you give people incentives to save more, they will spend a little less. For business people, this means that the current competitive business environment will become even more intensely

Canning Spam Sounds Good, but a Closer Look Turns Up Weaknesses

Just because the President signed the Can Spam Act anti-spam legislation doesn't mean you can get rid of your anti-spam filters. According to eight state attorneys general from the Internet Committee of the National Association of Attorneys General, the legislation "creates so many loopholes, exceptions and high standards of proof, that it provides minimal consumer protections and creates too many burdens for effective enforcement."

The law took effect on the first of January and bans bulk commercial emailers from using false identities and misleading subject lines. It also requires all commercial email messages to include a valid postal address and to give recipients the opportunity to opt out of receiving more messages.

Proponents of stricter legislation say the law contains so many loopholes that its effectiveness is questionable. It also preempts state laws, many of which have stricter rules. A better method of curbing spam would be to follow the European Union's directive, which asks member countries to adopt a permission-based email policy. California law, one that will be preempted by the federal legislation, had established an "opt-in" provision, forcing spammers to get permission before sending their emails.

The first spam was sent on May 2, 1978, when the system was called the Arpanet and was run by the Department of Defense for its own use. Available addresses could fit on a couple of printed pages. But even then there was an enterprising salesman, a Digital Equipment Corporation employee. His company,

located on the East Coast, was introducing a new computer on the West Coast. He decided to spread his good news using all the West Coast addresses on the Arpanet, and the first commercial spam was born.

It may have been a good idea then, but not so today. It costs businesses thousands of dollars in wasted time and home users hours of aggravation.

The Can Spam Act authorizes the

Federal Trade Commission (FTC) to look at the feasibility of creating a "do not spam" list similar to the do not call list created to stop unwanted telemarketing calls. It also provides that violators can be fined up to \$250 per email violation, up to a \$2 million cap. The fine could be tripled for extreme circumstances. Violators could also get up to five years in prison.

The Gathering Economic Tsunami

continued from page 8

competitive. Top line growth will not be achieved by simply raising prices.

How to survive in this environment? Increasing your sales and revenues will be contingent on gaining market share in your core markets. The future does not belong to the big and powerful or the small. The future belongs to the swift. The swift are those businessmen and women who have the liquidity or free cash flow to pounce on opportunities ahead of the others.

Slight changes in people's economic behavior, compounded over time, can result in quantum changes on how they act and view the future. For example, when our tax system promotes consumption as opposed to savings, people's perspective is no further than the tip of their noses. They live in the present. But, when the tax system tilts to favor saving over consumption, people's time horizons move further out. They seriously consider their financial futures and that of their families, instead of focusing only on the here and now. To put it

in a different perspective, when individuals start focusing on the future and their well being, they start to become more conservative both socially and politically.

The classical definition of economics fits the motif of this article. It is the study of human behavior in its historical setting. Life is not linear. It is cyclic. The pendulum swings back and forth. Small changes in economic behavior are compounded over time. America by the mid-21st century will be a much different place from what has transpired over the last few decades. It will be a more conservative place both socially and economically. The social and economic behavior that has transpired in the last 30 years or so will be seen as an aberration by 2050. The new trend is already in motion. The future will reward saving and investment.

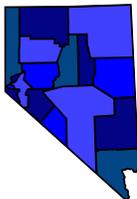
Sanford Kahn is a Business Author/Speaker. For more information, please see his web page at www.businessspeaker.biz, or contact him at 562-434-4695, or Sanford16@yahoo.com.

**TAKE CONTROL OF
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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. NRNSIG new members from November 1 to December 31, 2003, are listed below. For a complete member list, call RAN at 775-882-1700. Please Note: Due to the many new members added each month to NRNSIG, we are unable to list all members on this page.

NRNSIG

Arby's of Elko
Brake Masters 3
Carniceria Dos Amigos 4
Dixon Domestic Home Help-ers
Don's Pharmacy, Inc.
Elite Professional Security
Home Treasures LLC
North Hills Dental Group, Inc.

Orchid Stop-N-Shop
Quality Investigations, Inc. 1
Quality Investigations, LLC 2
Rod Blasius Automotive
Smith Valley Garage, Inc.
The Owl Club Bar & Steak House
Trump, Inc.
Valley Lawn Care Co.

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 or the RAN office at 775-882-1700
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Don't forget to check out our website, www.RANNV.org.



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Explaining Disappointment

New research points to a physiological explanation for the disappointment that follows rewards

By James Larsen

Deep in a primitive part of our brains lies a place called the limbic system. It's the place where emotions, sexual desires, aggression, and violence originate. The swelling emotions that drive this system would destroy us if left unchecked, but they are checked. This control mission is the job of another part of our brains called the frontal cortex.

The frontal cortex accomplishes this control by flooding the limbic system with chemicals that keep impulses that arise there under control. Nevertheless, the limbic system succeeds in this chemical warfare with one neurotransmitter called dopamine.

A small pathway from the limbic system pumps dopamine into the frontal cortex following rules researchers are only now beginning to understand. When dopamine reaches the frontal cortex, we experience it as pleasure.

Christopher Fiorillo, from the University of Cambridge, is one of these researchers, and he recently made a discovery with profound implications.

Logic suggests that dopamine will be released into the frontal cortex following this sequence: perform a task, receive a reward, and then experience the pleasure of a dose of dopamine. It's compelling logic, but it's not what happens.

Fiorillo implanted electrodes into the brains of two baboons. The electrodes could measure both the timing and the strength of dopamine secretions. Then he trained the baboons to perform a task and get a reward. He found that dopamine was released twice into the frontal

cortex. First, just before the baboons performed the task, and second, just before they received the reward. The experience of pleasure peaked before the reward was received, not after.

Next, Fiorillo manipulated the reward. Sometimes the baboons received the reward and sometimes they didn't. Remarkably, the strength of the dopamine secretion into the frontal cortex increased substantially. If the reward wasn't a sure thing but only a maybe, then the pleasure that preceded the reward was greatest.

Assuming that these findings apply to humans, and Fiorillo believes they do, they explain what happens

What to do? It seems that manipulating anticipation is a key.

next. They explain what happens to us after we receive this peak dose of dopamine.

During a holiday season such as Christmas, there is great anticipation. This year everyone will get along. This year we'll all love and accept and forgive each other. This year there will be peace in the family. This year everyone will like his or her gifts. Unfortunately, following Christmas, most people feel a let down. We call it the holiday blues, and we blame it on unfulfilled expectations. Fiorillo's work offers another explanation.

Dopamine secretions into the frontal cortex peak just before Christmas, just before holiday gatherings, and just before opening gifts. It peaks when anticipation is the

greatest, and when this peak passes, we feel the decline. We call it the blues and search for explanations, but we need search no further than Fiorillo's experiments.

This decline in pleasure following an anticipated reward also occurs in business settings. Sales people call it buyers' regret and try to follow the rule of not being present when customers actually receive their purchases. New employees feel most excited the day before they start their new jobs. The day after usually finds them struggling with a let down. Any big project that engenders hopeful anticipation will result in a let down once it's completed. We can blame it all on dopamine.

What to do?

It seems that manipulating anticipation is a key. If we can curb our excitement, focus our attention beyond anticipated rewards, and focus outside ourselves, then, logically, the amount of dopamine released into the frontal cortex just before we receive rewards should decline. This lower peak should relieve the let down that plagues us, and if we can teach our people this lesson, then we can relieve their disappointment as well.

Reference: Fiorillo, Christopher D., Philippe N. Tobler, and Wolfram Schultz (2003) "Discrete Coding of Reward Probability and Uncertainty by Dopamine Neurons." Science, 21 March, 299, 1898-1902.
C 2004 Management Resources

Washington Watch



Feds crack down on family

business—The FBI is cracking down on the latest trend in family businesses—stealing goods from retailers and selling to the highest bidders on eBay. The FBI case in Chicago involves a mother and son team who operate pawn shops in the area. Wanting to grow the business, they recruited thieves to steal merchandise from retailers in 11 states, targeting home improvement stores. Anything was fair game from sump pumps to the kitchen sink. The merchandise exceeds \$2 million in retail value.

The “employees” delivered the goods to the mother and son, Laura and Bruce Wasz, who then posted the merchandise on eBay. Buyers were able to pick up real bargains, buying products at well below wholesale prices. Favorite targets were Home

Depot and the Great Indoors and Expo Design Center.

Local police in Midvale, UT, busted another family business. Nhuan Lam of West Jordan, UT, would buy stolen goods from burglars, and his wife would then post the items on eBay, selling to the highest bidder. Police recovered thousands of dollars of goods stolen from private citizens. Stolen goods included computers, construction tools and home electronics.

“It’s truly caveat emptor out there—buyer beware. And it’s important for the consumer to realize that there is more at stake than simply buying stolen and often untraceable property. They’re helping to create a market thieves can take advantage of ... and will drive up the retail prices for all of us,” said Gary Shapiro, first assistant U.S. Attorney General.

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